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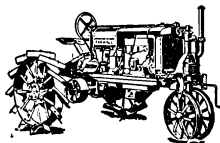
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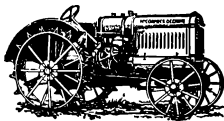
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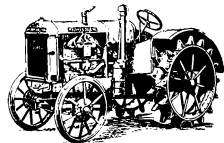
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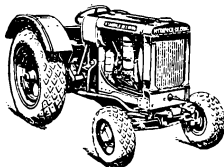
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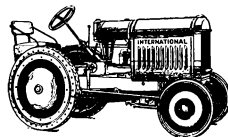
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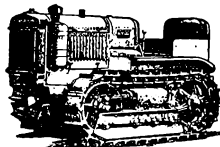
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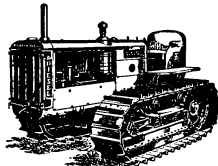
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LETTERS

Dr. Victor S. Clark
—Economics consultant,
Washington, D. C.

"I have received letters from President Roosevelt and from Mr. Joseph R. Sheehan, Executive Director of the United States Maritime Commission. (These letters have to do with the proposal in our February issue that the problem of finding tolerance for Philippine sugar in the American market be forever solved—and other ends achieved besides—by an arrangement between the two governments concerned, the Commonwealth and the United States, for freighting the sugar in American and Philippine ships exclusively, after lapse of a period ample for building the ships to navy specifications as auxiliaries when needed for the Pacific fleet. As reactions from President Roosevelt down have been favorable at Washington, where Dr. Clark's interest served to implement action, we make another appeal now, to the Philippines, that steps be taken to implement the project here.—Ed.)

"President Roosevelt writes that he communicated with the United States Maritime Commission with regard to the matter brought up in your letter and in reply has received a suggestion which is in substance that which I quote from Mr. Sheehan's letter below. He adds—

"It is needless to say that these various problems are very complex and hardly of such a nature that they can be handled through the medium of correspondence. Therefore I suggest that you communicate with the Joint Commission and present your ideas to them."

"Mr. Sheehan's letter says:

"The matters discussed by Mr. Robb would seem to involve not merely shipping but the whole subject of such economic relations and, accordingly, it is believed that Mr. Robb's suggestions might well be referred to the Joint Commission rather than acted upon here by this Commission."

"I have written a letter to Mr. MacMurray of the Joint Commission about

this matter." (Readers will find the project detailed with illustrative data in our February number).

"Meat of the Matter"



WILLIAM ALLEN WHITE

Famed editor-owner of the *Emporia (Kansas) GAZETTE*, among whose subscribers are a thousand other American editors who respect his opinions and await their utterance.

"Of the matter dealt with in Dr. Clark's letter above, first column, *Veteran Editor White* says: "I am satisfied that you have got at the meat of the whole matter." (And still no action here!)

R. McCulloch Dick, publisher of the *Philippines Free Press*, writing from Paris, says of the same suggestion, "Seems to me you make a pretty good point, so far as maintaining trade between U. S. and P. I. is concerned, in

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LETTERS cont.

that rather original presentation, statistical, of the fleet of merchant ships' benefit accruing to U. S. from its present relations with the Islands. The way things international are going now, it looks as if one of these days the U. S. will need quite a fleet of merchant ships 'for servicing of the naval fleet.' I hope your presentation will have some weight in Washington when next the Philippine question comes up for discussion."

Jose Paez—
President & General Manager of
the Manila Railroad Company.

"While it would be a very great privilege to have the services of such a distinguished architect as Mr. Frank Lloyd Wright made available to the Commonwealth Government, the hotels which this Company contemplates to build at various places are really of modest size and pretentiousness, and it is doubtful whether structures of this kind would justify the intervention of a man of Mr. Wright's reputation and ability. The services of an eminent architect would of course be very desirable, were these hotel structures of such size and importance as to require heavy outlay of funds.

"The above is of course only my personal reaction to your valued suggestion." (This suggestion was in our March issue. We have amplified it somewhat in a reply to Mr. Paez and we hope the matter is not quite at rest. Objectives: Wider recognition of the Filipino architect or architects whose work the hotels would primarily be, and, aside from assured esthetic form and utility, immediate worldwide notice of the hotels as modern accommodations for visitors touring Philippine inland places.)

Cornelio Balmaceda
—Director, Bureau of Commerce
& Industry, and acting manager
of the National Produce Exchange.

"I have just read the article on the National Produce Exchange which appeared in the February issue of the Journal, and I hasten to write this letter to thank you for it. It presents very clearly and vividly the information about the Exchange. At this

stage, the Exchange needs all such information as may be disseminated among producers and traders in commodities so that they can make sure use of its facilities and the object of this new marketing institution may be accomplished. If you will permit us, we would like to make reprints of the article, crediting the Journal of course, as its source. The reprint will be added to the pamphlets, circulars, and other materials about the Exchange that are being distributed." (Welcome indeed is Friend Balmaceda to do of Journal stuff, with credit or without, for advancement of the marketing problems of Philippine growers).

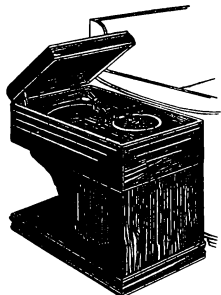
Hon. Frank Murphy
—Governor of Michigan, last
American Governor General of the
Philippines and first U. S. High
Commissioner here.

"Of course, there should be some sort of permanent association between the Islands and this country. We have guided Philippine destinies too long to cut abruptly away. Just how this can be done, I am frank to say, I do not know at present and, of course, it depends a great deal upon the happenings of the next few years which can't be planned or controlled in a large degree.

"I am in fine health and enjoying myself greatly except for an occasional throat trouble which may be an after-effect of the tonsillectomy I had when I was back here in 1935. I was in Ann Arbor yesterday on account of this throat trouble and had a good visit with Governor Hayden for whom, as you know, I have deep friendship and respect." (On preparing for the press, Governor Murphy was in Washington where he planned radio-speaking to the country about the Philippines. For our part, the situation seemed to have changed materially after Commissioner McNutt had spoken to the country on the same subject in March: prima facie difference of views between the two speakers would be more apparent than real, and made more of in the press than could be warranted by fact. Certainly Commissioner McNutt's address was a tremendous service to the Commonwealth and the United States alike).



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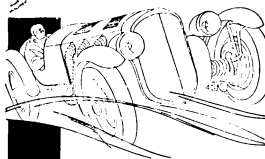
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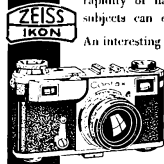
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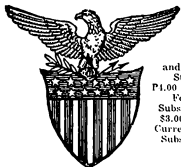
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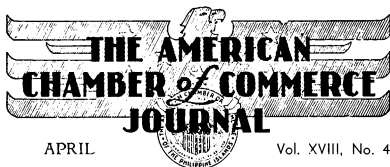


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WALTER ROBB
Editor and Manager



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Just Little Things

● A recent Sunday *Tribune* magazine tells us about salt-making in the Philippines, for which we found that March and April are the banner season—when we investigated for ourselves. The sunshine of this season is relied upon for rapid precipitation of the salt, recovered in shallow beds from sea water, and therefore the saltmakers are undergoing very hard times: for salt there has been too much rain both in March and April. Saltbeds are laid out in fields comprising the bottoms of mud-diked ponds (in the rainy season May to November). During nine months of the year, *baños*, battenning rapidly on the vegetable growth in the ponds, are grown in these places. Put in as minnows, an industry in itself, in three months they are large marketable fish for which there is good demand; they are bony, but palatable. The law ranks this a branch of farming, excludes it from taxation. Three *crops* of *baños* are marketed during the nine months and more than the saltbeds are fishfarms. And the fish pay better than the salt, but the peasants who make the salt are not beneficiaries in the fish.

The landowner profits both from the salt and the fish. That is why the first field of saltbeds you pass on the left of the highway as you motor to Cavite or Laguna sold for P25,000 recently, to a Manila doctor. You would think it incredible that a field of but a few hectares of tidewater could be worth so much commercially. But think again, salt and fish—two of man's staple foods, one indispensable to life.

Peasants who win the salt from the sea get 40% of it as their share, 60% is the landowner's. This is not a

livelihood for a peasant family, who in a good season may have P150 to P200 as their share—if they have beds enough. The young peasant we talked with knew English quite well. He is married, and keeps a store for sale of salt, 55 centavos a picul, about 133 pounds, and during months when he is not recovering salt, he farms, with his father. In the Philippines, where public debt is very low, the people's salt is neither taxed nor mortgaged, therefore it is cheap, below 1/4 cent a pound. Seawater comes into a saltfield with the tide, and sluice gates confine it to a common basin at one side of the field to increase its salinity by evaporation until it is strong enough to go to the saltbeds, when ditches convey it to where it is wanted, and drop it into earthen settling jars that catch at the bottom whatever debris it carries. From these jars it is dipped into the beds, about six meters square, all floored neatly with shard, until it stands two inches deep in the bed. At this shallow depth the sun can sweat the salt from the water very quickly; in short, in a single unclouded day, but of cloudy days two to three are required. It is also remarkable how very much salt is won from a single flooding of a bed, often more than a picul, which of course, given the data above, must be the case. The salt is raked up in piles on the runways between the beds, where it contacts the soil. Here is obvious waste, but the clean salt not touching the soil is taken away in bamboo-scoop baskets and dried on the cement floor of the field's warehouse, and there weighed and divided between master and servant. The contaminated salt is gathered up and sold to drovers and tanners at about the same price as the clean. Of it too

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the landowner takes his sixty sacks in the hundred. The peasants make the saltbeds themselves, for which they must buy the broken tile; their children help them lay the floors of the beds, and the cost of a bed under these circumstances is five to six pesos. Each peasant treats the landlord well, having, in a number of beds sufficient for his family, a considerable capital at stake.

The *Tribune* has something, in this primitive industry. It would be fine to go all through the provinces and track every such industry down, photograph and describe it. The lime industry followed salt, edible lime from seashells. It is burned in kilns built of tufa, of which the grate is perhaps a harder stone. Rice chaff is the retarding agent, also the insulating material; it is coated thickly over the grate, and capped over the loaded kiln that otherwise is not closed, and is also mingled liberally with the shells and charcoal making up the charge. Straw fires the kiln, from beneath the grate; there is means of determining when the charge has been reduced to sweet white lime. For what? For ruminating, with a segment of *buñga* and a bit of plug tobacco, wrapped in a succulent leaf of the *ikmo* vine that grows best on the most friable best-drained sandy bottom land such as much of the land of San Leonardo and Peñaranda, Nueva Ecija, or Pasay and Pasig. Tagalogs call the areca nut *buñga*, not *buayo*, and it is also *ikmo* with them, as to the leaf, not *betel*.

The lime neutralizes the acidity of the chew, and the name for the lime is *apog*, while a chew fully prepared to stimulate digestion and discolor and perhaps destroy the teeth is a *pulido*. In the Manila markets, two *pulidos* for one centavo, but of course the tobacco is but a hint. A chew suffices for an hour. Peasant women eschew the habit and keep their teeth pearl white until they are married, and then at once take to chewing in grand style. This is puritanism. Having married, their future interest is children; they never care for finery again, and rather glory in *pulido* and spitting it about. Influenced by the public schools, this is changing, while among the rich it died long ago.

• Manila owns the distinction of having two of her daughters working with Macroeditor Luce who in his success with *Time* during the fifteen years elapsed since February 28, 1923, and *Time's* first issue, has proved man's power to rocket himself to the moon. The girls we mean are Lura Street and Edith Hind. Lura is an editorial assistant on *Life* (pictures and palaver). She is the elder daughter of the late Thomas A. Street, for many years an associate justice of the Philippine supreme court and one of Manila's ablest and most eminent Americans—the author of the Islands' Administrative Code of 1917. Lura did her undergraduate work at Pomona, California, and her master's work at Barnard. Her sister, Julia, has gone in for science and is in laboratory research at Columbia. The girls live with their mother, in New York. Lura did a stint of foreign correspondence in Rome for the *New York Herald Tribune* before enlisting with *Life*. She is a graduate of Manila Central High, where Miss Hind did most of her own highschool work.

Of Miss Hind's apprenticeship to journalism we have not heard. She is a daughter of Mr. and Mrs. R. Renton Hind, and her father's imprint is on the Philippine sugar industry. She is on *Time*, whose first number with her name in the masthead as an editorial assistant is that of March 14. She began, last June, in research, as all girls do on *Time*, and has been advanced twice, we hear, since. She is married, her husband is James B. Dillingham, who writes and is associated with a New York ad-

vertising agency. *Time* jobs for girls are remunerative, secure, exhilarating, challenging—in all, heaps of fun—for the accouchement of an issue of the famous news-weekly is as much a nursing climax as it is editorial. The matrix of every story is put under observation at the outset of the week, and given a chart. Out of the 20,000 words of pressnews flowing in every hour, besides tidbits of special mail and telegrams, the story's diet is selected. The yarn is exercised, also exorcised, rubbed with facts, plied with confidence throughout the week—during which every crisis is taken as primordial and evokes a huddle of specialists. Delivery is caesarian. At last the teletypes rumble the creature educated by this tireless painstaking *group reporting* to Chicago, where the printing is done, to be baptized another child of *Time* and the river of unending human drama. Now the staff rests, two days; every *Time* is strictly a five-day job for staff folk, a ceaseless one for editors. Consultations precede every operation, and outside experts are called into consultation when needed: for example, showing how no detail is too small for due attention, a query to Los Angeles brings back a telegram saying the man's middle initial stands for Mortimer, not Maitland. *Time* brings all things, but *Time* sorts all things brought and prints a vital selected grist. (If you keep your February 28 number, it has inside a replica of the first issue fifteen years ago).

• The Manila Hotel, the tourist bureau, and whoever else may have been behind it did quite the right thing when the worldtour ship *Franconia* was in port by arranging a society display at the hotel during the evening, and all the young folk who participated may congratulate themselves that they helped their city, their country, their race. There was a series of folk dances mingled in the evening's program, supplemented by costume shows exhibiting the evolution of the Philippine woman's dress during the past century and leading up to *Bimbining* Guia Balmori's fetching array as the year's carnival goddess. We learn that the Franconians were greatly pleased, that many congratulatory telegrams came to the hotel. Having long advocated this sort of thing, in Manila and at Pagsanjan for tourist groups, we submit that it can be safely carried a step or two farther by due exercise of discretion. First, there might be booths where the costumes the visitors see worn so captivately could be bought, and second, there might be some introductions arranged between the visitors and the exhibiting butterflies of local society in order that they have a dance or two together. The clubman who got back to New York with the experience of having danced with a true belle of Manila, gemmed as a princess and with the grace of a doe in apposition to the repartee of a Dorothy Parker, in English, would probably make it the subject of his garrulity for years to come; and what is equally probable, he would come back for more.

• Chico is amazing. He is our bird, a canary bought from one of the Cantonese bird shops on Dasmariñas. The Spanish barber on Plaza Goiti had given us a silk-stocking canary—he breeds them, belongs to an international canary association, and they are remarkable—but we had come home one day and found it dead in the cage without ever having shown a symptom of illness. So, unable to afford a finer bird, we laid out three pesos for Chico. This lowbrow has something of the qualities of a chameleon, but in the voice and not the color. When we first got him he couldn't sing, he chattered, trying to imitate all the birds on Dasmariñas street including parrots. But Chico has no memory, soon he

(Please turn to page 38)

The Big Broadcast of 1938

A new animus moves the White House relative to the Pacific ocean. By way of illustration we lift in full from *Time* of March 14, the item boxed on this page. There is ample evidence in this, as well as in the basic understanding that has been announced, between President Roosevelt and President Quezon, that Commissioner Paul V. McNutt's halfhour radiologue in Washington, a reasoned case for giving permanency to the Commonwealth of the Philippines, was an academic discussion. It certainly served the practical purpose of getting millions of Americans to sit down half an hour and digest a gist of facts about the Philippines, but as argument for a commonwealth status for the Islands it was probably compliance with a pledge Commissioner McNutt had made.

It is well known that powerful influence here has, until very recently at least, desired an initial move from Congress, tantamount to an invitation to the Philippines, to effect a permanent commonwealth status for the Islands in association with the United States. This is enough to explain McNutt's radiologue. If advisable some time, Congress can pick the long discussion up at this point and evolve a commonwealth bill. But more recently still, overwhelming events affecting the whole Pacific littoral have moved rapidly along a far broader course; when Commissioner McNutt spoke, he knew the Philippines had been reduced to a minor element in a broader American state policy. Before he leaves the commissionership, as he soon will, we surmise, he will have had something to do with the furtherance of this broader policy.

We cannot state it better than *Time* has, nor so well. You may add to what the boxed matter says, the new naval viewpoint that calls for 45,000-ton battleships to lend defense to the fragile network of southern Pacific Islands, probably scores, that America plans reclaiming under rights of original discovery or settlement. The ships are to have the largest guns, etc., and it is said that they are to be adequate for defense of America on both oceans, also her remotest possessions, including the Philippines specifically. That a good deal of international politics enters into this goes without saying. There is also in it the domestic policy of extension

of commerce and intercourse, as by practicable airlines between New Zealand, Australia, the East Indies, Guam, the Philippines, and Asia, and the United States.

It was air, perhaps, that reminded America to revive her many oldtime claims to atolls, isles, islands and tiny archipelagoes in the Pacific. The era a

Icebergs & Atolls

The Pacific Ocean, from Hawaii to Australia, presents a tantalizing picture. All over it, like the nutmeg on an eggnet, are sprinkled little islands that appear to be ideal refuges from the turmoils of civilization. Worthlessness of the islands hitherto turned out to be an additional nuisance: since no one has claimed them, no one knows whom they belonged to.

Last week, the U. S. took two steps to correct this lamentable situation. First it was announced that the State and Navy Departments were investigating claims to the titles of some 60 islands presumably discovered by U. S. whaling captains from 1791 to 1828. Two days later, Franklin Roosevelt issued a Presidential proclamation that the U. S. was assuming possession of Canton and Enderbury Islands in the Phoenix group that is 1,850 miles south of Hawaii. At the same time, it was announced that the U. S. would claim nearly 300,000 square miles of ice encrusted land discovered by Rear Admiral Richard Evelyn Byrd on his second visit to Antarctica in 1933-34.

U. S. claims to Antarctica, most of which England claims also, will be presumably threshed out some day before an international commission. Claim to Canton and Enderbury may be settled directly between the two nations. Canton Island is an atoll reef 29 miles in circumference completely surrounding a lagoon that has been called the best seaplane base in the Pacific. Enderbury, 30 miles east, is a flat coral reef that should be as valuable for land planes. There six months ago, two New Zealand and U. S. astronomical expeditions came to blows as to which had the best right there. Last week the Department of Interior landed four U. S. citizens on Enderbury, five on Canton for colonization. Best guess as to the outcome of the case last week was that negotiations with England, which claims the whole Phoenix group, were already quietly under way; and that with England eager for U. S. co-operation in the Far East, they would be speedily and satisfactorily concluded. ("*Time*" March 14)

Commissioner McNutt's halfhour radiologue in Washington about the Philippines probably carried out some pledge of his—Islands' future now but minor element in America's general Pacific-ocean problem.



century ago was a great missionary one in America, old missionary records should turn up many gospel stations long abandoned—valid claims of ownership today. Whaling was contemporary with Bible teaching, where angry monsoons drove whalers ashore to wreck or refuge, and where the flag was raised and some account went into the log of an ill-starred voyage, there remains a claim of territory.

Washington's current anxiety to make good its claims derives of course from the bellicose political situation throughout the world and progress in some of the deadlier branches of military science. There was an awakening, not merely in Washington, but in Europe too, when Portuguese Timor (the larger part of that member of the Celebes) fell to Asiatic interests. It seems the option that Serge Wittouck had on this large territory was not finally taken up, and similar rights in Timor farming, mining, etc., went to a Japanese syndicate that should have the capital necessary to exploit them. There is also Borneo's vulnerability to colonization and industrial exploitation, that our readers found fully treated in this magazine last month.

This movement is all southward, and provoked a desperately realistic re-examination of old maps and claims and station narratives.

Having come to the point where it is clear that in America's new farthest line of defense in the Pacific, now under readjustment by means of reclaiming and rediscovery and hurried settlement, the Philippines are an intermediate station, we have come far enough. Jingoism would lie immediately ahead, and divert us from the main point.

(Please turn to page 37)

Malacañan's Moro Policy

The Philippines resemble European countries in a number of ways, one of which is their having a minority-peoples problem whose chief element is more than 500,000 Mohammedans in the southern islands of Mindanao and the Sulu archipelago. True to the ideology of Philippine unity, Congress never took a word's notice of these Moros (the Spanish for Moors), and the Commonwealth inherited them to do with them as it would. Thereby they became a care of President Quezon's. He had a policy to devise affecting them, he has now devised it. Mindanao residents asserting familiarity with these Moros and their ways have sometimes said they would renew their stand for independence from the Christian Philippines, if they could arm.

These statements have been factual, rather than partisan.

A more decisive fact is that the Moros are not armed, save by the state, during their military training. Desultory smuggling of arms to them, from Borneo, and the crude fieldpieces they improvise for themselves can only make them outlaws—they amount to nothing as the equipment for what would have to be a trained force of regimented troops. Moro resistance to association with the Commonwealth is a desperate nostalgia, hope is that contentment with the established order will supplant it.

Having to found a Moro policy, Quezon soon did so. The first thing in it is to require submission to Philippine law and the law's representatives, and to put down defections with severity. The second thing in it is to give the Moro a chance, in order that under the civil law of the Islands the Moro communities may be self-governing in the sense that their officials will be Moros—most of them chosen by the franchise. There is a Commissioner of Mindanao and Sulu; Malacañan appoints him, and he could be a Moro, save that no Moro is as yet qualified for such a post.

Marcial Kasilag is the commissioner, his seat at Dansalan. He is from Batangas, a civil engineer of the Public Works bureau, and on his work impinges the third element in President Quezon's Moro policy. This is the networking of Mindanao with highways ending the isolation of many of its ports. In part, no doubt, it is aimed at gun-running—that 'encouraged by an enemy country' might now be effected on a considerable scale. But the main purpose is ventilation of the isolated settlements, the opening of the public domain to Moro and Christian emigrant colonization. It is logical, then, that Kasilag lives on the mainland at Dansalan above the port

of Iligan instead of at Jolo, the political capital of Sulu and the best known Moro city.

For it is this mainland that offers the greater obstacles to the Quezon plan, one of secular assimilation. It is the Lanao Moro, the good farmer and craftsman whose cottas are in the mountains surrounding the lake that bears the tribal name, who is the outstanding recalcitrant. He has no sultan. He follows chiefs who on small provocation fortify their cottas and live, with their faithful *sacops* or peasant followers, the lives of outlaws.

This month the First Service Company of the Philippine Army returned to barracks at Camp Murphy in Mandaluyong from the business of razing cottas in the region of Lake Lanao. They had destroyed sixty of these grotto fortresses. Others have been destroyed since. The Lanaos had due notice that cottas that are chiefs' homes, not fortified, would not be harmed, but that fortified cottas would be rated the strongholds of rebels and their clansmen—they would be demolished. It is a tenet of the Quezon policy that in civil matters Moros shall not serve two masters—they shall be obedient to Manila.

But Manila will be a long time in bringing Moros up to the level of the Christians educationally. They start so far behind. Nor has the last fortified cotta been dealt with. The government was surprised to learn that the fortified cottas were not old stock taken over from Spain; they were recent, built during the American period. Lanao today is as stubbornly opposed to modifications of her culture as ever she was under the dons

who during three centuries failed utterly to conquer her. Many an encounter will stain her hills before she is brought into line, though she will fight every one of these under tragic disadvantage.

You do not hear the same of Cotabato, nor of Sulu. Cotabato Moros accepted civil administration from the general Philippine government long ago. Like the Lanaos, they live without benefit of sultans, but their greater chiefs have had influence enough to effect peace: they are many, but their annals are brief because they are happy—they compromise where they can not have their way in full.

Three hundred thousand Suluans recognizing a sultanate are another picture altogether. Their piracy, pearling, mining and husbandry made them the Islands' leading people at the time of the Spanish acquisition of a foothold here; they kept their independence to the last, and Spain held them only as a protectorate when she ceded the Philippines to the United States. But Spain

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The late Governor General Wood...
Moros remember him with affection.

Great is Diana

Ghastly as it seems, putsch may be a solvent for European problems adamant to lesser agencies.—More putsches are probable.

By WALTER ROBB

We think it was from Brenner Pass at Innsbruck that Hitler communicated to Mussolini Germany's absorption of Austria, whose people, six million and a half, are of course Germans but of a softer way of life because they are of the heart of the old Habsburg empire where all came in and little went out—whose splendid contribution to the state as well as to all the world was a gay design for sheer living. Brenner Pass is the easiest way across the Alps, the shortest too, we believe, it being less than thirty-three miles from Innsbruck to Verona—"beyond lies Italy," Napoleon reminded his legions.

Italy had been torch-singing for Austria, Brenner Pass was a strategic trumpeting point for the Fuhrer—a good point at which to close a land deal between friendly dictators.

My, what a lot many German fuhrers have had to do with Brenner Pass! No less than sixty-six of them marched triumphantly over the pass and down through Italy and on, some of them, through Spain in the period from 780 to 1402; and why they did so, where they stopped, and precisely what became of them it would puzzle the most learned to say. Probably they felt cramped at home, probably they sought colonial empire; no doubt they had urge enough, and a patriotic ideology to which to rally frenzied support. Yet Italy is still Italian, and Spain, though sore pressed now, still Spanish. The fuhrers, kaisers then, or strongest men, wore down the pass a bit—a carriage road was built over it in 1760, and a railroad, one of the earliest in those parts, only seventy years later. That is all the stream of history knows about the oldtime fuhrers, they broke a trail.

They marched away with carts, they carted back ideas and suggestions that came to be the foundations of Germanic culture, at least the handsomer parts of it, but if they rested anywhere definitely, it was back in the fatherland. They did some casual burning, of course, some purging perhaps. Summing it all up, we suppose that as harmless a *putsch* as the world knows is a German fuhrer's. There is iron enough in it, but somehow it doesn't grasp permanently—it wants magnetism. Colonies stick here and there, if not in German territory (and it is a wonder how few Germans were in all the Kaiser's imperial colonies), but what is implanted is soon uprooted, for some reason or another: the strife, the cost of it—all comes to very little. Germans are good planters too, none better, and good folks in every way, but seldom in stride when extending their political horizons—a task they never abandon however often it lays an egg.

This must mean that the urge is in the Germans and that they can no more inhibit it or eradicate it than they

can cease breathing. It is decidedly uncomfortable for their neighbors when the urge seizes them, but even so, the weight of evidence is that they are blind instruments of ambition at these emotional periods and nothing practical can be done about it save to give them rein.

It results, of course, in curious introversions, some of them intrinsically malevolent; but if not all things, certainly some things can happen for the best, some of these fuhrer things included.

France for example, the Third Republic, a *putsch* made it—made it out of decadent lackadaisical empire whose contribution to mankind's culture was a lady's bonnet—aside of course from Paris rebuilt and her gay esprit that will now never leave her and will always keep her the choicest jewel in the diadem of cities. We have been thinking of Paris when the *putsch* came, and Paris later, and Berlin back over the Rhine, Munich and Heidelberg to boot if you will. What were the French at then? Pasteur, the Curies, Monet, Manet, Offerbach, Anatole France, Zola—any school student can name off-hand quite a list of them, and the things they were achieving, since the works of a dozen or so of them have been the themes of soul-stirring movies—they were cultural donations to mankind with universal appeal.

Over the Rhine, however, at this same time, another *putsch* was gestating in the Germanic soul. It would be born, the people themselves were powerless against it; and mind you, they had *won* this time, France was paying, had indeed paid through the nose for their victory to enforce peace and empire, bismarckian empire, well conceived. But what was going on while the *accouchement* was awaited, the World War that was to come of that particular mass remonstrance against introversion? Well, *substitutes* were going on. German national leadership was madly preoccupied with its unending substitutes for things genuine. Tar was being taken from coal, and God knows what extracted from it—but substitutes always. Aniline dyes were a-borning, to destroy the Philippine indigo industry, among other things. Nobel's dynamite was being pepped up secretly, and degeneration and substitution proceeding toward the point now reached—where on the country's famous black bread, wherein something is substituted for flour, lard displaces butter.

Motherhood is also displacing marriage, but this we know will pass.

Did the German people want all this? Goodness, no; they are like other peoples, but the emotion, the mystic remonstrance of the psyche against moody introversion was being imparted to them; they absorbed it, came to the worst with it, and now, partly by fault of the nations

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LABOR

Growth of industry in this Commonwealth introduces inevitably, questions involving labor. Inevitably too, labor organizes. The era of strikes and lockouts has come, as it was bound to come. But what will happen is not what should happen. What will happen is what we see happening now. Labor hired at the higher prevailing levels of pay will be agitated, by outside organizers, because the employing corporations are vulnerable to attacks of this sort. Not because they do not pay good wages, as wages go here, but because they are well managed going and profitable companies—many of them constrained to unbroken operation under their franchises.

It is hoped that the new Court of Industrial Relations will rate this point foundational in its work. Its power to subpoena is not even enjoyed by the Industrial Relations Board under the Wagner act in the United States. That power, though it has been upheld by the Commonwealth supreme court, would be best used with the utmost discretion. Many strikes will be found unwarranted on the most cursory examination; they will be for higher wages, and it will be found that existing wages among the men affected range materially above wages paid by other employers for similar work. The government has as its aim social justice. Applied in an occupation or craft, this would mean a benefit in wages for all men so occupied—not merely to the few, speaking comparatively, who acting in unison may tie up their particular factory or public utility. When such tie-ups occur, the germane fact is that the wages complained of are

equal to or perhaps above wages currently paid by other employers for similar work.

We say it is not cricket in such disputes to ascertain from a showing of the books that a company might pay still higher wages and not run in the red. In six months the books might reveal a different picture altogether, new and higher wages might then be imposing a net loss on operations; management and circumstances beyond human control have everything to do with this. A company is more than fair, and advancing social justice rather than retarding it, when it consistently tops, or always matches, the best wages prevailing in its line.

For illustration we cite a bus line in central Luzon that recently underwent a brief walkout of many of its men, lasting one day, circumstances of which are eye-opening to all who respect the Commonwealth and its institutions. The tie-up came in the busiest week of the year; it was but one day's inactivity, but in that day thirty thousand passengers would have been handled. The base wage at which men begin work in this company is considerably higher than the wage in another large company in adjoining territory that has just been raised. In fact, this base wage is a standard in the business, that other companies have not reached. It graduates twice a year, the fogie for longevity of employment is upped every five years. The bonus plan is followed. There are gold-star drivers, men who drive six months without an accident and so gain the right to a gold star on their cabs and P10 more on their month's wage. Gasoline mileage wins another wage boost; and altogether, a steady man can work his base wage up to P65 or more a month, his actual wage up to P80 or more a month, while meantime a pension system is being worked out.

It is no warrant for striking that this company keeps solvent, is our point. The business is highly precarious and can come croppers in a hundred ways. Success usually hinges on a fine capacity in a single man topside. The men's loyalty contributes to success, but success rightly determined is to be measured over wide periods of time. Wages do not come in here, only the bonus on a year's take, and the pension for longevity in employment. A wizard with ledgers could not possibly swear with accuracy whether wages were too low or too high. It is such circumstances that should give pause to the Court of Industrial Relations in subpoenaing records. Where pay is setting standards in advance of the prevailing pay level in an industry, and there is no monopoly, strikes on account of wages have no justifiable motive and the public weal and social justice will be served by giving no countenance to such movements.

We comment on this subject because we happen to know that the number and character of recent strikes and walkouts has been alarming the best employers in these Islands. They are creating a feeling actually bad for labor's best interests. The government's course should be to allay these misgivings. There will be organization of labor, no one can help it, but much can be done to confine the movement to the scope of justice.

Suppose you were in transportation, paying good wages but still not so much as the company just spoken of: your territory might not be so good, your management not so resourceful. How would you look upon a standard still higher, forced upon that company? You certainly could see yourself going to the wall. By which we mean that repercussions of these localized demands go far beyond the employers and employees immediately affected, and the status of the books is no criterion as to what should be done. Only in the extremist case, involving monopoly, should the books be required. Equity is the norm advised.

Manila's Pleasing Newspapermen



Roy C. Bennett has run the Manila Daily BULLETIN some twenty years, with a break or two, and it is to him, his courage and unending determination, more than to anyone else, that the balanced, calm-visioned, comprehensive BULLETIN of today is to be ascribed.

Many influences are breaking down the insularization of this Commonwealth of seven thousand islands among which eleven are the really important terrain stretching a thousand miles north-south, half that distance east-west. No one of these influences is more serviceable or gratifying than the telegraphic services of Manila's newspapers. It is distinctly worthwhile noting this remarkable coverage of spot world news, from market prices coming in throughout the trading day to unbridged narrative limning vividly the crises of war and diplomacy that make the big headlines in the crucial capitals of countries from Japan to western Europe, Great Britain, Ireland, and Spain.

R. C. "Dick" Wilson, as interested in the Philippines as if they were his private garden, he followed René S. "Dinty" Moore for the "UP" here and has built up the United Press Associations' Manila bureau remarkably.



Wireless and cable get hot daily and nightly with reports filed by topnotch correspondents of the ubiquitous news-gathering services. Because of the convenience and economy of the syndicate arrangement, readers in the Commonwealth benefit from the costly services of these news reporters and analysts. What is just under worth putting through by telegraph, is taken care of by Pan American clipper over the Pacific, and the Dutch and English lines from Europe to Singapore and Hongkong.

Radio and wire photographs are quick follow-ups. The Associated Press features these. Thanks to them, we have seen Hitler in his armored Mercedes-Benz beside his chauffeur driving into Vienna; and thanks of



Dr. Carlos P. Romulo is the publisher of the HERALD group of newspapers with such distinctions outside newspaper work as a regency in the University of the Philippines and a past-presidency of Manila Rotary. He is tops at taking great interviews, as his reports of his recent interview with President Roosevelt demonstrated.

David T. Boguslav is the presiding genius at the desk of the Manila TRIBUNE who has everything it takes for greatness in newspaper work, including an indefatigable sense of humor and a habit of laying ten to fifteen pesos on the line for the latest worthwhile book. His NATIONAL AFFAIRS is capital breakfast food.



course to transpacific Pan American service. What such things are all about, or background stuff, in trade parlance, hurries through by mail from ace men heading up the European staffs. International News has recently been added by one Manila newspaper. Its stories would not fill a newspaper every day, but when they do come they are often much to the point.

Manila newspapers' telegraph coverage of the recent British cabinet crisis wherefrom popular Anthony Eden was jettisoned as excess baggage as foreign secretary when it was wanted to get down to cases with Germany, Italy, and France, left nothing to be desired. Timely, analytical, complete. You fairly heard the cheering for

F. S. "Fritz" Marquardt, Philippines correspondent for International News and editor of the trenchant and popular Philippines Free Press. A son of Dr. W. W. Marquardt, for long the Islands' education director, and a Hamilton College man, Marquardt has no superior in the Philippine newspaper field.

Eden, you plainly saw Neville Chamberlain taking his hecklings in the Commons: a responsible cabinet at its dramatic best, cold logic thrusting higher feelings and sentiment aside for what Chamberlain had decided was England's weal—notwithstanding it might be Spain's final woe. Whether you approved or not, there it was—the current European picture in detail.

In the business sections of the newspapers the statistical quotations told how business was taking it. There were premonitions of the next Hitler coup, too, and cut-backs to France, Poland, Lithuania, and the Little Entente warned that the time was ripe. It was capital

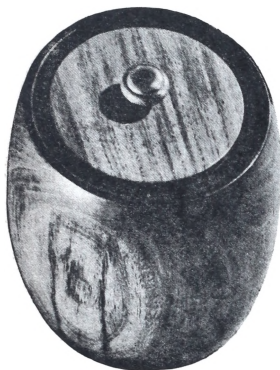
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Vicente Albano Pacis, editor of the Philippines HERALD, has developed into a first rate telegraph-desk man with versatility left over for the able editorializing he likes to cap off with two-page feature comments in the Herald's mid-week magazine.



Philippine Hardwood Bowls

The Arts & Crafts School will make anything you want out of hardwood, and do it well.



Cigar or tobacco humidor, gloriously grained wood would find favor as a gift anywhere.

This is that time of year when Manilans can patronize to best advantage to themselves the Philippine School of Arts and Trades, one of the better craft schools of the world where during vacation months young men far advanced in their apprenticeships turn out such jobs as the school picks up for them. If you want any special thing done, you will be surprised how well it is done at this school—on calle San Marcelino opposite the Meralco building. For our part, we like bowls. What more useful, therefore beautiful, than a well-turned bowl from any of the hardwoods Commonwealth forests supply munificently?

The bowl is one of man's oldest utensils. The Britannica does not list it, possibly because it is older than any records and as common as could be; the bowl is ubiquitous, not unique. It is improbable that man caught

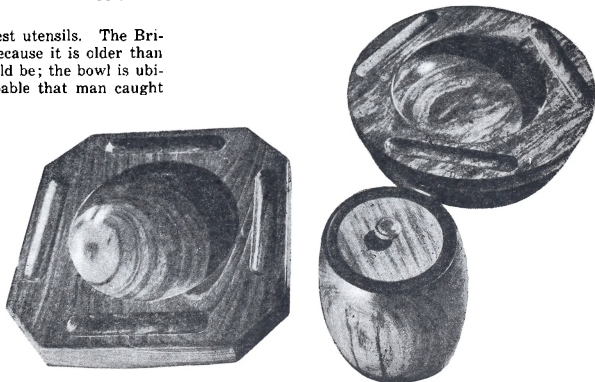
the suggestion from the bowl of heaven. Instead, he came upon natural bowls hollowed in fallen branches by insects and used by nature as depositories. So, when he wanted to pound something into something else, as maize into meal, and needed to confine it, he resorted to these ready-made bowls. Afterward, with stone adzes, he found he could make bowls to suit specific purposes. Ornamentation followed as matter of course, and at last the vase evolved from the humble bowl. But the good bowl remained, and however decorative, at whatever pains, its basic pattern unchanged.

No bowl is ugly, the fact that it is a bowl precludes that. If you too should like bowls among your bric-a-brac, what more convenient than to draft some designs or pillage some from books or magazines, and have whatever bowls you want turned out at the Arts and Trades? But of course, you can have anything else turned out there, should you think bowls silly.

For our part, we have discovered a novel use for really large bowls. We use them for ash bowls, and now we have a friend who designs furniture for exportation to the United States who has taken up the idea and will send Manila ashbowls to American cities where the pipe and cigar are still civilized smokes. For a lusty hardwood bowl does for the cellophane, the band, the stubs and ashes, and at the same time, for a few cigars and a pipe or two. There is no overflow, nor does a breeze through the room do its usual mischief—seeding the rug with ashes and laying just grounds for divorce.

Does it not intrigue you, the varied details you could get worked into your own bowls—the different woods you could specify, for different colors.

A new idea in ash trays. These big bowls, from 12 to 14 inches across; receptacles in the rim hold pipes, cigars; the center holds ashes without danger from the vugrant breeze, and can go a whole week-end without dumping.



Diana is . . .

(Continued from page 9)

whose cupidity starved the republic to death, another frenzy rides them, another fuhrer than Kaiser Wilhelm points the way to promised lands, and so they are inevitably on the march. Had the republic been supported as it deserved to be, by far-seeing diplomacy among the powers, it was German freedom and it would have lived. That the people had no relish for all that was thrust upon them thirty years ago, and forty and fifty years ago, is proved by their emigrations; millions upon millions emigrated, though quite naturally, not to the imperial colonies.

There is a deal of claptrap about these colonies, their restoration and whatnot. It comes to nothing, you buy nothing from a colony a cent cheaper than you buy it elsewhere; you do not want colonies for the needs of peace, but for what war requires, including conscripts. Right now there is nothing that either Germany or Italy wants on account of peace that they may not have on the best terms current, or even on account of war for that matter—everything is sold in this modern world, to everybody—but for war you do prefer that its substantives be within your own jurisdiction, therefore to want colonies, or want old colonies back again, means to want war back too.

So it is with Austria, can be nothing less—though nostalgia may be in it a bit. Another fuhrer marches, that is all there is to it. The source of this spirit is fathomless, its recurrence is as the hoofbeats of time; if we had not the Swiss, the Belgians, and Dutch to the contrary, we might surmise that it is simply unbearable to live near neighbor to la belle France—burgeoning at intervals with whole broods of geniuses and with nonchalant sang froid.

But this, in the circumstances, can not at all be. The trouble lies elsewhere, and in circumstances, not in the people themselves. Goethe, Heine, Grimm, and this? Not at all.

It is shortwaded to the world that the march will be up the Danube. Governments there must knuckle, or else . . . Some good ought to come of this; with no particular political good to Germany, since what she marches for has no adhesive properties and never sticks, there should be the economic good of more orders for her factories and an outlet into her cities for Danubian grain, lumber, livestock. The duties that now hold back these products from their natural market in Austria and Germany are absurdities.

Then will come Poland's turn, and that of the diminutive Baltic states—John Gunther in his *Inside Europe* reviewed last month remarks Tallin, tiny Estonia's capital, as a desirable Baltic naval base, and that will lay Germany right alongside Russia, who in all probability can withstand the close propinquity. But it will lay no ghosts.

Think of a splendid work of nature, a forest tree of sturdy girth and height. Its strength derived from the mass of its tiny roots spreading all about through the soil and taking sustenance therefrom, and its mighty cap of leaves gives it life from the sun. Not so an empire such as the Fuhrer conceives; the more it spreads, an imposition at best, the weaker must it become, until rings of rifles, machine guns and bombing planes will not suffice to hold it together: the seed of empire will indeed be sown, the harvest will be parliaments, ordinances of old liberties, revolts of the masses. While the Versailles treaty may not have given the peoples affected precise-

ly what they desired, and while some of their governments do not have what it takes to make good, this but implies that a primordial struggle is yet in process—it by no means implies that conquest can be sure and lasting, or enforced submission loyal.

There is this further consideration, as the march proceeds the German people themselves may find opportunity to assert their old and well beloved, good and dignified liberties, and they may seize this opportunity. Really the *putsch* is but a phase of the World War, provoked as it was by unbearable demands upon the German peoples; a younger commander maps a strategy, that is fundamentally all there is to it, and he will readily overreach himself and bring his schemes to nought.

But the calmer world will be enriched.

The movement is to be compared with the tragic fanaticisms of the fifteenth and sixteenth centuries in the gentler parts of Europe, fanaticisms that recoiled on themselves and robbed their countries of all importance. There will be, there is, an exodus of talent and fortune from the Reich; and now from Austria, and soon from every land brought within the Fuhrer's hegemony. Roosevelt has extended an invitation from the United States, and invited other countries to do likewise; for all the Americas, for Africa, even for Asia, notably including the Philippines, the flight from central Europe will become a boon. God knows that thousands must perish, and the wanton shame of this is terrible, but other thousands will win through and worship forever the soil and the new neighbors where they find sanctuary.

It is both tragic and comic that such iron power is given to a myth; there is no aryan race, blood purges to the contrary notwithstanding. But the hallucination, as we survey the situation, doing so because it affects this Commonwealth and business feels it, can only be left to extinguish itself. To curb it would be to feed oil to flames. The Fuhrer rebukes democracies, alleging they inspire themselves with no ideology. Better no light than a will-o'-the-wisp. Democracies can afford tolerance to the totalitarian state, whose Babels must crumble from the very weight of their disingenuous assumptions.

Sympathy even for the worthy (a number of the states to be affected are by no means worthy) can do no possible good. It ought to be felt, but the consequences of activating it would in our view entail infinitely more suffering, and more danger to civilization, than a resigned determination to let the emotion spend itself—as within a time reasonably brief it can not fail of doing. It is only more than a century ago that Napoleon built an empire. Its boundaries can not now be readily traced, but there it was, from Warsaw to Paris, and even over in the West Indies, and on the continent too, in Louisiana, and scattered through the Mediterranean—Rome herself was in fee to it, and the pyramids gazed down upon its phalanxes. It had an ideology, too. We think it was rather a good one, a united Europe or something, and Germany was in the midst of it. But it soon came to inspire no one, least of all the practical French, and Waterloo came along and wiped it away, a campaign into Russia a contributing factor.

The French now remember Napoleon for his truly great works, not caring a fig for the memory of the empire. The Fuhrer effects great works too, and when he is gone, we mean superseded, as he soon will be, Germany and the world will like him for them. We know the German peoples need no man on horseback flaunting banners in everyone's face extolling not merely their obvious virtues but specified virtues he asserts to be theirs alone. They do have a sense of humor, mislaid at the moment. This *putsch* is awfully good on one ground and another it will soon weary them unendurably. Meanwhile, every sacrifice to the inexplicable urge is martyrdom for universal civilization, specifically for Germanic civilization that in its true colors ranks with the highest.

This is philosophic and cold, but it is fact. Now has the question other sides? We think it possibly has. It is possible that the *putsch* may be Europe's indirect means of disarming. Let us see. It ought to extend Germany's commercial scope permanently. Once the duties on the Danube are erased, why should they ever be written again? This will tend to competency in all states it affects. Then, as the fragile structure of

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 ceived at rates which will be quoted on applica-
 tion.

the *putsch* falls apart into communities fighting to the death if need be for restored liberty, Germany will speak in other tones at home. The states regaining autonomy one after another will, in reason, try their constitutions again—they will need lesser shows of armaments to maintain their liberties. All this should be a process of years, ten years or more at least, and if it can but be slow, and at the same time sure in the large, that is precisely what Europe needs—to effect either a rational limitation or abatement of arms.

No country in Europe can disarm alone (Denmark would have, but the *putsch* now restrains her), nor will Europe disarm abruptly. Armament is too much a vital part of the economic structure everywhere—something this magazine invited attention to a year ago. Gradual abatement of armament is feasible, it was effected subsequent to the dissolution of Napoleon's empire. Had the Congress of Vienna been wiser, rearmament need never have occurred.

Metternich was kind to steel at Vienna, just as Clemenceau was at Versailles. When it is all up with the Fuhrer, possibly better luck.

It will be up with him when the mood of vain remonstrance against a sense of littleness leaves the people, a sense of humor restoring their mental health. In a people who have replenished so profusely the wellsprings of rich learning and ennobling philosophy, idolizing a fuhrer is incongruous. Why then do they do it? Because he personifies their power, his legions are graphics of their boundless energy and capacity. They are great, and at Versailles they were stigmatized with littleness. The Fuhrer wipes all this out, turns

defeat into victory, no less. This effected, he will no longer be able to subvert their allegiance to principles of liberty.

There is an instance similar in the Bible. The Ephesians were suffering some untoward mortification when the congregation called Paul there. Possibly business was poor. The shrine to Diana failed to attract as of yore; the more worshippers fell away, the more the Ephesians pure in blood rallied to Diana. Paul had an unfriendly welcome. There were storm troopers on the lookout. They met Paul at the city's gates with menacing salutes—men sworn to fealty to Diana. Their cry was, in unison, "Great is Diana of the Ephesians! Great is Diana of the Ephesians!"

Paul was wise. He admitted the point, and they let him in, where he taught them Christ. They dropped Diana of their own accord. It is a lesson in practical modern politics.

Malacañan's . . .

(Continued from page 8)

gave them a fearful drubbing sixty years ago, for flirting with rival powers, for ceasing Balambang to the Company (British East Indies Company), and for leasing and frittering away to Englishmen an empire in Borneo. Then Spain rebuilt Jolo, walled it, and put a governor there with intercessory power, a garrison supporting his authority.

It is only because the Christian regions of the Philippines have, favored by circumstances, won the centers of ocean commerce away from Sulu that the common impression prevails that Suluanos are behind the times. The reverse is true, on sea and land. Unsurpassed as pearlers and

fishermen, they are unsurpassed as farmers. Farming, not the sea, is their principal occupation. Jolo is richly cultivated. Sulu fruits, grafted varieties for centuries, are of the best, a number of them growing nowhere else in the Islands.

But if Sulu industries flourish, so also do Sulu feuds. The sultanate has been degenerating for several generations, but at every vacancy their is unbridled rivalry to possess it. Traditional honor is not the only incentive to this, considerable religious income is another. The late Senator (by Malacañan's appointment) Hadji Butu devised a code, as state secretary under the sultan reigning when America took over, quite lucrative to the sultanate. The place is still worth holding, and rates a pension of ₱1000 a month from the Commonwealth together with lesser sums to its higher officers.

Malacañan likes to put in an ear when Sulu waters are troubled. Princess Dayang-Dayang Hadji Piandao made a hasty progress to Manila following Sultan Jamalul Kiram's death two years ago, and was feted here. Her intrigues set her husband up as sultan, Datu Ombrá Amilbangsa; and other sultans sprouted from other factions. This pot pourri was let boil awhile, then Datu Ombrá was made an Assembliesman. President Quezon was frankly grooming him for the Sulu civil administration, and now he has made him Sulu's provincial governor. If Governor Datu Ombrá can rise above partisanship and govern Sulu well, he is qualified educationally and may expect advancement to the Mindanao-Sulu commissionership. There is cause to fear that Dayang-Dayang's influence will be partial, but Malacañan has been assured that Datu Ombrá, for all the greater pres-

(Please turn to page 24)

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**MINING
REVIEW**



AMERICAN CHAMBER

OF COMMERCE JOURNAL

The Journal Survey of Public
Opinion

Cabaruan Chromite

The Observation Post

Other Features

SHIPPING

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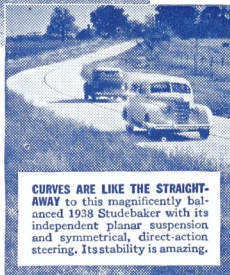
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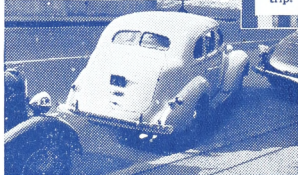
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The Journal Survey

In an attempt to obtain a cross-section of responsible public opinion, the JOURNAL asked readers to respond to a questionnaire regarding conditions in the mining and related business. Herewith, the results.

Lest there be any misconception of the motives of the *Journal* in conducting a survey among its readers in the Manila area to determine public opinion on questions relating to the condition of the mining industry, the stock market, the brokerage business, and so on, let it be made entirely clear that the *Journal* has no axe to grind.

We are just as much interested in the prosperity of business in this country as is any person in the Philippines. We have many friends—good friends—in all branches of the mining industry, in the brokerage business, and among those who merely participate in the development of the mining industry in the rôle of stockholders.

But the Journal can see no harm in publishing the results of its survey, unpleasant as some of the opinions disclosed may be to any firm or individual. On the contrary, it is our opinion that the publication of these results may have a salutary effect, by disclosing just what public sentiment appears to be; so that those whom that sentiment affects, directly or indirectly, may if they choose take such steps as they think necessary or advisable.

It may well be that public opinion in certain matters is unjustified; certainly it is true, we believe, that scarcely any of the readers of the *Journal*, however vigorous their expressions of disapproval or condemnation, intend a blanket indictment of all those engaged in any particular branch of the industry.

And it must be remembered that human nature is a factor of no little importance; that the results of the *Journal* questionnaire reflect this factor to a very considerable extent. In other words, if such a questionnaire were to be sent out during a boom period in the mining industry, its results would be, we believe, quite different. For who cares, when he is making money, how many brokers there are, or how much trading the brokers may or may not do for their own accounts, or what practices are employed by management companies and by the directors of mining companies, or even how much of an overdraft he has at the bank—so long as he is making money? Who worries, at such times, about promotion fees, or lavish expenditures for this and that? Yea, verily, a boom changes all things. And so does a depression.

Yet if a depression can be defined as a time when most people lose money, then it can also be constructively used as a period during which, if there are any faults with a system, those faults may be corrected. Therefore, if the results of the *Journal* survey serve to indicate that there are faults, or that the public thinks there are some faults (the two are not necessarily correlative) then, we think, the survey will have justified itself.

It is not our purpose to suggest what may happen, or even that anything at all will happen, as a result of the disclosure of the state of public opinion, as reflected by readers of the *Journal*. In publishing the results of the questionnaire, we merely place on the map the reefs and shoals, the jagged rocks of public opinion. What

course the mining industry, in all its branches, shall choose to chart on that map, is the business of those concerned.

In presenting these results, the *Journal* makes no claim of infallibility. The results may, or may not, be a true index of public opinion. They are at least a true cross-section of the opinions of *Journal* readers, Americans and Filipinos alike; and those readers are business men.

Before reading the summary of the results, it should be made clear that the questionnaire was sent, without regard to business classifications, to an equal number of American and Filipino *Journal* subscribers living in the Manila area. A proportionate number of subscribers (not every subscriber) was taken from each letter of the alphabet. In order to obtain as large a percentage of returns as possible, we tried to make it easy as possible for readers to express their opinions. This was done by taking opinions most commonly heard in conversations where business men foregather, printing those opinions in the questionnaire so that, to express a similar view, the reader had only to make a check mark. But space was provided for expressions of other opinions besides those printed, and readers were invited to do just that. And did.

Returns: 34.6% of questionnaires distributed. To anyone familiar with questionnaires, that means results.

On the question—

WHAT DO YOU THINK IS THE MATTER WITH THE STOCK MARKET? (readers were asked to indicate relative importance of the reasons by marking 1, 2, 3, etc., if they thought more than one condition was affecting the market.)

69.2% said the unsettled political status of the country is an important reason for present conditions.

66.6% thought the public had lost confidence in the management of mines.

33% thought that market prices of stocks are still too high.

22.2% said they thought there was lack of ready capital.

19.2% thought conditions in China, Europe, etc., were affecting the stock market.

More significant than the above percentages, we think, are the No. 1 choices indicated by our readers.

First reason for present market conditions was *loss of confidence in the management of mines* (number one choice of 38.3% of all returns.)

Second most important reason lies evenly divided, in our readers' opinions, between lack of ready capital and the unsettled political status of the Philippines: both reasons received an equal number of votes for No. 1 (22% each.)

Third in importance as No. 1 reason was that prices of stocks were still too high (15.5%).

Last reason, in point of importance as the *chief factor*, was the unsettled conditions in China, Europe, etc.—chosen for No. 1 position by only 2.2% of *Journal* readers.

On the question—

WHAT DO YOU THINK OF THE BROKERAGE BUSINESS?—there was a general uniformity of opinion on some points.

For example, 6-to-1, readers thought there were *too many* brokers; and in addition, about 20% of the readers took the trouble to write-in the opinion that there are also too many *stock exchanges*; that one exchange would be enough. This 20% write-in vote must, we believe, be given considerable importance, both because it involved some extra effort, and because of the preponderance of opinion regarding the surplus of brokers.

In this connection, it should be noted that very few people appear to believe that the number of brokers or the number of exchanges have anything to do with the depressed condition of the stock market. Opinion in general is that the excess of brokers (or what the majority believe is an excess) is an evil in itself, and that it does more harm to the brokers (by spreading profits thinner) than to anyone else.

But there were some who expressed the opinion that the conflicts between the two stock exchanges, the lack of uniformity in trading rules (such as on the question of the pegs), and so on, deter people to a certain extent from market trading.

Three-to-one, readers thought brokers should not trade for their own accounts. Most important reasons why they should not do so, in order, were: (1) that brokers can manipulate public trading to their own advantage, and (2) that it is unethical for brokers to trade for their own accounts while at the same time handling transactions for their clients.

On the other side, one-quarter of the people believe that it is either (1) unfair to prohibit brokers from investing their own funds in the market, as anyone else can do, especially during periods when commissions on straight brokerage are not enough to show them a profit; or (2) that it is useless to try to prevent such trading by brokers because they will find a way to do it anyhow.

On the question—

WHAT DO YOU THINK ABOUT THE S E C?—there was even more evidence of unanimity of opinion on almost all points.

Nine-to-one, readers replied that the SEC has not effectively cleaned up conditions in the various branches of the mining industry; only 54% of readers thought that the SEC has even scratched the surface.

Yet, less than 2% thought the SEC was unnecessary or unjustified; only 6% thought the SEC has not enough power to do its job.

It appeared conclusively from the above returns, and from comments written in on the questionnaire forms, that public sentiment is overwhelmingly in favor of a more aggressive SEC.

Of conditions which people thought the S E C should take steps to correct, the following were considered most important, in order:

Expenditure of stockholders' funds in unjustified items.

Expenditure of stockholders' funds in excessive amounts.

Continued expenditure of stockholders' funds in spite of unfavorable engineers' reports on mining claims.

Incomplete or inconclusive reports to stockholders.

Use of non-uniform accounting systems.

In addition to the above points, which were printed in the questionnaire and which were answered simply by check marks, readers were asked to indicate other conditions they thought should be corrected. Descriptions of these conditions had to be written in; consequently, though fewer in number than the simple check marks, they are possibly more important as indications of public opinion than their mere numbers indicate:

Of written-in answers, the conditions the public wants corrected, in order of importance, are: (1) manipulation of stock market prices by "inside" operators; (2) methods employed by operating companies in their administration of mines; (3) promotions of issues primarily for the profit of the promoters—also payment of excessive promotion fees, organization expenses, commissions, etc.; (4) existence of two stock exchanges. (In connection with this latter point, which was given such prominence in replies to the question, "What do you think is the matter with the brokerage business?", it should be noted that *Journal* readers for the most part apparently are aware that the S E C has not the power to effect a merger of the two exchanges. Hence the suggestion that the SEC should do something about this condition was made by very few; whereas the general statement that there should be only one stock exchange was made by many more.)

On the the question—

WHAT DO YOU THINK OF THE PEGS?—readers were divided about 60-40, 60% believing the pegs should never have been used at all, as against 40% believing they should have been.

BUT, on the question, should they now be removed entirely?, there can be no doubt—the vote is 7-to-1, "yes". Some few readers were undecided and expressed no opinion; less than 8% thought the pegs should be retained by both exchanges.

On the the question—

WHAT DO YOU THINK OF CONDITIONS IN GENERAL?—some of the most significant answers in the whole questionnaire were received.

Readers are divided *exactly equally* on the question—are you completely fed up on mining speculation?—discounting a very small number who expressed no opinion at all on this question.

But, fed up or not, they say, 3-to-1, that they would speculate again if the market firmed up.

Readers said (more than 5-to-1) that their friends were mostly losers in the stock market to date.

Two-to-one, readers also believe that there *will* be another boom; but they are even more decided (4-to-1) that prices of mining issues will *not* again reach 1936 levels. In short, they appear to think there will be another boom, but not *that* kind of a boom! Those who were undecided on this point numbered about 10% of the total.

On the question—what do you think is a fair dividend on mining investments?—

preponderant opinion indicated 20% per annum; next choice (50% less than the first group) was exactly divided between 10% and 15% per annum; a still smaller group thought 12% about right; there were just three readers who thought about 8% would satisfy them, and the same number who want 25%; one wants 30%, two vote for 40%, and one optimist wants 100% of par per year. These were scattering votes; range of majority opinion lies between 10% and 20%, with the latter figure preferred.

On the question—

WHAT DO YOU THINK OF INVESTMENT VS. SPECULATION?—Eight-to-one said they have noted a tendency toward investments for dividends rather than speculation for market appreciation; but 60% of readers failed to answer this question at all, so that the 8-to-1 answers represent only 40% of the total number of returns received.

We interpret this to mean that more than half of our readers have not thought about this point and therefore have formed no conclusions.

As to how *Journal* readers today would prefer to employ their funds (on this question, too, 1st, 2nd and 3rd choices were indicated by a majority of readers, while others, without indicating preferences, said they would distribute their funds among several choices):

Outstanding choice (2-to-1 over the next nearest)—producing mines.

Next choices: evenly divided between investments in diversified P. I. industries (other than mining) on a dividend basis; and investments in promising non-producing mines.

Only one-third as many people would invest in funds in U. S. stock market securities, as would invest in producing mines in the Philippines.

But even fewer (about one-fourth of those who would invest in producing mines) show a marked disposition to keep all their funds in the bank, although 36% would keep some reserve in bank accounts. Commodities in the U. S. were the first choice of only one reader, and one other preferred to put his money into annuities.

Finally, although the questionnaire emphasized that readers did not have to sign their names or otherwise identify their re-

turns, about 40% nevertheless chose to do so. This, as anyone knows who has ever used the questionnaire to obtain expressions of public opinion, is an unusual performance. We choose to believe that it indicates: (1) that *Journal* readers hold their own opinions and that they don't care who knows them; and (2) that *Journal* readers have confidence in the integrity of this publication.

ANALYSIS

Most significant feature of the returns as a whole, without question, is the nature of comments written in by those who responded. Such comments were mainly directed at the brokerage business and at the management of mining companies. Since we divulge no names, we are violating no confidence when we quote, verbatim, some of the more significant of these remarks:

On the brokerage business:

"How can they give service to a client whose market position is opposed to theirs?"

"Short selling should either be definitely stopped or should be made a legitimate trading feature open to all."

"Too many exchanges."

"Merge the two exchanges."

"Why try to prohibit brokers trading, they will do it anyway."

"Over-manipulation by some brokers."

"They won't keep their clients if they consistently advise them in their own (brokers) interests."

"Cut the number of brokers and they can make legitimate commissions."

"One exchange would be quite enough."

"Brokers should be allowed to trade for their own account only as an investment house under dealer's license; all such transactions to be kept separate."

"Should only be one exchange."

"The two exchanges conflict."

"Smaller number of brokers could afford to render better service."

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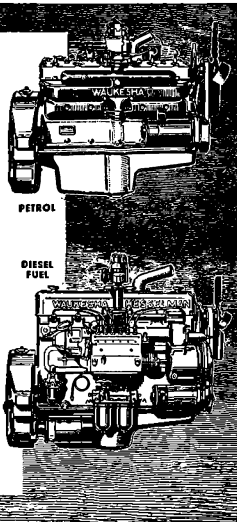
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"Playing both ends against the middle."

"A broker is in a position of trust. To act as a principal is a violation of that trust."

"What ethics?"

"If this market continues its present trend this (too many brokers) will take care of itself."

"They might as well (trade for their own accounts) as most of their clients are getting wise enough not to."

"What are ethics quoted at today, or are they pegged too?"

"Yes (allow them to trade for their own accounts) they all speculate anyway under dummy names."

"It would be possible (to make a profit on straight brokerage) if there were fewer brokers."

"They do it (trading on their own account) anyway, underhandedly."

Yet, because there is at least a minority sentiment—"it is a poor loser who will blame the broker for his losses"—we can not overlook the fact that although the majority opinion is adverse to them, the brokers have some staunch defenders.

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But let no one suppose that brokers are the only ones who come in for criticism.

Consider, first, that the *chief reason* ascribed for the present condition of the stock market is *not* political uncertainty, *not* lack of money, *not* conditions in the rest of the world, *not* the brokers—but *loss of confidence in the management of the mines.*

It is a reflection on some operating companies and on some boards of directors of companies which do their own operating. But it is *not* a blanket indictment of all operating companies, or of all boards of directors. For an appreciable percentage of readers in commenting on management took the trouble to mention specific exceptions; while others, without noting exceptions, did mention certain specific ones in which they had lost confidence.

Perhaps, again, verbatim quotations from replies received from readers, will best serve to illustrate the trend of thought:

"Management companies with no training or experience for management, such as (name of company deleted) and others of similar nature."

"Get fake stocks off the board."

"Cause a large number of 'mining companies' which do not own claims or are not actively developing same to be dissolved. See that fantastic salaries are not paid to officials of such companies."

"Not allow trading...where there is no actual proof of the presence of sufficient paying ore."

"A more complete study of how the market is manipulated to the advantage of a chosen few."

"Thoroughly investigate operating companies."

"There can be no doubt but that two prominent groups... mislead their stockholders."

Certainly not of least significance in the returns of this survey is the anomaly that although 50% of our readers say they are fed up on mining speculation, *no less than 75%* say they would speculate *again* if the market turns better.

As against this, 32% have noted a tendency toward investments for dividends rather than speculation for market appreciation, and a total of 92% would put their money into either producing mines or into diversified Philippine industries paying dividends; with promising non-producers and U. S. stock market securities as somewhat less preferred choices. If these indicate a trend toward conservatism, how account for the fact that 75% would nevertheless speculate again if the market firms up?

CONCLUSIONS

We believe that several important conclusions are to be drawn from the results published above.

Perhaps most significant is that apparently there is still plenty of money available for investment (or speculation) in the mining industry. And that despite losses, despite an apparent lack of confidence in the management of at least some mining companies, despite the evidence of public disfavor with at least some brokers, three quarters of the business men of the community could nevertheless be counted upon to resume trading again, if and when various conditions improve.

As one wise and successful business man puts it, it is still just as true today as it was in 1936, that the mineral resources of the Philippines have as yet barely been scratched. The history of mining throughout the world shows that we in the Philippines could not reasonably have expected to develop the local mining industry without experiencing some of the "growing pains" peculiar to that business—booms and recessions, unsuccessful promotions, barren claims, worthless stock as well as spectacularly valuable stock, good mines and bad, good mining operators and bad—the whole pattern. We happen now to be in a depression period in that industry—a depression which might have been brought on by any one of several conditions existing in the industry in 1936-1937, or by a combination of such conditions. In short, a depression which might have come regardless of political affairs, regardless of disturbed situations in the rest of the world. That depression period, like others before this, will come to an end; quite

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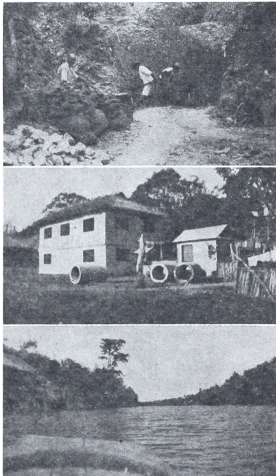
Cabaruan Chromite

Cabaruan Chromite, Inc. has 2000 tons of 46% chromite 12% iron and about 5% silicates taken from prospecting pits and tunnels on its 56-claim chromite property in southern Pangasinan and ready for shipment from storage bins in its two warehouses on its riverport where a loading platform accommodates lighters up to 500 tons capacity. This is the work of J. R. "Joe" Federle, one of the older miners in the Commonwealth. Cabaruan Chromite is capitalized at P350,000 but only P70,000 of the authorization has been issued and Federle says there won't be any more sold. He owns, he says, P50,000 worth of the stock, and has advanced the company P30,000 more by way of loans. Practically, this makes Cabaruan Chromite a one-man enterprise and lays all responsibility on Federle.

Primary development on the property consists of a 10-1/2 kilometer truck highway cutting the property north-south and graded to obviate steep activities on any tap road from claims where deposits turn up. Exploration is mainly open-cut work, supplemented with drilling. Two paying lenses have been discovered and are being worked, while many other points on the property are promising, Federle says. His great boast is the highgrade quality of the ore; nevertheless, he plans a concentration plant at the loading station on the river for conditioning ore of lower grade and winning the maximum from the deposits.

The longest haul on the property is 10-1/2 kilometers, the haul from the deposit most recently opened is 3 kilometers. Ore waiting sale and shipment is binned in sheds to obviate weathering. Federle says the capacity of the concentrating plant will be 4000 tons.

According to his data, costs have been low for everything. The truck highway, surfaced and well built, cost P16,000; the large office and administration building at the main camp cost P6,000; the warehouses at the riverport cost P2,500; other warehouses at the main camp cost P2000; the garage, cartshed, fuelshed, toolhouse and shop, and stables at the main camp cost P3000. There are tools and equipment for 250 men, the payroll and incidental project expenses run P1500 to P2000 a month. Sales made and ore ready for sale sum about 40% of the investment to date, Federle reckons. He says the margin per ton excels that for gold, and he expects a remarkable return from his investment. The Elizaldes and Puljates once had the property, but Federle bought



Cabaruan Chromite, Inc. Top, opening a new lens; middle, office at main camp; bottom, loading station on Bilangaguit river.

it from them, having learned from employment there what mistakes were being made, in his judgment, and something of what might do with the property were it in his control.

Federle is a native of Wisconsin who came to the Islands a soldier in the 23rd U. S. Infantry with the Third Expedition under Colonel (later Brigadier General) Ovenshine on the transport *Indiana* in 1898, and from soldiering went to mining—in Mindanao, when building Camp Overton in Masbate, in the early part of 1900-1901 and from 1905 at Baguio, where he worked at the building of Camp John Hay, the Country Club, etc., prospecting and mining in his off time.

You know Demonstration? Federle prospected it as the Copper King property. He was also on the groundfloor at Cal Horr, and sold this property to Benguet Consolidated. His prospecting and development work extended over what is now Big Wedge, Muyot, and Gold River. He says Gold River has a good chance to come back, "they will find it at depth." His mining career at Baguio embraced nineteen consecutive years, and his sobriquet earned there is "Baguio Joe." When you ask him if he can sell his Chromite, he says, "I can—leave it to me." The typical pioneer confidence of the old Veteran. Pictures of Federle's project show up very well.

Journal . . .

(Continued from page 18)

possibly the end will come, as is usual in the mining business, more suddenly than now appears likely. And the surest indication of this is that a big majority of the public believes there will be another boom; and it is the public which makes booms. But so few people think prices will again reach 1936 peaks, that perhaps we should qualify that: what lies ahead is a *boomlet*, or a *boomerita*—but still, a boom. How soon? You guess.

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The Observation Post

By Eric Staight



The United States is back on the inflation highway—not greenback printing—not further dollar devaluation—not just plain spending, with a consequent increase in National debt. As discussed in last month's article, the price structure collapsed because the props were removed, and it has now been found that no amount of talk—no amount of promises, will take the place of the golden stream. The price rise and pseudo prosperity of 1933-37 was built on pump-priming, or the Government expenditure of over sixteen billion dollars, and now, after the structure has been found as shaky as it was bound to prove, the Administration has decided to return to its first method—largesse. This turn of events was almost inevitable, as the only other course lay in renunciation of the New Deal's most cherished objectives. Popular support for its reform and socialistic measures could hardly survive a long and disastrous price decline.

The big question is, how gullible is the popular vote? Will the resumption of the original methods have the same appeal? It seems doubtful, particularly in view of recent events in Congress. After all, the United States is basically a democracy, and one in which the country's actual ownership is more widespread than any other in the world. Making all allowance for the labor vote, giving full weight to the socialistic and semi-communistic elements, will the country as a whole greet with complacency the almost casual admission that the only way to pursue the present scheme is through staggering increases in the national debt? Time alone will answer that question, but if it is possible for a nation to spend its way to

lasting prosperity, then a new economic law has been discovered, and this writer believes that national scepticism at that point is growing by leaps and bounds. However, it may be premature to predict an early revulsion of feeling. Early in the game a very famous politician described us as a nation of one hundred and thirty million guinea-pigs, and it seems more useful at the moment to analyse this fresh experiment rather than to indulge in prophecy.

At this writing the facts seem to be that the new program involves the injection into the national circulation, by direct or indirect means, of approximately seven billion additional dollars. The greater part of this is to come by the direct method—i.e. borrowing, and the balance from gold desterilization and a decrease in reserve requirements.

On the subject of gold desterilization, there seems to be some confusion of thought, so an explanation appears in order. Member Banks of the Federal Reserve system operate under Government regulations. These regulations govern the amount of deposit expansion of such member banks. There must be a direct relation between the Banks' reserves and their deposits, therefore a certain legal limit is set beyond which member banks may not go. Prior to August 1936 member bank reserve requirements were ten percent, or one gold dollar (Treasury certificate) to every ten dollars of deposits. Under the gold standard, when gold flowed freely in response

(Please turn to page 25)

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



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Culled from the News

OIL: Far East Oil Development Company, formed by J. B. Hoover, W. W. Harris, B. H. Berkenkotter, and other associates to search for oil in Tayabas, is down over 300 feet, and has located oil shale, according to Mr. Hoover. The

JOURNAL understands that, since Mr. Hoover's trip last month, the operation has begun producing six barrels of oil a day. Two drilling units are now in operation, one of these having been started toward the end of last month.

The gold boom pulled us out of the slump which followed the passage of the Tydings-McDuffie Act. It may be that an oil boom may pull us out of the current doldrums. It is to be hoped that such a boom, should it develop, can be controlled.

We wonder whether the recent expropriation of foreign oil interests in Mexico (including some valuable Standard Oil properties) will have any effect on Standard of New Jersey's decision to come into the Philippines?

MINE FACTORS AND MANILA WINE MERCHANTS LISTED ON I. S. E.: The International Stock exchange has recently listed the stocks of Manila Wine Merchants and Mine Factors on its big board. Trading in these stocks is fairly active, and both are selling comfortably above par, so that no complications have ensued from the fact that the International has removed the pegs while the Manila has not.

Can't somebody spare a word of praise for the stubborn determination the majority members on the board of directors of the Manila Stock Exchange have shown in maintaining the pegs in the face of an insistent demand from nearly every source that they be removed? They certainly stick to their guns.

Fearing over the matter has become pretty bitter, with the beleaguered "peppers" apparently determined to keep those pegs, no matter what.

MINE FACTORS SUES AMALGAMATED: A series of conferences held between officials of the two companies in an effort to adjust Amalgamated Minerals' indebtedness to Mine Factors having failed, the latter company through its attorneys, Julian Wolfson and Alva J. Hill this month filed suit against Amalgamated. The latter was apparently expecting the action, for, a few minutes after the Mine Factors complaint was filed, it filed a cross-complaint alleging that the manganese ore of Mine Factors was not up to contract standard, with consequent over-payment by Amalgamated Minerals, under the contract sued upon. Former Justice Claro M. Recto is Amalgamated's attorney.

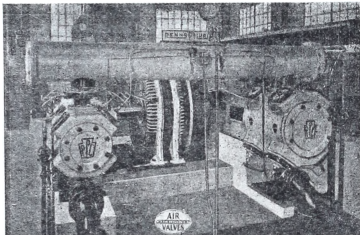
Mine Factors has been selling manganese F.A.S. Siquijor, to Amalgamated Minerals, among other purchasers, under a contract drawn according to standard practices, providing for payment of 80% of the contract price of ₱19.00 per ton when the ore is delivered alongside ship at Siquijor, and the other 20% upon receipt of smelter returns from the point of destination of the ore, which receipts must be delivered to Mine Factors within a specified period

(Please turn to page 29)



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What the Diggers Are Doing

RALSTON: A. W. Ralston was re-elected president of the two Ralston-managed mines, *Demonstration* and *Benguet Exploration*, held last month. The two annual meetings disclosed that both companies had a successful 1937, and look forward to increased profits during 1938. *Demonstration* stockholders particularly, it was stated, can expect a regular dividend of 10 per cent per quarter, according to the annual report. (Other officers and directors re-elected are, *Baryu Dalacin*, vice president, *M. M. Morgana*, *Jose Aracata*, and *Jose Maria Laeson*, directors and *Francisco Segado*, secretary.)

MARSMAN: Seven new production records were established by the Marsman mines during March.

Total output from four lode and one placer operation was well over the million-peso mark for the first time, production amounting, in fact, to P1,156,887.14. Tonnage handled in the various mills, 57,024 tons, and cubic yardage handled—366,000 cubic yards—were also new records.

United Paracale beat all of its previous records with an output of P209,999.00 worth of ore. *San Mauricio* put 8,625 tons of ore through the mill, which is the highest tonnage since the plant was started.

ENGBERG TO SUMATRA: J. O. Engberg, chairman of the board of consultants of *Marsman and Company*, left on April 5 for Sumatra and the *Mangani* mine.

This property has been considerably developed. It was formerly operated by the *Equator Mining Company*.

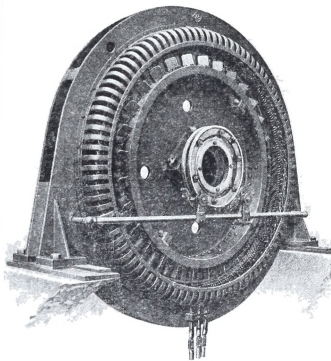
Marsman engineers have been interested in the project for some time, and ore is in fact now being subjected to metallurgical tests here in the Philippines in order to determine the proper flow sheet for a milling plant. Mr. Engberg and other Marsman engineers plan to select a suitable location for a mill.

A Marsman release states that diamond drilling at *Mangani* during the past year has met with satisfactory results, and a considerable amount of ore is indicated. There is a good road to the property, and three hydro-electric plants exist, of which one is in use and the other two are ready for operation. Much mine and electrical equipment is stored on the property, and many of the necessary buildings for a mining project exist and are serviceable.

SORIANO: *North Camarines Mill:* The *North Camarines Gold Mining Company*, of which *Andres Soriano* is the president, and *International Engineering*, the Soriano mine-management company, as general manager, has granted a contract to the *Southwestern Engineering Company of the P. I. Inc.* for the construction of a 300-ton ore milling plant at its property in Paracale district.

A unique feature of the mill will be the inclusion of a customs mill arrangement for the sampling and weighing of the ore.

This is necessary for accounting purposes in connection with the plan to treat ore from other properties in the North Cama-



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

"Section 15. *Insanitary Acts.*—No person engaged in the handling, preparation, processing, manufacture, or packing of tobacco product or supervising such employment, shall perform, cause, permit, or suffer to be permitted, any insanitary act during such employment, nor shall any such persons 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;..."

lines plant. Initially, the North Camarines mine will supply approximately 200 tons a day to the mill, and up to 100 tons will originate from the *Mambulao Consolidated* mine.

Southwestern Engineering, which built the *Mineral Resources* galena mill at Marinduque, will be responsible for the completed job, including design, purchasing of equipment and field construction work. It is now preparing the preliminary layout drawings of the milling plant, and work will be commenced immediately following approval by North Camarines engineers of the preliminary drawings.

Present estimate of positive and probable ore reserves of North Camarines is 64,936 tons with an average value of \$55.90 per ton, according to the February report of D. Spaulding, general superintendent. Good assays have marked progress of development work, and work is now concentrated on stope preparation.

INTERNATIONAL ENGINEERING TO DEVELOP PARACALE NATIONAL: The 24 claims of the *Paracale National Mining Co.*, adjacent to the *Tumbaga* group of *Consolidated Mines, Inc.* and that of the *Universal Mining & Exploration Co.*, in Mambulao, Camarines Norte, will be developed by *International Engineering Corporation* one of the *Soriano* companies. *Marsman and Company*, which had the development contract for six months, agreed to cancel its contract in favor of *International Engineering*.

The *Paracale National* claims are the particular interest of J. R. Reed, old-time miner, who first visited the property in 1909. He began active development work that same year, although the company itself was not organized until last year, with C. W. Rosenstock, (who was largely responsible for the *International Engineering* deal) as secretary-treasurer.

Development work so far done has been sufficient to determine existence of several veins, and it is now planned to develop these veins at depth. It is anticipated that, by the time the North Camarines mill is completed by Southwestern Engineering the property will be able to furnish 100 tons of ore a day for the North Camarines mill (see above).

PARACALE MINING DEVELOPMENT MILL: This company has announced that its combination flotation and cyanide mill is expected to arrive here on May 2nd. It will have a daily capacity of between 75 and 100 tons.

BAGUIO GOLD RECORD: In line with predictions of its management that 1938 profits will substantially exceed those of 1937, *Baguio Gold Mining Co.* reported last month that its production was \$145,301.48 from 9,220 tons treated. This is a new record.

HAUSSERMANN: The four gold producers of the *Benguet* interests established a new all-time high for monthly production last month, producing \$2,216,046.96 from 81,254 tons treated.

Benguet Consolidated set a record, and the production of *Balator, Cal Hara,* and *Ipa Gold* showed increases over February, although not new records.

Meanwhile, *Benguet Consolidated* has ceased operations on the *Masniloc* chromite property of *Consolidated Mines*, due to lack of current demand for the chrome at Masniloc. It is hoped that negotiations now underway in the United States will disclose a new market for the *Masniloc* product. Until then, *Benguet* is confining its chromite activities to its *Florannie* operations.

Florannie Mining Co. recently declared a twelve percent dividend on the common stock.

MACAWIWILI MILL: The *Macawiwili Gold Mining and Development Company* has recently contracted with *Marsman and Company* for the purchase and installation of a 120-ton cyanide plant for its Acupan property in Itogon, Mountain Province, where \$2,887,105 worth of high-grade ore has already been blocked out.

Demonstration Gold Mines, American Cyanamid Company, Engineering Equipment and Supply Company, and the Southwestern Engineering Company of the P. I., all conducted ore tests, and agreed that the ore, being free-milling, offers no difficulty in treatment. It is reported that the *Macawiwili* company may become a producer within the next four or five months.

Two main vein systems have been located on the claims. These systems, although extensive and containing high-grade ore, seem to be pretty well confined to the *Macawiwili* group. To the Southwest of this group lies another group of claims which the old *Padal Mining Company* struggled with in 1934. The *Padal* company sold them to *Tomas Confor* in 1937, and he formed the *Benguet-Itogon Goldfields Company*, which sank more money into the claims, but without developing anything commercial.

MINDANAO MOTHER LODE PROFITABLE: Ore reserves of *Mindanao Mother Lode* amount to 114,474 tons valued at \$3,633,040.20, according to the report of *Frederick McCoy*, general superintendent, submitted to stockholders last month. He also stated that the last four months of last year (the company became a producer in September, 1937) were quite profitable, a total of 16,787 tons of ore being milled, from which \$663,041.56 was produced. A profit of \$301,532.04 was made from this operation, of which 15 per cent went to *Engineering Equipment & Supply Co.*, the managers.

The company is capitalized at \$2,000,000 of which \$800,000.00 is subscribed and paid by mine development, machinery and cash, and the rest held for claims, awaiting approval of the Securities and Exchange Commission for release. L. D. Hargis is president, T. M. Jordan, vice-president; F. S. Parker, secretary-treasurer, and C. C. Grinnel, and C. E. Olsen, directors.

Malacañan's . . .

(Continued from page 14)

ties his wife enjoys, really wears the pants in his family.

He gives up the sultanate in assuming the governorship, and the sultan at the ancient capital, *Datu Aberin*, at *Mayombong*, rules alone and must angle as best he may for the usual gratuities from Manila. He is of *Hadiji Butu's* camp.

This abatement of a throne of whilom dignity and wealth illustrates the involuntary evolution *Sulu* affairs have undergone during the American period. Congress, perhaps with wisdom, certainly with intended fairness, has wanted to do nothing in the Islands (such as setting up a special administration for Moros) that would divide the people or tend to keep them divided on the artificial ground of differences of religion. Bag and baggage, therefore, all the minority peoples, prominently the Moros, were laid on the Commonwealth's doorstep and tagged, "These are your children too."

Observation . . .*(Continued from page 20)*

to normal laws of supply and demand, this requirement appeared adequate: There was no terrific excess of gold entering the country and therefore no great expansion of "excess reserves", but when the dollar was devalued and the United States became a magnet for most of the world's gold production, the picture changed. Gold literally streamed in from every producing country and was bought by the Treasury with "Gold Certificates" which found their way into member bank reserves. Inasmuch as the ten to one ratio still held good it will be seen that by August 1936, when excess reserves amounted to some three billions, a base had been created for credit expansion of some thirty billion dollars.

This proved a source of apprehension to the Administration (although in view of other policies it is difficult to see why) and reserve requirements were raised to fifteen percent, thereby cutting excess reserves to slightly under two billions.

However, the flow continued, so a new policy called "sterilization" was introduced. Under this system the Treasury, instead of paying for its gold by means of gold certificates, borrowed in the open market, thus avoiding the creation of excess reserves. This effectively halted the expansion of such reserves, but of course, increased Federal debt in direct proportion.

Much has been made of the fact that this increase in debt was at least figurative. After all, it was offset by gold buried in vaults here and there, and could therefore be disregarded in budgetary discussions. Very true—as long as it remained buried, but we now find, as some unpopular economists predicted some time ago, that this gold, or its equivalent, is not to stay buried but is to be thrown into the general pot. True enough, it has already been paid for, but the plain fact remains that the debt so created must now be added to the total spending bill rather than remain as an academic and relatively unimportant item. In other words, the Treasury has "desterilized" its gold hoard and will issue gold certificates against it which in turn will be drawn upon for various types of Government spending. So much for "desterilization."

Aside from the question of public reaction to the resumption of general pump-priming comes the practical matter of the Government bond market. The 1933-37 program was financed for the most part by the unloading on the banks of billions of dollars in Government Bonds. As matters now stand they already hold far too many such obligations for profitable operation, and any further large scale purchases would make a bad condition worse. Furthermore, the nation's commercial banks, as a whole, are not in a position to increase deposit liabilities to any great extent, which would most certainly happen in the event of further large Government bond subscriptions. Most of these banks are now insured under the Government deposit insurance system, and this demands a maximum deposit-capital ratio of ten to one. Latest reports indicate that all insured banks have approximately six billions capital funds and about forty-eight billions of deposits, which is already a ratio of eight to one, or close enough to the line to place a modest limit on further deposit growth.

This discussion would hardly be complete without mention of another important item. While it has already been shown that increases or decreases in reserve requirements control the amount of general credit expansion

(Continued on page 30)

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HOW THINGS LOOK TO CLIFFORD A. GREENMAN

Defeat of the administration's reorganization bill gave the American Markets their first psychological impulse in many weeks as prices rallied sharply. Political developments little by little, are favoring the market.

The foreign imbroglio has overshadowed recent trends at home, which, in the main, have been somewhat more hopeful. There are signs that a mild spring upturn in business is now getting under way, which may be extended for at least a few months. The favorable response to the amendments to the Federal Housing Act provides basis for the belief that residential construction this year will be markedly better than expected earlier. Average prices of primary raw materials have been fairly stable for almost two months, which is a favorable sign. No additional radical legislation is likely to be enacted and it is now reasonably certain that Congress will moderate considerably the capital gains and undistributed profits taxes.

Developments abroad have been so rapid in the past few weeks that an accurate in-

terpretation of their full significance is not yet possible. Needless to say, however, Germany's annexation of Austria and the truculent attitude of Poland indicate that the possibilities of a general European conflict have been decreased considerably.

Many of the domestic factors responsible for the depression have been or are in the process of being corrected, and there is some basis for the hope that business activity has passed its low-point for some time to come. Nevertheless, with the stock market still faced with dismal first quarter and probably first half-year earnings statements, additional dividend reductions and omissions, and a highly disturbing foreign situation, sound investment policy dictates continued conservatism. Until the situation abroad clarifies, no increase in aggregate stock holdings is justified, and cash reserves should be kept intact.

FOREIGN BONDS NOT ATTRACTIVE

No one can yet say whether the present unsettlement in Europe will lead to a general war, and if so what countries will be affected. However, a highly cautious attitude toward all foreign bond issues is advisable. Sale of Central European obligations are advised, and Balkan issues should be avoided. Moreover, it is felt that little is to be lost and added security gained by switching out of French and Belgian

obligations. No new commitments should be made in Scandinavian issues, despite the probability that these countries will not be directly involved, nor in obligations of Canada or Australia, despite their high credit rating.

Although there are signs of improvement in the domestic business picture, the foreign situation will make it more difficult for recovery forces to get under way here. In spite of unprecedented low prices for many types of bonds, this is not the time for adding to holdings, particularly of medium-grade and speculative obligations. A continued policy of shortening maturities of highgrade bonds as opportunity offers is advised.

AUTO SALES LAG

Although inventories of used cars were reduced moderately by the "National Used Car Exchange" campaign carried on during March, trade sources report that the reduction has been considerably less than press reports have indicated.

It is still estimated that first quarter new car output will approximate 675,000 units, which would be only about half of the comparable 1937 total. Most manufacturers will show losses for the quarter and the few who will operate profitably will not show large earnings. Somewhat better results are indicated for the seasonally more

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favorable second quarter, but the heavy inventories of both used and new cars on hand will tend to slow up factory sales.

Thus, commitments in the automobile and parts shares should continue small. GENERAL MOTORS, among the assemblers, and BORG-WARNER, in the parts division, are considered to be in the strongest position, but purchases of these shares need not be hastened.

Timely Comments on Active U.S. Stocks

ALLIS-CHAMBERS	Tractor business well sustained; small unit recently introduced proves sales stimulant.
AM. CYNANIMID "B"	Research expenditures amounted to \$0.72 a share last year against \$0.61 a share in 1936.
AM. LOCOMOTIVE	Alco Products division reports another \$1,500,000 order; locomotive prospects poor.
AM. SMELTING	First half earnings probably will be no better than the 1935 level of \$1.51 per share.
AM. STEEL FDRIES.	Rate increase may stimulate equipment purchases, particularly by roads in 77B.
AM. WOOLEN pfd	Stock has substantial asset protection; woolen industry probably nearing upturn.
ANACONDA	Armament psychology likely to sustain interest in this stock despite earnings outlook.
BALDWIN LOCO.	Rail equipment buying still negligible; Midvale Co. a bright spot in the picture.
BLAW-KNOX	Immediate prospects unfavorable; response to business improvement should be rapid.
BORG-WARNER	Indications point to a first quarter loss, caused by the low level of auto production.
CERRO DE PASCO	Output continues high, but profits have been lowered by the drop in world metal prices.
CHIC. PNEU. TOOL	Goodwill written down \$5,500,000 in 1937; funded and bank debt nearly eliminated.
CHRYSLER	Favorable long-term outlook for company warrants retention of stock at present levels.
CLIMAX MOLYB.	Sales holding at a high level; persistent foreign demand offsets lower domestic takings.
COLUMBIA C. & E.	Management proceeding with plans for simplification, but early action is unlikely.
CONTINENTAL HAR- ING "A"	Stability of bread prices favorable as to current earnings; sales off only moderately.
CONTINENTAL OIL	Earnings in first quarter tentatively estimated at \$0.70 compared with \$0.77 in 1937.
CROWN CORK	Continuation of \$0.50 quarterly dividend probable; stock affords attractive yield.
CUTLER-HAMMER	Backlog reduced sharply

DOUGLAS AIRCRAFT	since January first; lower production likely in second quarter.	MINN.-MOLINE	mainly accounts for 80% of sales; Housing Act will help.
FOSTER WHEELER	Capacity production assured well into 1939; experimental costs to be lower this year.	MONT. WARD	Agricultural implement sales fairly good at present, and profit margins are favorable.
GEN. PRINTING INK	Bookings in first two months \$4,800,000, an increase of \$1,600,000 above 1937 level. Volume of sales continues to decline, due to falling newspaper and magazine linage.	NATIONAL SUPPLY	February sales off 1.5% from last year, satisfactory in view of general conditions.
GEN. REFRACTORIES	Drop in first quarter profits has been fully discounted; stock should be held.	NORTH AMERICAN	Some drop in first quarter earnings indicated, but results will be better than average.
GT. NORTHER pfd	Rate increases to add \$4,500,000 annually to revenues, according to an official estimate.	NORTHERN PACIFIC	Decline in electric output forehadows moderate drop in first quarter profits.
HOLLAND FURNACE	Net working capital at the year end was equal to over \$22.00 per common share.	OLIVER FARM EQUIP.	Cash on Jan. 21 amounted to \$9,148,000; funded debt due in six months \$1,228,000.
INTL HARVESTER	Maintenance of \$0.62½ quarterly dividend appears assured; stock reasonably priced.	OTIS ELEVATOR	Bank debt of \$9,600,000 due November, 1938, not likely to raise serious difficulties.
INTL NICKEL	First quarter earnings expected to be around \$0.60 a share against \$0.77 last year.	PAC. WEST. OIL	Incoming business now chiefly confined to repairs, but company still has good backlog.
LIQUID CARBONIC	Small deficit likely in the March quarter; subsequent period should be better.	PENNSYLVANIA R.R.	Value of investment holdings provides cushion against further market decline.
MASONITE	Immediate outlook poor, but building industry may be one of leaders of next upturn.	PHILLIPS PET.	Benefits of rate increases officially estimated at \$1,100,000 monthly on present traffic.
MINN.-HONEYWELL	Residential construction nor-	PURITY BAKERIES	Weakening of gasoline prices an unfavorable sign; lower earnings well discounted.

PROSPECTING IN THE SNOW

During the long cold winters in Northern Canada it is impossible to continue ordinary prospecting methods, but geophysical survey work is unimpeded by the heavy snows. The numerous lakes offer no difficulties as they are frozen over. The efficiency of the instruments is uneffected, and the geophysical engineers work on skis and snow shoes. The mineralized zones may be located and outlined as though it were the balmy Philippines.

Developments' geophysical engineers, geologists and technicians have made many surveys in Canada as well as in the States, Mexico, Alaska and the U. S. S. R. They have made over 50 geophysical surveys in the Philippines on all types of terrains, and many of these were on properties of producers.

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Seasonal Gain in Buying Keeps Metal Prices Steady

Domestic prices hold firm during March despite bearishness on Wall Street.

(By the United Press)

NEW YORK, April 15.—With actual consumption of non-ferrous metals slowly expanding, domestic prices held mostly unchanged during the past month, according to the magazine Metal and Mineral Markets.

Business in major non-ferrous metals suffered during the latter half of March because of the depressing influence on sentiment exerted by the sharp decline in securities in Wall Street. Prices were not depressed below the previous month's levels, however, because of the slight seasonal gain in consumption.

"Actually," the magazine reported, "buyers are certain that the movement of goods into consumption is slowly increasing, but the rate of improvement remains disappointing. The sudden change in the Treasury's purchasing policy in reference to Mexican silver, and the lower prices named on foreign metal, were disturbing factors in those countries producing silver in quantity. The U. S. Treasury had been absorbing 5,000,000 ounces of Mexican silver monthly in the first three months of 1938.

The 1937 earnings of most of the major non-ferrous metal producing companies showed substantial gain over 1936. International Nickel Company of Canada reported net 1937 profit of \$50,299,623 as compared to \$36,865,526 in 1936. Besides nickel, this company is a major producer of copper and platinum.

Consolidated net income of the Phelps Dodge Corp. in 1937 was \$12,740,772 as compared to \$11,392,546 in 1936. The other large American copper producer, Kennecott Copper Corp., reported consolidated net income of \$49,822,393 in 1937 as compared to \$25,490,764 in 1936.

There was a tendency toward improvement in the copper market during March and prices finished the month firm. Actual consumption of copper in the domestic industry during February was about 37,000 tons, whereas domestic deliveries in February amounted to 27,389 tons. The higher actual disappearance of copper, contrasted with deliveries, indicates that consumers are eating into their stocks. The foreign copper market was fairly active until the end of the month when prices eased on the decline in securities and the calmer view of developments in Europe.

Production of refined lead in the United States has been reduced from a monthly high of 49,197 tons last October to 34,869 tons in February. Statistics for February were about as expected by the industry. Consumers having stored lead with producers have been steadily releasing metal for shipment to their plants before the new freight rates become effective. Domestic lead prices held unchanged for the month while there was a slight gain at London as the result of some speculative buying resulting from the European tension.

Buying of zinc continued on a modest scale during the past month with most sales covering the common grades only. Galvanizing operations are moving upward slightly. World production of zinc during January totaled 156,992 short tons, against 161,106 tons in December, according to the American Bureau of Metal Statistics.

The tin market remained unsettled and prices eased

off towards the end of the month after a brief flurry of activity. The International Tin Research Council reported that world tin consumption during January declined to 13,800 long tons, a drop of nearly 3,400 tons from January, 1936. There was dissatisfaction in Malaya over the new quotas established for the second quarter of this year. Tin-plate mills in the United States are maintaining production at around 55 per cent of capacity, with the trend in activity slightly upward.

The silver market was sharply depressed by the announcement from Washington that the Treasury Department had again lowered its buying price one cent.

AVERAGE METAL PRICES FOR MARCH, 1938

		<i>Gain or Loss from Feb.</i>
COPPER		
Electrolytic, Domestic refinery	9.775	Unchanged
Electrolytic, Export, refinery	9.496	+ 0.217
London, Standard Spot	39.772	+ 0.334
London, Electrolytic. bid	42.582	- 0.918
LEAD		
New York	4.500	Unchanged
St. Louis	4.350	Unchanged
London, Spot	15.992	+ 0.869
London, Forward	16.073	+ 0.885
SILVER & STERLING EXCHANGE		
Silver, New York, per oz.	44.446	- 0.304
Silver, London pence per oz.	20.088	+ 0.088
Sterling Exchange, "checks"	498.394	- 5.106
ZINC		
St. Louis	4.417	- 0.333
London, Spot	14.364	+ 0.473
London, Forward	14.477	- 0.148
TIN		
New York, Straits	41.219	+ 0.294
London, Standard Spot	183.473	+ 0.527
OTHER METALS		
Gold, per oz., U. S. price	\$35.000	Unchanged
Quicksilver, per flask	72.444	- 5.056
Antimony, domestic	13.750	Unchanged
Platinum, refined, per oz.	\$86.000	Unchanged
Cadmium	117.500	Unchanged
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.)

Culled from . . .

(Continued from page 22)

of days. A moisture content of 5% without penalty is permitted, and, should the manganese be found at the point of destination to contain more than 5% moisture, a penalty rate is specified in the contract.

This provision respecting moisture content will probably come up for careful inspection, should the case come to trial, since Amalgamated Minerals allege among other things, in their pleading that the ore furnished them was high in moisture content.

The case may pose a problem in penalty clauses and their interpretation of equal interest to that recently raised in the old suit instituted in 1935 by the Big Wedge Mining Company against Fred M. Harden and others. JOURNAL readers will remember that the court in that case held that the individual defendants, claim owners, had to content themselves with considerable reduction in the amount of money to be paid them for their claims by the Big Wedge company, because of a clause stipulating for a fairly stiff penalty should the claim owners fail to secure patents to their claims within a specified time—something which they failed to do for all of the claims involved. At that time, attorneys for Harden, et al, did not see fit to raise the question of equitable reduction of the penalty imposed, and Judge Alex Reyes, upon petition of their present attorneys, has ordered rehearing of the case for the purpose of taking evidence helpful on this point.

BATONG BUHAY RESERVES HIGH: About P2,000,000 of positive and probable ore has been blocked out on this property, not counting a large volume of possible ore. Ore reserves have increased rapidly, due to the fact that most of the underground reserves are concentrated on well-known and well established vein systems, showing high values in gold and silver, according to the Manila office of the company.

A set of cross-section samples of the vein systems has been sent to the United States, and one set turned over to a Manila concern for complete metallurgical tests, in order to determine the type of mill to be constructed, and plan the flow sheet. The mill, it is planned, will be of 100 tons initial capacity.

KILOMETER 73: All officers and directors of this company were re-elected at the annual meeting held recently, including George M. Ivory, re-elected president. The company is in a strong cash position, and development work, which is proceeding without a let-up, indicates a good possibility that a mine may be developed.

CONSOLIDATED MINES—Report for the first quarter of 1938 on the Tumbaga mine show a steadily rising monthly production figure, with total production for the quarter amounting to P135,062.27. More significant, however, is the form of the report on production, which includes production costs as well as gross production, and thus serves to indicate what the stockholder may expect in benefits therefrom.

This report, coming out just before the Easter holidays, has so far failed to receive the attention to which we think it is entitled. For it is the first report of its kind to be published in the Philippines, so far as we know. It is quite possible that it will have far reaching effects on the

whole mining industry of this country, as far as presentation of the facts concerning production are concerned.

Included in Tumbaga's production costs were smelter charges, which have also been deducted from gross figures. Smelter charges, we learn, are a considerable item and can play a very important part in final results. Such charges include:

- 5% of the gold
- 1 oz. (minimum) of silver per ton
- 20 lbs. of copper per ton
- 2-½ cents (U.S.) deducted from the price of each pound of copper
- Plus a basic smelter charge of P 50 per ton.

This basic charge depends on the copper content of the concentrates; more copper, higher charge.

In Tumbaga's case, production costs totaled P75,440.29 for the quarter, leaving an operating profit of P59,621.98.

TIMELY COMMENTS

(Continued from page 27)

- SOUTHERN PACIFIC** Road in fair financial condition; losses incident to recent floods probably not severe.
- STONE & WEBSTER** Field for management services will be broadened through utility realignments.

- SUTHERLAND PAPER** Profits for the first quarter expected to be \$0.50 a share against \$0.75 a year ago.
- SYMINGTON-GOULD** Developments in merger situation indicate that a new plan may be drafted soon. Despite drop in theater attendance, indications point to a further earnings gain in 1938.
- 20TH CENT.-FOX** Gross earnings so far this year have held within striking distance of the 1937 level.
- UNITED AIRCRAFT** Volume well sustained; Pratt & Whitney division reports new order of \$1,178,000.
- U. S. STEEL** Stockholders to vote on proposed issuance of convertible bonds; approval favored.
- WALWORTH** Outlook remains uninspiring; revival of building construction would change picture.
- WESTINGHOUSE EL.** First quarter profits estimated at \$1.00 a share compared with \$2.01 a year ago.
- YOUNGSTOWN S. & T.** Year-end balance sheet reveals \$20,000,000 reduction in funded debt during 1937.

MARCH 1938 GOLD PRODUCTION*

MINE	March 1938		March 1937	
	Tons Milled	Value	Tons Milled	Value
Ambassador	725	P 10,375.00	—	—
Antamok	23,670	417,280.14	23,272	P 500,223.75
Baguio Gold	9,220	143,501.48	5,370	89,284.46
Balatoc	37,848	1,109,944.44	37,721	1,055,538.24
Benguet Cons.	32,372	947,435.36	24,867	822,483.00
Benguet Expl.	2,650	19,338.44	3,477	24,530.00
Big Wedge	3,939	139,692.90	2,702	37,302.54
Cal Horr	5,728	105,953.90	5,680	105,306.78
Coco Grove	366,000 cu yds.	245,800.00	—	—
Demonstration	9,500	160,150.00	7,210	154,516.44
East Mindanao	2,630	36,673.72	3,383	66,000.00
Gold Creek	1,332	24,697.00	647	13,475.65
Ipo Gold	5,302	52,713.26	5,350	54,854.85
Itoyon	32,296	347,821.97	18,880	269,610.37
I X L Mining	11,016	264,113.04	7,231	167,559.68
Mindanao Mother L.	4,065	120,499.90	—	—
Masbate Cons.	75,282	330,999.56	40,004	251,422.39
North Mindanao	173 oz.	12,110.00	98.11 oz	6,868.05
Royal Paracale	2,898.82	27,628.97	—	—
San Mauricio	8,625	230,306.59	4,263	175,777.06
Surigao Con.	3,837	66,747.00*	—	—
Suyoc Cons.	6,368	123,859.28	6,732	136,145.86
Tambis Gold	—	—	—	21,861.35
Twin Rivers	39,266	43,499.85	—	—
United Paracale	9,735	209,099.30	9,158	93,644.57
Total		P,190,241.10		P4,089,589.52*

Base Metal

Lepanto Consolidated Mining Co.	7,092	54,080.00
Hongkong Mines	3,901	42,325.00
Mineral Resources	2,086	16,002.31

(*) Includes IXL Argos P31,635, Northern Mining P71.80 and Salacot Mining P21,477.00.

(x) Includes production from Feb. 15, 1938 to the end of Fe. 1938.

(F) Figures furnished by the Chamber of Mines of the Philippines.

Observation . . .*(Continued from page 25)*

sion, as distinct from Government credit expansion, the building up of excess reserves is only half the story. It amounts to leading the business horse to water—the question of making it drink is something else again. Since 1933 that animal has refused to imbibe in any quantity. Time and again the cry has arisen from Washington that business was not bearing its share of the recovery burden. The answer has always been that regulation, reform, excessive taxation, and generally vacillating policies have made it imperative to stay close to shore. That answer stands the test of sound economic thinking, and it can hardly be said that this most recent move has done anything to change the attitude. On the contrary, it seems more likely that it will be intensified, so that an increase in excess reserves of almost any amount will more than probably prove so much waste motion.

Altogether this writer believes that the situation can be summed up in a few words: The price structure may be temporarily bolstered by fresh spending, but the fundamentals are so far unchanged. Neither the New Deal nor any other agency has devised a means of circumventing natural laws, and until fear of the Administration's basic aims is removed no lasting change for the better may be anticipated.

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REAL ESTATE BUILDING AND COMMERCIAL REVIEWS



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OF COMMERCE JOURNAL



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EMPRESS OF ASIA	16,900	25,350

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COPRA AND ITS PRODUCTS

by
KENNETH B. DAY AND LEO SCHNURMACHER



K. B. DAY

March was a rather surprising month in that copra and coconut oil, instead of maintaining a steady position, which would normally be expected at this time of year, continued to drop. Furthermore, an unexpectedly large amount of copra was available. Ordinarily, it would have been possible to have sold oil and copra freely in the American markets, but with the recession in the United States, and the rest of the world in a most uncertain political and economic condition, buyers have been operating from hand to mouth and even though copra and oil were undeniably cheap, both were a drug in the market at the end of March.



L. SCHNURMACHER

COPRA—Copra arrivals in Manila in March were nearly 7% above those of February, which in turn were above those of January. These heavy arrivals, very largely unexpected by the trade, represented not only a very fair production but the liquidation at heavy sacrifice of outstanding provincial stocks. A falling market always draws copra, and March was no exception.

At the beginning of the month, the position was none too secure with Manila buyers quoting \$7.25 for vesecada and sellers holding for \$7.50. The market gradually sagged during the first half to about the middle, at which stage buyers were paying \$7.00 and possibly a small amount of business was done at \$7.25. Shortly afterwards, the market started receding again at accelerated speed, and at the end of the month buyers were quoting \$5.75 with sellers willing to do a small amount of business at \$6.00. Thus, copra prices took a drop of approximately 20% during March and reached a point at which we are sure true production costs must have exceeded market prices.

The American market for copra opened with sales at 2.20¢, but declined throughout the month until at the end of March the best offer available was 1.80¢ with sales made as low as 1.87-1/2¢. A very considerable amount of copra was sold during the month, mostly at prices ranging between 2.20¢ and 2¢ with buyers backing away in view of heavy offerings. The European market declined more slowly than the American market. Starting the month at \$11/17/6 for sundried, the market declined to \$11/0/0, which price as a matter of fact was somewhat better than the Coast equivalent at the end of the month, and resulted in a certain amount of business being done to Europe.

The whole outlook for copra and coconut oil was largely modified by increasing stocks of competing oils and fats in the United States, coupled with a prospective heavy lard production for the year and a very good whale oil catch, which must be disposed of within the next month or two. The heavy cottonseed oil crop of 1937 was disposed of more quickly than anticipated, but at the expense of other oils less favored for immediate consumption, which consequently continued to press on the market throughout the month.

Copra shipments for the month were relatively heavy, being about equivalent to those of February and totalling 22,500 tons, of which nearly 19,000 tons were shipped to the United States mostly to the West Coast.

At the end of the month stocks of hand of copra were nearly double those of a year ago with every expectation that copra arrivals would continue very good, at least until the Easter Holidays.

Statistics for the month follow:
Arrivals—Manila, 461,052 Sacks
Cebu, 389,072 "

Shipments—	Metric Tons
Pacific Coast.....	13,983
Atlantic Coast.....	1,524
Gulf Ports.....	3,607
Europe.....	3,048
China and Japan.....	11
Other Countries.....	387
Total	22,560

Stocks on hand—	Beginning of Month Tons	End of Month Tons
Manila	31,794	40,569
Cebu	38,338	38,304

COCONUT OIL—At the beginning of March, the markets were very quiet with buyers not bidding and sellers offering oil in New York at 3-3/4 cents c.i.f. and on the Pacific Coast at 3-1/2 cents f.o.b. The New York market was easy throughout March, gradually fading away until at the end of the month sellers were offering at 3-1/4 cents without success with buyers as there was a slight interest at 3 cents c.i.f. New York. On the Pacific Coast there was a little more activity, but at constantly dropping prices. Some business was done for scattered positions at 3-3/8 cents f.o.b. and a little later at 3-1/4 cents and 3-1/8 cents. At the end of March sellers were offering at 3 cents with buyers showing a small amount of interest at 2-7/8 cents. Most of the business from the Pacific Coast was for the edible trade. A fair volume of oil was sold in March, but at no time were there as many buyers as there were sellers, and buyers were dropping out of the market entirely every few days, thus disconcerting the general situation. Oil stocks in the Philippines at the end of March were approximately the same as they were exactly a year previously.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast.....	1,518
Atlantic Coast.....	13,345
Gulf Ports.....	1,340
China and Japan.....	102
Other Countries.....	891
Total	17,196

Stocks on hand—	Beginning of Month Tons	End of Month Tons
Manila and Cebu	16,874	11,371

COPRA CAKE AND MEAL—The month opened with the possibility of selling copra cake for shipment during the second quarter at a figure as high as \$31.00 per ton c.i.f. Copenhagen. By the middle of the month this price had dropped to \$30.50, which proved to be the standard price for the balance of the month. Local buyers were quoting from \$36.00 to \$38.50 f.o.b. steamer for positions from May to August, with the understanding that should the proposed freight increase, postponed from April to July, go into effect July 1st, this would have to be for account of sellers. In view of the unsettled conditions in Europe it was rather surprising that there was as much buying interest for copra cake as actually developed. In the United States the copra meal market was very dead with a few sales recorded at from \$24.00 to \$25.00 c.i.f. Pacific Coast, all for spring shipment. With the great assortment of competing feed-stuffs available in the States, the demand for copra meal was practically negligible and it was only occasionally that sellers could get a bid from the Coast, even for limited quantities. On an f.o.b. basis, the American meal market worked out slightly more favorable to sellers than the European cake market.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast.....	2,495
Europe.....	8,180
China and Japan.....	51
Total	10,726

Stocks on hand—	Beginning of Month Tons	End of Month Tons
Manila and Cebu	6,448	3,736

DESICCATED COCONUT—The market for desiccated remained quiet with quotations tending to sag. Inventories remained fairly heavy in the United States and sales slow. Local factories were working not over half of capacity. The outlook remains rather discouraging for any decided improvement in the near future. Shipments of desiccated from the Philippines totalled 2267 tons in March, being a slight increase over February.

GENERAL—At the end of the month all markets were very despirited. The general upswing in business, anticipated for the second quarter, has been apparently delayed and now most business men do not look for better conditions until the

(Please turn to page 39)

REAL ESTATE

By P. D. CARMAN
BOULEVARD HEIGHTS



January and February sales this year were disappointing but the March total was the highest for that month since 1931 excepting 1937 and 1935 which was only slightly in excess of this year's March figure.

Sales City of Manila
1938

	February	March
Sta. Cruz	P 243,042	P 430,205
Sampaloc	88,473	93,147
Tondo	75,178	91,382
Binondo	111,000	376,500
San Nicolas	41,684	25,800
Ermita	42,600	104,660
Malate	58,101	102,054
Paco	106,577	58,384
Sta. Ana	19,131	54,667
Quiapo	44,096	41,634
San Miguel	23,128	49,764
Intramuros	6,667	11,607
Sta. Mesa	11,000	—
San Juan	2,500	—
	P 873,177	P 1,439,804

With the exception of last year, which broke all records, the first quarter of 1938 compares favorably with the corresponding periods of recent years:

1934	P 3,223,239
1935	3,769,487
1936	3,608,043
1937	5,143,955
1938	3,046,043

MONTHLY REVIEW OF THE NEW YORK SUGAR MARKET

By S. E. LEVY & Co.
Members New York Coffee & Sugar Exchange, Inc.

The month under review has been a disappointing one for the sugar trade. The firm tone in evidence at the end of February was not maintained. The first days of the month saw futures steady and raws at 3.15 for prompt delivery and later arrivals at 3.18.

On March 2, influenced by Secretary Wallace's letter to Senator Bulkley of Ohio, to the effect that sugar prices were already sufficiently high if not too high, No. 3 futures opened the week easier, 4 to 6 points decline on initial trading. The market for the balance of the week pursued a downward course under the influence of this statement. Scale-down short covering and some new buying for new account absorbed producer hedging, short selling and liquidation. New season's lows were established in all positions. Closed 8 to 9 points lower. Total sales on the Exchange for the week were 53,400 tons.

The weakness in the futures market was also seen in the raw market where prices declined to the 3.05 basis; the lowest since March 1935. Sales for later delivery were made at prices between 3.10 and 3.05.

The second week of the month was quite active with the futures market irregular and business done in the raw market, between 3.05 and 3.10. There was some buying interest possibly because of reports of further labor trouble developing in Porto Rico. There was also considerable talk of a possible revision of the 1938 quotas, which helped the market in spots. Rumors to the effect that the Administration would possibly change its attitude towards sugar were not confirmed and a further decline set in, which carried prices to new lows. Raws eased off to 3.01 on March 16.

Another period of steadiness followed as refiners showed an interest in the market and sellers appeared reluctant. The market for both futures and actuals turned uncertain and hesitant and again declined under pressure of nearby arrivals which were sold on March 23, at 3.00. Further parcels were reported available at 2.99 with possible buyers at 2.98.

From then on until the end of the month, the market was hesitant and most days showed comparatively small business actually booked. Refiners announced a reduction to 4.50 and it was thought that this might result in a refined move causing buying interest in actuals. This hope was short lived and an easier tone was in evidence on the last two days of March.

Raw sugar hovered around 3.00 for early arrivals, with slightly higher prices obtainable for later deliveries. A press dispatch from the Journal of Commerce in New York, stated that refined sugar at the present average price was considerably below the Administration's frequently stated objective. The Journal reported indications that the A.A.A. would try to promote recovery in sugar prices.

However, A. A. A. officials again denied trade rumors of an early reduction in sugar quotas with a view to boosting sugar prices. They said that no changes were contemplated at present.

Raw Sugar Futures, No. 3 Contract,

	Sept. Delivery
Last sale, February 28	2.27
High sale during March	2.28
Low " " " "	2.14
Closing bid, March 31	2.18
Net change Down09

TOBACCO REVIEW

By P. A. McYER



RAWLEAF: In view of the large shipments to Spain and Japan, exports during March were heavier than in any month during the last two years. Comparative figures of shipments abroad are as follows:

	Rawleaf, Stripped Tobacco, and Scraps Kilos
Belgium	30,843
China	6,442
Germany	732
Holland	247,329
Hongkong	28,970
Japan	1,043,265
Java	1,770
Korea	90,776
North Africa	155,294
Spain	1,680,840
Straits Settlements	1,238
United States	259,580

March 1938	3,547,438
February 1938	199,284
March 1937	1,019,931

CIGARS: Shipments to the United States compare as follows:

	Cigars
March 1938	13,438,781
February 1938	20,633,884
March 1937	14,793,718

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RICE REVIEW FOR MARCH, 1938

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



The up-trend reported in our February review gained further momentum in March. While no spectacular advance was registered, observers considered it as being noteworthy in that the prices of other major export crops declined sharply. We share the opinion often expressed in well informed circles that the market may see higher prices in the coming months. Volume had a tendency to increase on the up-trend, a sign of a healthy market position.

The first half of the month was quiet and featureless. It was generally interpreted as a reaction to the important advance registered in the previous month. The second half, however, witnessed renewed interest and more speculative activities. Milling went on at top speed in certain places to meet the heavy seasonal

demands from the consuming market.

Manifested arrivals during March showed a decline of some 27,000 sacks below the February figure. We believe, however, that in view of the difficulty experienced by millers in obtaining freight cars, a comparatively heavy volume of cargo was carried on by motor vehicles. It is noteworthy, however, that the total arrivals during the first quarter of 1938 exceeded the 1937 figures as may be gleaned from the following table:

RICE ARRIVALS BY RAILROAD

	1937	1938
January . . .	184,758 Cavs.	194,586 Cavs.
February . . .	171,115 " "	191,100 * "
March . . .	186,530 " "	163,759 * "
Total . . .	542,403 Cavs.	549,445 Cavs.

* (30 days only)

The above table shows that in the face of a greatly reduced harvest receipts at Manila were heavier than last year when the crop was abundant.

The National Rice & Corn Corporation which holds practically the only supply of the old crop continues to sell at a premium at about 30¢ per sack over the new crop of Macan sold by the trade. However, in view of the probable shortage

which may develop later in the year, no efforts is being made to speed up the sales. Opening, high, low and last quotations are given below:

	Opening	High
Macan No. 2 (new crop) per	P 5.80-5.90	P 5.90-6.00
	Low	Last
	P 5.75-5.85	P 5.90-6.00

sack of 56 kls.

PALAY

Owing to persistent rumours of a probable rice shortage this year, palay holders showed no anxiety to part with their stock. Prices ruled very firm at P2.80—P2.85 per sack of 44 kilos, for ordinary varieties. Elon-elon sold as high as P3.20 in Nueva Ecija and P3.30—P3.40 in Bulacan.

BY-PRODUCTS

There was a strong demand for tiki-tiki and other by-products for poultry feed. No. 1 tiki-tiki advanced as high as P1.90 compared with P1.65 at the beginning of the month.

FOREIGN MARKETS

Siam and Indo-China reported favorable developments in view of heavy demand from Hongkong and Singapore.

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FILIPINAS BUILDING MANILA TELEPHONE 2-17-62

The Story of Old Dr. Madara

Another picturesque character leaves the Philippine stage.

Administering the early Philippine government made Americans sweat; especially Civil Governor Wm. H. Taft, who was corpulent. They thought of Baguio, 36 kilometers from Pozorubio up the gorge of the Bued river, and Captain Charles W. Meade, 36 Infantry, U. S. V., said a wagon road to Baguio could be built for \$75,000. He was detailed to build it December 21, 1900. Other men followed, other money too—much other money—and the road was finally put through by Major L. W. V. Kennon in whose memory General Leonard Wood had the road named when Wood was governor general of the Islands. The surgeon who worked with Kennon on the road died at his home on calle Herran in Manila a few days ago.

This man was Dr. J. W. Madara, the most interesting side of whose character was his classical misanthropy, richly spiced with agnosticism. Born a Kentuckian, near Lexington, Dr. Madara's malevolence was lushly won upon the Democrats. When Woodrow Wilson was elected President in 1912, Dr. Madara accounted it a national calamity. He swooned with wrath when Wilson led the United States into the World War, and spent the last twenty years of his life loafing downtown at or near the Plaza Lunch snarling I-told-you-so's; he would arm himself with the day's news, then lay for victims.

Dr. Madara looked the part he played so well. He was tall, thin, lanky. His gangling legs crossed knot-fashion. His features habitually unshaven, dour and cavernous, brooding under heavy shaggy brows. His nose was knobby, large yet not strongly arched. His throat was well-lapped, and a pendulous lower lip, thin and quivering, gave his asceticism weird and terrifying sincerity. Customarily he sat slouched in his chair, hairy eyes half-

closed and distant in thought, only rousing, his eyes now gleaming derringers, for his diathetic attacks. In a word, his appearance and posture were those of a practitioner of the black art. Since he lived alone and knew the arts of chemistry and physics, you quite imagined him gloating at witching midnight hours over noxious brews and deadly concoctions with which to poison Democrats.

He never met us, and he met us often, without dubbing us Democrat and drubbing us for such pusillanimity.

A most picturesque patriarch of the empire days leaves Manila with the passing of Dr. Madara—only he was anything but patriarchal.

Dr. Madara believed he knew his Europe. That the war debts would never be paid was an early surmise of his. They would, he said, never be paid except with taxes wrung from thrifty Republicans by Democrats; he never believed any Democrat had income enough to be taxable, or if he did, would so report. His opinion of the Philippines was low, of course; he took pride in holding low opinions of everything and everybody. Misanthropy was ingrained in him, not a pose. He could afford complete independence, since the home he had acquired and the competence he had saved were sufficient for his meager needs.

The Plaza Lunch took charge of the funeral arrangements, something characteristic of this friendly little restaurant, where Dr. Madara kept a small deposit. No one knows just how Dr. Madara died, a servant just came to work at the usual hour in the morning and found him dead in bed. Age had taken him.

Dr. Madara had migrated to Philadelphia from Kentucky, for his medical education, and had been graduated in medicine (and Republicanism!) by Rush, or

possibly Jefferson, in '77, after which for a time he had lived at Harper, Kansas, and married a girl from Tribune, Kansas. There are believed to have been three children from the marriage. A daughter, Mrs. Helen Dyer, lives at No. 11 Russell St., Buffalo, New York. A son, John E., is a sculptor whose recent address was Roaring Springs, Pennsylvania. An elder brother, now 81 years old, lives on North Main, Wichita, Kansas. Dr. Madara came to the Islands in 1899 as a contract surgeon with the Army, and we believe had never returned to the United States.

Thus Kansas was concerned in the casting of this modern Vulcan of truly classical mold; and we write as a casual friend of Dr. Madara's who admired sincerely his adamancy toward fate and all its compositions—the *audacity* of it, not necessarily the attitude itself. As a surgeon with troops Dr. Madara served in Samar, also at Jolo when a bevy of Nipponese charmers went there, by arrangement, to cheer the garrison, and with quite a hubbub ensued. Later he was with Kennon, as already noted. Still later, in the health service, he did autopsies at the morgue, where his craftsmanship was dependable but unorthodox; as good a place as any, for a scalpel not in use at the moment, was in the subject next at hand; or sometimes, grasped between the teeth like a pirate's dagger—with a rinse with alcohol at any time later on. Such was this sinister man, beetling to all, harmless to all, a very human story, perhaps, such as a Democrat for father-in-law, behind his consistent acerbity.

DEATH OF GEORGE SEEVER

A friend has handed us a clipping from a San Francisco newspaper, dated March 9, 1938, which notes the death in that city and that date of Col. George Seever, oldtimer who is best remembered in the Philippines as Chief of Manila's police. The newspaper clipping is as follows:

Col. George Seever, special investigator for the alcohol tax unit of the U. S. Internal Revenue Service and former deputy prohibition administrator for California and Nevada, died today from a heart ailment of long standing at the Veterans' Administration Hospital at Ft. Miles, San Francisco.

Colonel Seever was a member of Company L of the First Cavalry, Col. Theodore Roosevelt's "Rough Riders," and saw service during the Spanish-American War. Later he served for 25 years in the Philippine police, and was chief of the Manila police department for 12 years.

In 1925 he entered the service of the Treasury Department and served as chief deputy administrator and enforcement officer until 1933. During the dry era, he conducted raids of importance, including many in Oakland and a raid at Cal-Neva, famous State-line resort.

Following repeal, Colonel Seever joined the alcohol tax unit as a special investigator in the San Francisco and Sacramento areas. His home for the past several years has been at Fair Oaks, but his residence was in Oakland for several years.

Colonel Seever served in the World War as a colonel and held that rank in the Army Reserve Corps.

He is survived by a widow, Mrs. Irene Seever, and three children. Funeral services, in charge of Halstead & Co., San Francisco, have not yet been arranged.

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FOREIGN EXCHANGE

By LEON ANCHETA,

Manager, Foreign Dept., P.N.B.



The tone of the dollar continued generally strong but several factors worked to prevent a sudden rise to the high level at which it reached during the previous month. The purchase from the Philippine Treasury last month by local banks of dollar exchange helped to a certain extent in replenishing their supply. Most important, however, were maturing dollar bills which represented proceeds of initial shipments of the 1937-1938 sugar quota and certain inflow of outside funds to meet financing commitments. These two factors held the rate for a time at 5/8% pr. on T.T. New York at which it closed during the previous month.

Noting a certain easiness of the dollar, buyers withheld buying except for urgent coverage and the rate momentarily moved down to 1/2% pr. T.T. on New York. At this rate buyers reappeared with heavy demand and the dollar suddenly regained strength moving to 3/4% pr. toward the close. Despite the rise in the rate, demand was unabated and the market closed strong at this level.

It is noteworthy that despite greater shipments of sugar effected which totalled 397,346 tons up to March 15, 1938 compared with 309,493 tons for the same period last year, the peso has not received sufficient support.

Two important factors influenced the sustained strength of the dollar, namely increased circulation and stagnation of exports due to poor demand and low prices. Last year circulation averaged \$169,000,000 compared with \$193,000,000 during the fortnight ending March 12, 1938.

Sixty days dollar bills on New York ruled between 199.50 and 199.75.

In the foreign exchange market, the dollar also strengthened in the face of renewed increased tension in European relations. The sterling opening at 501-13/16 dropped sharply to 499 at the close of the second week of the month, the immediate cause being Germany's absorption of Austria which developed fears that Germany's move may cause a major European conflagration. The fate of Czechoslovakia following that of Austria also brought ad-

ded apprehension and was reflected in further weakening of the sterling and other European currencies in terms of the dollar. After reaching a low of 494-15/16, the sterling partially recovered and closed at 496-5/16.

Extreme nervousness bordering on near panic characterized the behaviour of the French Franc and reflected the turbulence of the French domestic situation due to continued labor and political troubles as well as the high tension in the European situation. Opening at 326-3/8, it reached a new low of 302-7/16. Toward the end a slight improvement was noted, closing at 305-1/4.

For the first time since the beginning of the Sino-Japanese conflict ten months ago, the yen was the object of serious concern. Opening at 28.9375 in the Kobe market, this exchange moved sharply downward to 28.4375 at the close of the third week. Noting a possible break, private banks in Japan concluded an agreement to fix daily the yen-dollar rate based on the New York-London cross rate around the sterling-yen rate of 14 pence. Thereafter the yen fluctuated within the narrow range between 27-8/8 and 29, closing at 28-15/16.

Shanghai dollar was fairly steady during the first week, the rate fluctuating between 29-11/16 and 29-23/32. During the second week, however, a certain nervousness was felt due to the impending

operation at Peiping of the Japanese-sponsored Federal Reserve Bank of China. The rate weakened and dropped to 29-1/2 at the close of the second week. The beginning of the third week saw the issuance of Chinese government's mandates for the control of foreign exchange, the principal object being to prevent the Federal Reserve Bank of China at Peiping from absorbing Chinese foreign exchange funds. The restrictions immediately brought about a general weakening in the rates. As the second fortnight of the month advanced further adverse developments took place.

The Mexican government expropriated foreign oil properties located in that country. The action greatly affected American interests and the latter countered by reducing the price of silver and abrogating the agreement for America's purchases of Mexican silver. Confusion in the silver market immediately ensued and on March 27th, silver trading in the London market was suspended. Shanghai dollar tumbled down to a low of 29-9/16, closing at 25-11/16.

Hongkong dollars also dropped in sympathy with the sterling. The break in the silver market, however, had not brought a corresponding fall in this exchange due to heavy Chinese demand brought about by the paralyzed condition of the Shanghai exchange. Opening at 31.45, it reached a low of 30.4375 toward the end of the month, closing at 30.625.

Hongkong & Shanghai Banking Corporation

Authorized Capital	\$50,000,000
Issued and fully paid	\$20,000,000
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Silver	\$10,000,000
Reserve Liability of Proprietors	\$20,000,000

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C. I. COOKES,
Manager.

FOREIGN EXCHANGE REVIEW

COUNTER RATES

	U.S. Dollars		Sterling		Francs		Yen		Shanghai		Hongkong	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	
March 1937	199.75	199.50	2/0-3/8	-2/0-7/16	9.45	—9.20	57.60	—57.40	59.95	—59.80	61.20	—61.10
March 1938	201.50	201.50	1/11-9/16	—1/11-15/16	6.85	—6.40	59.	—58.	60.30	—54.	63.60	—62.30

Lumber Review

BY FLORENCE TAMESIS
Director Bureau of Forestry

Despite the unsettled condition in Europe and the Sino-Japanese conflict in the Orient, lumber and timber exports in January showed much greater improvement either in volume or in range of distribution than in any month of the last quarter of 1937. A total of 19,174,796 board feet of lumber and timber was exported during the month under review as compared with 12,114,104 board feet in the previous month, or an increase of 58.3%. Compared with the corresponding month of 1937, lumber and timber exports during the month registered a decrease of 19.4%. Shipments to Japan, consisting entirely of round logs, totaled 9,535,216 board feet as compared with 8,298,104 board feet in the previous month, or an increase of 14.6%. The activity of the Chinese market which was completely paralyzed during the previous month returned to normal during the month. Shipments to Japanese China, consisting entirely of round logs, amounted to 2,122,544 board feet. Prospects for increased shipments to this market are good as soon as reconstruction begins. Local exporters are anticipating increased demand in the near future and are making plans accordingly.

Shipments to the United States in January amounted to 4,148,416 board feet as compared with 2,759,392 board feet in December, or an increase of 50.3%. The Federal backing of the house building program and the reduction of lumber inventories are signs favorable for the marketing of Philippine mahogany in this country.

Lumber and timber exports to Australia in January totaled 757,264 board feet, of which 131,864 board feet consisted of round logs, as compared with 91,160 board feet in the previous month, or an increase of 730.7%.

Demands in Great Britain during January were active. Shipments to this market totaled 1,244,864 board feet as compared with 429,088 board feet in the previous month, or an increase of 190.1%. Shipments to British Africa amounted to 951,032 board feet as compared with 8,480 board feet in the previous month, or an increase of 942,552 board feet. Likewise, lumber exports to Portuguese Africa registered an increase of 101,760 board feet as compared with the previous month.

The local market remained active. Mill production exceeded mill deliveries by 3.7%. Further improvement in the local market is expected in the next few months as the building season approaches.

The following statements show the lumber and timber exports, by countries, and the mill production and lumber inventories for the month of January, 1938, as compared with the corresponding month of 1937.

Manila's Pleasing Newspapermen

(Continued from page 11)

build-up, as remarkable as in a play, with the *anschluss* a brief third act and the final curtain down—pegged there by a thorough censorship allowing only propaganda to drip through, save as press ingenuity could evade the rules.

STATEMENT SHOWING TIMBER AND LUMBER EXPORTS FOR THE MONTH OF JANUARY, 1938

Destination		1938		1937	
		Quantity in Board Feet	Customs Declared Value	Quantity in Board Feet	Customs Declared Value
Japan	Unsawn Timber	9,535,216	194,948	20,395,672	367,626
	Sawn Lumber	—	—	4,240	400
United States	Unsawn Timber	23,320	1,439	—	—
	Sawn Lumber	4,125,096	219,128	627,096	51,200
Japanese	Unsawn Timber	2,122,544	37,070	—	—
China	Unsawn Timber	—	—	—	—
	Sawn Lumber	—	—	—	—
Australia	Unsawn Timber	131,864	3,208	—	—
	Sawn Lumber	625,400	36,811	40,704	2,781
Great Britain	Unsawn Timber	1,244,864	92,809	429,088	73,360
	Sawn Lumber	—	—	—	—
Ireland	Unsawn Timber	16,960	1,783	13,992	1,272
	Sawn Lumber	—	—	—	—
Germany	Unsawn Timber	—	—	—	—
	Sawn Lumber	—	—	—	—
Belgium	Unsawn Timber	75,472	6,698	—	—
	Sawn Lumber	—	—	—	—
Netherland	Unsawn Timber	10,600	829	7,208	775
	Sawn Lumber	—	—	—	—
British Africa	Unsawn Timber	951,032	69,779	326,056	24,352
	Sawn Lumber	—	—	—	—
Denmark	Unsawn Timber	2,120	199	—	—
	Sawn Lumber	—	—	—	—
Canada	Unsawn Timber	20,776	1,245	22,472	2,507
	Sawn Lumber	—	—	—	—
Singapore	Unsawn Timber	15,261	1,328	—	—
Portuguese	Unsawn Timber	—	—	—	—
Africa	Unsawn Timber	124,232	6,951	92,008	5,682
British New Guinea	Unsawn Timber	34,344	2,886	—	—
	Sawn Lumber	—	—	—	—
Finland	Unsawn Timber	4,664	366	6,784	883
	Sawn Lumber	—	—	—	—
Sweden	Unsawn Timber	71,656	8,190	61,904	7,314
	Sawn Lumber	—	—	—	—
Norway	Unsawn Timber	6,360	521	—	—
	Sawn Lumber	—	—	—	—
New Zealand	Unsawn Timber	15,264	1,208	170,024	11,340
	Sawn Lumber	—	—	—	—
China	Unsawn Timber	—	—	957,392	14,491
	Sawn Lumber	—	—	47,912	2,631
Greece	Unsawn Timber	—	—	—	—
	Sawn Lumber	—	—	8,504	855
Egypt	Unsawn Timber	—	—	—	—
	Sawn Lumber	—	—	1,696	92
Total	Unsawn Timber	11,830,972	341,555	21,523,088	359,457
	Sawn Lumber	7,344,104	490,730	2,258,072	173,594
Grand		19,174,976	732,285	23,782,160	533,051

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Inside stuff, from that, is still to come.

Hardly less satisfactory as good workmanship is the reporting of the Sino-Japanese war. But there the truth is less clear-cut; in a field of ambiguities, the newspapers and news services do all that is humanly possible to piece together a pattern of accuracy—and broadly speaking it is possible to follow the ebb and flow of the indecisive

campaigns. So it is with Spain, where along a front of 800 miles minor gains and losses string along weeks on end before decisive movements round out a problem. In these periods the news services have had to take criticism from both sides, each feeling that specific dispatches were biased—a standard proof that a good job is being done.

To sum up, we know of no time in the past when there was such a grist of great news to report from both hemispheres. Certainly there has been no time when the



Ray P. Cronin, an "AP" Bureau Chief during the past ten years, puts in an 18-hour day funneling news to Manila and dishing local news out to the world at large.

news was reported so extensively and so well, and so judiciously edited for publication. Newspaper publishers in Manila put into this foreign-news service the utmost their incomes permit of. Their editors, slowly and painstakingly, have also built up staffs of reporters and rewriters and feature writers until today's Manila newspapers are productions in which the whole community can take just pride.

The Big Broadcast . . .

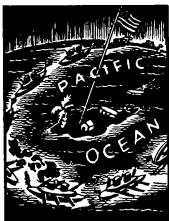
(Continued from page 7)

The main point is that independent or not, America's new and broader interest in the Pacific assures the Philippines her consistent protection. That seems to explain why, in Washington, opinion suddenly verved definitely away from prolonging the Commonwealth and toward letting politics run in the groove set for them in the Commonwealth act of 1935 that terminates in independence in 1946. And we believe *this settles the Philippine question*. Formally or informally (it matters little which), the United States and the Philippines are to be *permanently associated* and the Islands are to have America's protection in preserving themselves from aggression. Occasions for re legislation there will be, but apparently never another doubt that the political integrity of the Philippines is an American responsibility; because America's new interest in the Pacific makes this to her bounden advantage. As this has been the *real* Philippine question (means by which they could preserve themselves), it stands resolved.

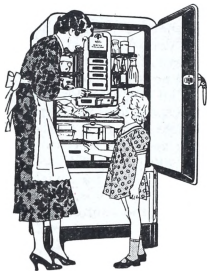
The basis of commerce proposed between to the United States and the Commonwealth is that during twenty year, ending in 1960 with full levies, duties shall rise 5% of 100% yearly. This is to affect dutiable Philippine products marketed in the United States and (President Quezon says he surmises, or that it is his understanding) American manufactures marketed here after 1946. It is an agreement between Roosevelt and Quezon, and apparently is to be the gist of the report of the MacMurray commission on Philippine-American commerce.

What a capricious change of course—fruit of Ja-

(Please turn to page 44)



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MANILA GAS CORPORATION

Just Little . . .

(Continued from page 6)

forgot this pidgin and made up a song of his own. This song was vulgar enough, yet it was Chico's own and it really was a song. But when Chico mouted, of course he dropped into a lenten quietude and would not sing.

We waited and waited for Chico to sing again, and when we told the good barber on Plaza Gofit he said to bring Chico to him—that the moulting had laid an egg and Chico would never sing again until he was thoroughly plucked. So we did this, and the barber plucked a bagful of feathers out of Chico, who was soon very pert again and wanting to sing. Only he had forgotten his song. Meantime, mayas had made a refuge of our premises. They chatter, though they never sing, and that's what Chico does—he chatters like another maya, and would be a maya if he had a brown coat. We think if owls came round he would hoot, and if crows, he would caw: all things to all birds, that's Chico all over.

Only in one respect does he maintain the imperious traditions of canaries, this in the care he demands. His chirp "Come here, you!" is staccato, distinct, not to be denied. But it is always honest, so you had best obey it: Chico's cage is dirty, or Chico wishes a bath, or Chico wants water, or Chico gave his dinner to the mayas, or Chico desires to be in the sunlight, or Chico wishes now to be back in the shade. And as soon as she, whose ministrations are Chico's life, says "All right, I'll see about it!" then Chico chirps no further orders but waits a reasonable time for the promise to be fulfilled. But though Chico has no memory, he has a temper. "Come, come! Get a move on, make it snappy!" he orders whenever, in a moment or two, his summons is not obeyed. Then, happy once more, if it is day he starts chattering with the mayas, and if evening, he composes himself for sleep. All in all, Chico is utterly worthless, exasperating, lovable.

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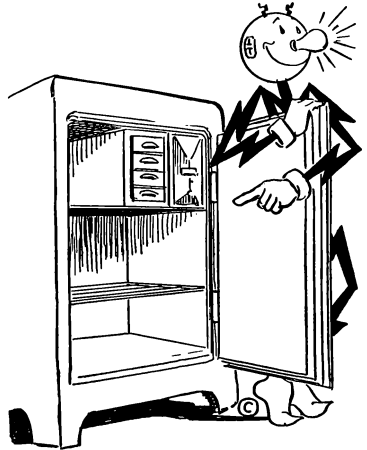
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MANILA ELECTRIC COMPANY

SHIPPING REVIEW

By H. M. CAVENDER
General Agent—Dollar Steamship Lines



Shipments for February 1938 were well maintained and amounted to 235,746 revenue tons, about 11,000 tons less than for January. The sugar industry had its tribulations, charter rates were high but radically reduced during the month. On February 18 the Conference announced a reduction of \$1.00 per ton and at the end of the month it looked as though a further reduction was in order. The forwardings were 88,520 tons of centrifugal and 7,013 tons of refined grades, a total of 95,533 tons. As the market price dropped considerably during the month shippers were seriously concerned. The picture is decidedly gloomy.

Coconut products as a whole show an improvement. The desiccated coconut producers shipped 3,888 tons (40 cu. ft.)—an increase of 1,800 tons. The oil shipments were practically the same as last month—6,714 tons—all to the United States excepting 10 tons. Copra shipments topped over 4,000 tons. The United States trade took 24,292 tons. Europe 3,178 tons and a small lot 225 tons went to Valparaiso, Chile, a new customer. The total was 27,695 tons. Cake and Meal shipments to United States dropped to 2,760 tons. Europe upped to 7,250 tons, a total of 10,010 tons.

The hemp market is the weakest of all major products, only 83,627 bales were shipped establishing a new "low" in the trade. Japan purchased only 16,677 bales which figures 40,000 bales monthly less than she purchased during 1937. Europe was the best customer taking 44,456 bales or 5,600 less than the preceding month. The United States trade amounted to 15,943 bales. The balance was scattered over the usual trade range. Possibly the increases in freight rates is reflected in the stagnant trade picture, another gloomy one.

January shipments of ores apparently filled the needs for chromite and manganese as shipments of these ores dropped sharply. Japan took 50,650 tons of iron ore and 384 tons of copper. The Atlantic Coast took 4,950 tons of chromite. The Tacoma smelters took 435 tons of concentrates, gold and silver contents. Europe took two small lots—a total of 300 tons of manganese. The total of all shipments was 56,719.

The movement of lumber and logs was a total of 6,266,482 board feet, about 700,000 bd. ft. less than January shipments. The United States purchases were two million less than January. Japan increased by one million. African shipments were over one-half million and Europe slightly increased her purchase but the Australian trade was slow. The saw mill interests charge the increases in freight rates as responsible for the unsatisfactory condition in the trade on sawn lumber.

The trade in cigars amounted to 950 tons (40 cu. ft.) and was a decided increase.

Tobacco on the other hand dropped to 411 tons. The cutch plant resumed shipments at their normal rate and forwarded 645 tons. Small decreases are noted in alcohol, junk and molasses. Increases are noted in embroideries, glycerine, gums, kapok, rope (701 tons), rubber, hides, liquors, lard and margarine. The mango season opened with a small shipment. Transit cargo amounting to 2,525 tons were forwarded—most of it being Shanghai distressed cargo.

The "recession" in the United States is reflected in several commodities. The Sino-Japanese war has seriously curtailed shipments to Japan and Shanghai but so far the European situation has had but little influence over Philippine trade. The charter market has visibly softened since the New Year.

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

To	Tons.	With Misc. Sailings	Of Which	Were carried in American bottoms with sailings
China & Japan	66,112	84	1,190	4
Pacific Coast				
Local	37,043	15	11,205	6
Pacific Coast				
Overland	963	7	749	4
Pacific Coast				
Intercoastal	556	4	396	2
Atlantic & Gulf				
Ports	108,516	31	14,194	5
European Ports	17,857	15	63	1
All other Ports	3,799	25	800	3

A Grand Total of 235,756 tons with a total of 86 sailings (average 2,741 tons per

vessel) of which 28,597 tons were carried in American bottoms with 10 sailings (Average 2,869 tons per vessel).

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

	Inter-mediate		
	First	Third	Third
Hongkong	53	50	42
Shanghai	—	—	—
Japan	7	11	—
Honolulu	—	4	11
Pacific Coast	59	40	32
Europe via America	—	1	—
Total for			
February 1938	119	106	85
Total for			
January 1938	65	41	27

Copra . . .

(Continued from page 31)

Fall. While we have been confidently expecting higher prices during the second quarter of 1938, it is now by no means certain that prices will move up radically, if at all. We generally feel that copra and coconut oil are at very low levels, and normally we would expect small reactions for the ensuing two months rather than major price changes.

Prospects for the copra crop for 1938 are excellent with nuts setting well on the trees and, barring storms and other Acts of God, 1938 may be the biggest production year for copra the Philippines has yet known. This, however, will depend very largely on price, for if the market goes much lower producers will find but little profit in making copra and sending it to market.

During the month hearings were held in the Philippine Assembly by a special

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Port Area

committee appointed to find out the ills of the copra business and to try to remedy them. This Committee has worked conscientiously and as a result has introduced into the Assembly and had passed a bill requesting the Congress of the United States to repeal the excise tax against coconut oil made from Philippine copra. The Committee is also studying other possible remedies for the situation, which at present is a source of great concern not only to the copra producers and oil mills, but to the Philippine Government as well.

SWORN STATEMENT OF MANAGEMENT, OWNER- SHIP, ETC.

The undersigned, Walter Robb, editor of the AMERICAN CHAMBER OF COMMERCE JOURNAL, published monthly in Manila, P. I., after having been duly sworn in accordance with law, hereby submits the following statement of OWNERSHIP, MANAGEMENT, circulation, etc., which is required by Act 2580 as amended by Commonwealth Act No. 241: (Circulation required only of daily publications)

Editor and Manager, Walter Robb, P. O. Box 1638, Manila.
Owner, American Chamber of Commerce, 180 David, Manila.
Publisher, American Chamber of Commerce, 180 David, Manila.
Printer, Carmelo & Bauermann, Manila.

Stockholders owning one per cent or more of total amount of stocks: NONE
Bondholders, mortgages, or other security holders, etc.: NONE

(Sgd.) WALTER ROBB, Editor

Manila, P. I.
March 29, 1938
April 12, 1938

CHOOSING

Winnifred Lewis

If you could be some kind of bird,
which would you choose to be?

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HAL	OLDENBURG	April 27		
HAL	BURGENLAND	May 7		
LT	CONTE VERDE	May 10		
NYK	KATORI MARU		May 7	
EALJS	S. JAYA			May 13
REAL	GROOTEKERK	May 14		
WL	TEMPERAIRE	May 14		
DSSL	P. HARRISON	May 15		
NDL	GNEISENAU	May 31		
P & O	RAWALPINDI		April 30	
BF	SARPEDON		May 4	
MM	D'ARTAGNAN		April 29	
CR	CAP. VARELLA			May 17
NLRDM	CHR. HUYGENS			May 11
RL	SIBAJAK			May 18
G & S	GLENIFFER	May 24		
EALBS	BORINGIA			

Legend—

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

A calao with his mate imprisoned
in a hollow tree?
An eagle with his nest of sticks
on Apo high and free?
A hawk? A shrike? A booby
living in the Sulu sea?

Or would you be a maya
in a field of ripened rice?
A little grass owl hunting
for his meal of fattened mice?
A man-of-war that flies all day
above the tumbling sea
And very rarely comes to shore?—
Now which bird would you be?
I wouldn't be a calao,

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May 8						May 24	May 25								June 11	June 21	June 8
May 3		May 10				May 22	May 23			May 28					June 10	June 7	June 7
May 13		May 19		May 19		May 31	June 1			June 6					June		
May 13		May 17				May 25	May 26		May 29	May 30	May 20	May 20					
May 12	May 14	May 18			May 25	May 29	May 30		June 3		June 5		June 13				June 12
May 19						June 11	June 12										
May 19	May 21	May 26				June 11	June 12	June 13			June 13				June 26	June 21	June 24
May 20		May 27				June 7	June 8								June 27		
May 21	May 23	May 27	June 1			June 6	June 7		June 16	June 19	June 21						
June 4	June 5	June 9				June 10	June 12			June 20		June 26			June 29		June 27
May 6	May 7	May 11		May 18		May 22	May 25			May 27	June 2	June 3					
May 11	May 13	May 17				May 29				June 3	June 3	June 9					
May 3	May 5	May 10		May 17	May 20	May 21				May 25	May 25						
May 21	May 27	June 2			May 27	May 27				June 24	June 24	July 7					
May 13	May 14	May 18		June 12		June 18				May 31		June 6					June 7
May 20	May 21	May 25				June 3				June 7	June 12						June 13
May 13	June 3	June 9				June 22	June 23			June 3	June 3	July 4					June 15
May 3	May 10	May 13	May 17	May 24		June 22	June 23			June 3	June 3	June 11					June 15

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

or a booby, or a shriek;
I wouldn't be a grass owl;
no, there's none of them I like;
I wouldn't be an eagle
upon any mountain high,
And a man-of-war seems very lone

between his wave and sky.

I'll tell you: I would choose to be
a bird so small and bright
That people might mistake me
for a flash of colored light.

I'd greet the dawn with song;
I'd dart from flower to scented flower
And find the sweetest nectar
in the deepest leafy bower.

(Continued on next page)

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22	DBSL	PRES. COOLIDGE	Apr. 30	May 5			May 10	May 11	May 19				May 23	May 27		
	FL	FERNMOOR	May 2									May 16	May 17	May 27		
10	NYK	BEIAN MARU	Conn. Str.				May 2	May 5								
23	NYK	TATSUTA MARU	Conn. Str.				May 7	May 9	May 17					May 23	May 25	
	CFR	E. RUSSIA	May 5	May 13	May 15	*May 17	May 19	May 21				May 30				
24	NYK	KUROYO MARU	Conn. Str.	May 13			May 22	May 24	June 7					June 16	June 19	
25	NL	BENGRALIS	May 13							June 16	June 20			June 9	June 4	
26	BL	TAI FING YANG	May 15	May 18	May 23		May 27	May 30						June 9	June 13	June 28
27	BF	TYNDAREUS	Conn. Str.	May 17		May 24	May 28	May 31		June 14	June 14	June 16		June 9	June 12	
	DBSL	P. CLEVELAND	May 17	May 21			May 25	May 28	June 3					June 22	June 17	
13	KL	ROSEVILLE	May 22	May 26						July 2						
	CFR	E. JAPAN	May 23	May 27	May 29		June 1	June 3	June 10			June 15				
	ML	ANNA MAERSK	Jun. 2	Jun. 26	Jul. 2		July 6	July 10						July 23	Aug. 9	
28	ML	MARCHEM MAERSK	May 24	May 27	June 2		June 6	June 10						June 24	July 10	
	SL	MADOERA	May 26							June 28				June 23	June 17	
	FL	SKRAMSTAD	May 27											June 20		
	SL	H. SILVERSTAR	Jun. 12							*July 16				July 9	July 5	
	NYK	RAKUYO MARU	Conn. Str.	Jun. 15			June 24	June 28	July 10					July 19	July 22	
	BL	TAI YANG	Jun. 15	Jun. 18	Jun. 23		June 27	June 30						July 14	July 29	
	KL	GRANVILLE	Jun. 22	Jun. 24						*Aug. 2				July 23	July 18	

Legend—

CFR—Canadian Pacific
DBSL—Dollar Line
AML—American Mail Line
NYK—Nippon Yusen Kaisha
FL—Fern Line

BL—Barber Line
KL—Klausen Line
BF—Blue Funnel
ML—Maersk Line
SL—Silver Line

* "Ferglen" \$270 to \$290
† Niel Maersk & Gertrude Maersk" \$285

I'd weave a nest of grass and down,
a roof to keep it dry;
And hang it from a swaying branch
beneath a friendly sky.
I'd neighbor with an orchid
on a gray molave bough;—
A sun bird, red, and green, and gold,
somewhere in Mindanao.

Bureau of Education and a gentle fine-spirited woman native to Kansas. Her poem is copied with acknowledgements from the Philippines Herald's *Midweek Magazine*.—ED.

TROPIC NIGHT

Enchanted was the world last night—
Dressed in a silvery gown,
Her carriage drawn by streams of stars,
Diana rode to town.

She dropped a jeweled reticule
Far in the distant hills,
And hence a bed of meteorite
A favored valley fills.

The arc of Heaven was her course
And westward was her way—
It was indeed a beautiful night,
Almost as fine as day.

Miss Lewis is a teacher of English in the

—W. R.



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RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA

Traffic Manager, Manila Railroad Company



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

Rice, cavanes	176,956
Sugar, piculs	710,412
Copra, piculs	128,744
Desiccated Coconuts, cases	21,428
Tobacco, bales	2,323
Lumber board feet	937,202
Timber, kilos	1,217,000

The freight revenue car loading statistics for four weeks ending March 26, 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	667	740	10,081	10,038	(72)	43
Palay	333	277	4,391	3,335	56	1,058
Sugar	1,462	2,050	45,447	63,407	(588)	(17,960)
Sugar Cane	9,669	10,054	180,657	186,760	(395)	(6,103)
Coconuts	423	208	3,427	1,462	215	1,965
Molasses	86	195	910	1,050	(23)	(140)
Molasses	103	126	3,292	3,910	(23)	(618)
Hemp	5	28	44	143	(13)	(99)
Tobacco	2	1	19	8	1	11
Livestock	19	15	78	73	4	7
Mineral Products	441	350	4,380	4,334	91	46
Lumber and Timber	97	107	2,133	2,646	(10)	(513)
Other Forest Products	—	10	—	70	(10)	(70)
Manufactures	237	185	3,251	2,642	52	609
All Others including I.C.L.	2,649	2,897	16,713	17,910	(248)	(1,197)
TOTAL	16,184	17,157	274,823	297,784	(973)	(22,961)

SUMMARY

Week ending Feb. 26	4,196	4,480	73,979	81,192	(283)	(7,213)
Week ending Mar. 5	4,151	4,324	68,798	74,726	(173)	(5,928)
" " " 12	3,947	4,336	67,069	75,006	(389)	(7,937)
" " " 19	4,890	4,017	64,377	66,869	(127)	(1,883)
TOTAL	16,184	17,157	274,823	297,784	(973)	(22,961)

NOTE—Figures in parenthesis indicate decrease.

THE POLITE JAPANESE

The following conceits were the reactions of their liberal authors to certain recent events:

By Ogden Nash

How courteous the Japanese!
He always says, "Excuse me, please."

He climbs into his neighbor's garden
And smiles and says, "I beg your pardon."
He bows and grins a friendly grin,
And calls his hungry family in;
He grins and bows a friendly bow:
"So sorry, this my garden now."

—Thanks to Reader's Digest.

The Big Broadcast

(Continued from page 37)

pan's belligerency! Writing the article, *America's Forfeited Islands*, in 1928, no forecast of revived interest in insular empire was made. The new American policy has burst upon the Pacific out of clear skies. But it settles the Philippines' future. That's enough.

W. R.

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Ifugao! Bontoc!... Interesting studies of primitive life, unique ceremonies and tribal customs, virgin forests of stately oaks and sweet-scented pines, the glorious panorama of one of the world's thrilling sights—miles and miles of rice terraces which on a moonlight night will grip the heart with a beauty as entralling as it is unforgettable!

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