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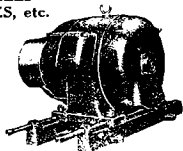
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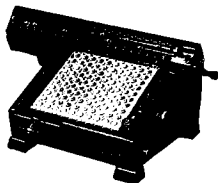
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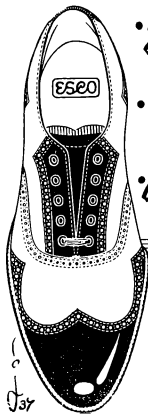
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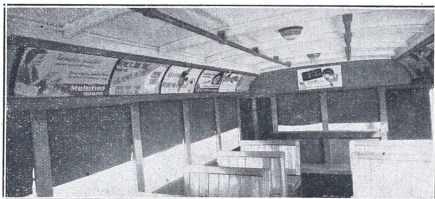
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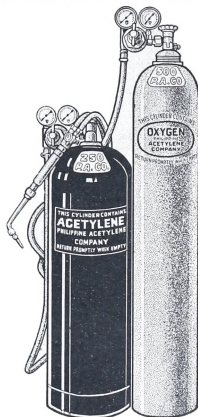
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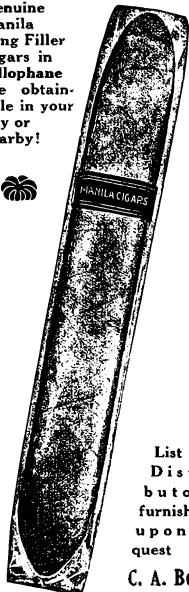


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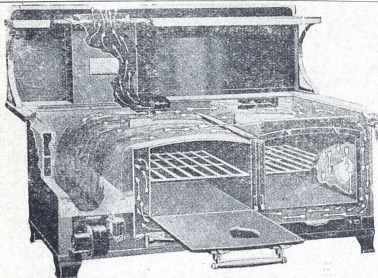
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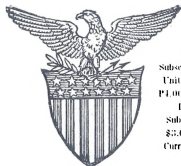
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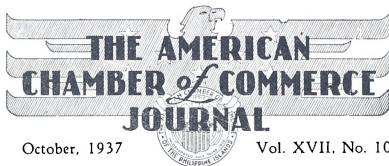
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WALTER ROBB  
Editor and  
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## Hawes to the MacMurray Committee\*

Students of history will find no parallel or precedent in the annals of human events for either the past or present relationship between the Philippine people and the American Government.

As we approach a termination of this relationship, we shall either carry on under the established policy of 39 years, or abandon it and subject ourselves to the condemnation of intelligent thought throughout the world.

Fortunately, an abandonment of the traditional policy is not necessary. No selfish consideration can justify a change. Clarification is advisable, removal of uncertainty is necessary, and an agreement on a definite fixed program in accord with our past policy is essential. Certainty for a fixed period is as important from the international viewpoint as from considerations of reciprocal trade.

While the future of American-Philippine relationship cannot be determined solely upon the basis of sugar, copra, abaca or any other commodity, these are the major present blood streams that keep alive a valuable trade between the two countries.

The control and direction of this relationship has been with the American Congress, which, with the approval of our Presidents, has always followed the initial policy of guardian and ward, a trusteeship of as high and moral an obligation as that of parent and child, but of even greater responsibility because created by a great nation in its treatment of a dependent people whose destiny it had assumed by force of arms.

In dealing with the future, in making plans for the immediate years ahead of us, whether in carrying out

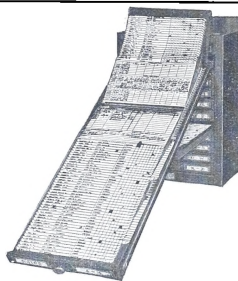
the 1946 plan agreed to, or in shortening that period, or in specific preparation of conventions at the conclusion of any determined period, there must be a sustained consistency with past policy.

When your distinguished Committee makes its report to President Roosevelt to be transmitted for acceptance or rejection to the American Congress, and to President Quezon for acceptance or rejection by the Philippine Assembly, the necessity of keeping in mind a complete understanding of the past, with its fine inspirational history, is obvious, that it may not be changed in any way from that clear period of enlightened advancement in political fundamentals, with its Christian philosophy in a part of the world where it is not so well known.

If there be some deviation here from the immediate subject of sugar, with which this brief is primarily concerned, it is because no single item of commerce can be segregated from the rest, and the question of commerce cannot be understood without some knowledge of its political origin and growth.

Fortunately, the rest of the world will consider our future relationship to the Philippines with an understanding indulgence. They would pursue the same course under similar circumstances. All foreign nations will expect a transition period for readjustment, unless a covetous eye, or a grasping hand interferes with the broad principle of the status of guardian and ward.

\* This month we give our Just Little Things department to these important remarks by ex-Senator Harry B. Hawes on the most vital question facing the Philippines, their relations with the United States.—W. R.



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# Brief by the American Chamber of Commerce

## ● Ask equitable income tax treatment

Our Chamber of Commerce submitted a brief to the MacMurray committee, supplemented by oral discussions. The inequity of Federal income-tax laws as applied in the Philippines was thus brought to the attention of the committee and the authorities at Washington. Preliminary to the tax issue, the brief made a clear exposition of the Philippine trade that shows how vitally Pacific-coast states would be affected by the abolition or drastic amendment of the terms on which this trade is based.

Philippine raw products bought in the United States don't compete with American products; instead, they afford no little employment to American labor and capital, notably in the Pacific-coast states. They also yield the Islands funds for buying American goods, again largely from the Pacific coast. The trade is reciprocal between the one coast and the other. Since Philippine products are staple manufacturing necessities in the United States, should they cease to be obtained in the Islands they would be obtained, at least substitutes for them would be obtained, from other sources with which the Pacific-coast states' commercial contacts would probably be less direct. Trade summing scores of millions of dollars a year might thus be shifted from the states that have laboriously established it with the Philippines. This would be of no advantage to the United States, rather it would be to their material disadvantage.

Pacific-coast states, railways and allied interests should be roused to a sense of the jeopardy their ocean commerce on the Pacific is placed in by the possibility that trade terms between the Islands and the United States will be changed. The brief of the American chamber of commerce is fully informative on the point. It affects America more than it does Americans in the Islands.

Another vital point argued to the committee is the matter of American civil rights in the Islands after 1946, when in absence of remedial action by Congress American sovereignty over the Islands will terminate. Prior to that time, American civil rights in the Islands are those enjoyed by Philippine citizens themselves—the Islands are territory of the United States. The general request, however, emanating from the Philippine people and their most authoritative representatives, is for indefinite extension of existing terms of commerce between the United States and the Philippines. Associated with this, obviously, should go extension of Americans' enjoyment in the Islands of the civil rights of their citizens. As long as preferential trade arrangements persist, essential as they are to the Islands' economic survival, "citizens and corporations of the United States (should) continue to enjoy equal civil rights with citizens and corporations of the Philippine Islands."

In his brief for bus-transportation companies, quoted in our September issue, Judge L. D. Lockwood spoke of the importance of having Congress define the term civil rights as it appears in the Tydings-McDuffie act: not merely

the right to hold property, as a bus line may own and operate thirty trucks, but the right to acquire, convey and transfer property, as a bus line might obtain new certificates of public convenience and buy and operate additional trucks—and continue so to do after 1946.

The necessity of forced liquidations should be obviated, otherwise Americans will be drastically penalized here for their enterprise in building up American trade and risking their careers and capital in its behalf.

The income-tax question is an abstruse one hardly to be clearly treated in summary. But the meat of it is that from the very beginning Americans have generally supposed themselves to be on an income-tax basis identical with that of Filipinos and foreigners who are their business associates and competitors. With the effort in 1937 of the U. S. Internal Revenue Bureau to collect income taxes from Americans running back twenty years, but not from Filipinos and foreigners, this assumption is entirely overthrown and Americans claimed to be subject to the tax face a situation entirely unfair—one that in many instances could take a man's entire resources.

All seems to hinge upon construction of the U. S. Internal Revenue Act of 1918, and in that act, patently, it seems to us that the intention of Congress was to continue Americans in the Islands and bona fide residents here on the same footing precisely as Filipinos and foreigners. In 1921 and subsequently, the internal revenue acts have carried clauses to prevent the Philippines from becoming an asylum for tax evaders—this showing again and again that Congress means Americans, Filipinos, and foreigners legally resident in the Islands to be taxed alike under its internal revenue enactments, Americans not taxed more than the others.

There was no U. S. Internal Revenue office in the Islands until this year, when one was opened in Manila. There are still no U. S. courts here through which cases may be clarified and redress obtained. But the business of collecting continues, to the prejudice of sale of American goods and the welfare of merchants sustaining and expanding their markets here. "Are you not willing to pay for the privilege of being an American?" is asked. To be an American is indeed a privilege, but in these Islands, by settled congressional policy, it is a privilege not shared by all Filipinos equally with Americans residing here, practically speaking, including the privilege of passports, and its business advantages extend to foreigners for whose welfare America is also voluntarily responsible under the Treaty of Paris by which Spain ceded the Islands to the United States.

The foreigner may at once claim under the treaty, but the American's redress is by way of petition founded in no such solid obligation; and this particular petition should receive attention in Congress immediately the session convenes.



# Howe Advocates Totalitarianism

● *Tribune Digests Third Lecture*

This paper closes with the Manila *Tribune's* digest of the third lecture at the University of the Philippines of Dr. Frederic C. Howe, economics adviser to the Commonwealth of the Philippines. The reader should probably take it as an exposition of totalitarian policy as practiced in Germany by Hitler, therefore an extreme position, or idealization, that even Dr. Howe himself would not advise the Philippines to take in stride were the Islands to become independent. Our own view is that however good for Germany, or for Italy, or for Russia, totalitarianism is inimicable with democracy and its benefits to the state that is readily resourceful are not worth the price to be paid for them.

Germany is not to be envied by Denmark, who gets along without such doctrines. Italy is not to be envied by any of the middle-of-the-road states managing by one means and another to retain their constitutions. Ireland's case is an unhappy one, but land reforms proceed even there without reduction of the people to the status of hirelings of the state. Totalitarianism, if it remedies anything at all, remedies situations that have otherwise failed. Philippine economy has not failed, nor is it seriously threatened with failure. The economic power of this remarkable country is resilient. We suggest that it is model, in many aspects; instead of having to imitate anyone or any exotic economic and social philosophy, the world could find here some sound examples for imitation. Why should not this country exalt the frugal rules of life of its people, why are these not accepted as a splendid social economic foundation of civic policy? Are the people content to vegetate? Not altogether, they demand education and retention of civic rights. Are they perhaps too much inclined toward regimentation? Alas, they may be—totalitarianism would but accentuate this civic fault, while continuation of democracy would moderate it.

Fearing nothing, if they but retain some gentle association with the United States, the Philippines can grow in the atmosphere of sound democracy for generations to come—before arriving at a point where all their eggs must be placed in one basket and that basket safeguarded by a dictatorial state. Totalitarianism boasts its contrast with democracy, of which it is contemptuous before it has won its own spurs. The people exist for the state? It is more acceptable on earth, as it is in heaven, that the state exists for the people. Orgiastical regimes attest state weakness, not strength. It is wisest to sympathize with all peoples unfortunate enough to have to found and tolerate such regimes, than it is to cherish the slightest thought of imitating them.

Besides, who is so systematic as the German, so devotedly given to method? Certainly not the free-shouldered Philippine citizen. In short, the Islands should adopt nothing—until they carefully appraise what they have, particularly that part that is their own, deeply sourced in their ancient culture and blended with their modern experience.

"The whole world could buy from the Philippines if it could sell as well," Dr. Howe is quoted as saying, suggesting a leap toward free trade. But why leap? Why not go forward prudently, step by step? Free trade

without industries and a merchant marine is submission to foreign economic exploitation, is it not? Why not procure industry and a merchant marine by aid of a tolerable tariff, and then, should it then be advisable, plug for free trade? If you have duties encouraging domestic manufactures by lifting the landed cost of Japanese goods and perhaps keeping some of them out of your market altogether, will you not still sell Japan what she wants: fiber, logs, base metals? Certainly, because she is your major market and makes you sell cheap to her, all surplus products that can't be freighted to more remote customers. (In her position, you or anyone else would do likewise.)

If all the world would buy here, if it could but sell, let it stipulate what manufactures it will take in exchange for its own. Adjust your tariff accordingly. What, by the way, will Germany buy here, an example, supporting our side of this discussion? Nothing she can't duplicate synthetically at home. What will England buy in exchange for Manchester stuffs? Nothing available in her own colonies, except you arrange with her to try some of your exotic manufactures to maintain the exchange equitably. But first of all, and examples throughout the world show it, you can do nothing much beyond keeping up your major commerce with the United States until you have your own ships. Meanwhile, are you economically poor? No. Your economic position is enviable, as it deserves to be: analyze, evaluate, and keep it.

## Trade Planning

Germany's scientific and intelligent planning of her external trade and internal industry as a whole is a suggestion as to the future policy of the Philippines, Dr. Frederic C. Howe, economic adviser to the Commonwealth, said in the third of his series of lectures delivered at the University of the Philippines.

The Philippines, like Germany, will be forced to develop a new national economy, Dr. Howe pointed out, and she may adopt an approach to free trade so that her people can buy as cheaply from other countries and sell their own products in exchange. "The whole world could buy from the Philippines if it could sell as well."

Discussing landlordism, he said that its liquidation is but one of the many things in a planned economy, and is designed for the same end that leads to a planned and well balanced industry.

Dr. Howe explained that the farmer is treated as a capitalist, but as a capitalist he must work his own land. He cannot rent it and he should not and he may not speculate in it. Germany, whose agrarian program Dr. Howe discussed yesterday, declares that the land belongs to all the people and must be used for the benefit of all the people.

Land reform in Germany, he explained, has been orderly, being carried on by each government in turn. "The Hitler regime, in my opinion, is more concerned about the farmers than about any other class," Dr. Howe said. "As in Ireland, a continuing program is in process of dividing up the great estates into farm holdings of from 30 to 50 acres and of small suburban holdings for artisans of about 1,000 square meters.

(Please turn to page 13)

## Japanese Chamber Surprises the Filipinos

### ● Islands a Base of Triangular Commerce

Submission of a brief of their own to the McMurray committee by the Japanese chamber of commerce agitated a great many Filipinos who wondered that a body of foreign merchants and industrialists should interpose its views on a question more directly concerning the Philippines and the United States. It was, however, not surprising to us. It was frank. It was due notice served. It has long been among our duties to observe as accurately as possible Japan's political attitude toward the Philippines. Conclusions were reached about this long ago, and stated more than once. If repetition is permissible, our conviction is that one shred of the sovereignty of the people of the United States extended over the Philippines is enough and will continue to be enough to command Japan's respect. Japan does not care how long America remains in the Islands, but will take steps to come in on a moment's notice immediately America gets out.

Japan has an Asiatic policy. She does not conceal it, she exploits it publicly on all occasions. It is extension of her own hegemony over the Far East. This policy now takes into consideration the fact that American sovereignty persists in the Philippines. So much for that, say the Japanese, resigned to the fact that half a loaf is better than no bread; and besides that, there may be other, broader reasons why Japan is just as well pleased to have America in the Philippines as she would be should America withdraw.

Should America withdraw (and the McMurray committee sits on that account), Japan is coming forward now with exactly the proposals she would suggest were the business of the worldwide recognition of the neutrality of the Philippines up for action. This should surprise no one. It is fair warning, and Japan will surely cite it when the time comes to do so. For which reason we devote a little space to some of the Japanese statements to the McMurray committee:

"To begin with," says the brief, "we wish to clarify our attitude and state that we, for one, are not opposed either to the advancement of the date of Philippine independence or to revision of the Tydings-McDuffie law. But we believe that in the adjustment of American-Philippine trade relations preparatory to the concession of Philippine independence the economic relations between the Philippines and Japan and other foreign countries cannot be overlooked.

"The commerce between the United States, the Philippines and Japan furnishes an excellent example of that 'triangular' trade arrangement which Secretary of State Hull fervently advocates. By this is meant that the surplus merchandise balance in favor of the Philippines in its trade with America is offset or counteracted by a balance against it reaching up to yen 15,574,000 in 1936, in its trade relations with Japan. On the other hand, the United States enjoys a heavy surplus in its exports to Japan."

#### See Reciprocal Trade

The brief claims that "reciprocal" trade exists among the three countries. The Japanese chamber has the following to say on this point:

"Philippine purchases of cotton textiles from Japan,

for example, help to finance Japan's purchases of raw cotton from the United States which in turn form part of the economic set up whereby the United States is enabled to buy approximately twice as much from the Philippines as she sells to the Islands.

Consequently, the rise in price of the Japanese goods occasioned by the elevation of customs tariff or by other measures adopted by the Philippines, will discourage the people of these islands from buying Japanese goods, a fact which will lead to the decrease in consumption of raw materials which Japan has been importing from the United States.

"When we take into consideration the evident fact that such a well-balanced reciprocal trade relation will be of great benefit to the three nations concerned, we cannot but be of the opinion that it would be most desirable to try to maintain the status quo and to eliminate any activity destructive of this reciprocal relation, as for instance, raising the customs tariff on Japanese articles or establishing the quota system on Philippine imports."

#### Have Own Fields

The brief says that "Japanese and American goods have their own respective fields in the Philippine market, naturally allotted according to their quality and price, so that generally speaking, they cannot compete with each other. This is so because Japanese goods are intended for the daily necessities of the common people, especially the farmers and laborers, and it will be almost impossible for the superior and high-priced American goods to substitute them.

The brief points out that owing to their low prices, Japanese goods "are heartily welcomed by the majority of the laborers, and American goods can never be accepted as substitutes because they are 30 to 50 per cent higher in price."

"There is a belief that Japanese goods have been gradually ousting American goods from the Philippine market," the brief continues. "This is ridiculous. The Japanese goods are mostly commodities for the laboring class and are exhibited in such a way as to draw their attention as much as possible, so that they look quite abundant in quantity although their value be really insignificant.

#### U. S. Ahead in Value

Statistics are quoted showing that Philippine-American trade increased 38.40 per cent in 1936 as compared with 1935, while Philippine-Japan trade increased 23.59 per cent. It is also shown that imports from the United States represented 60 per cent of total imports into the Islands in 1936, while imports from Japan represented only 13 per cent.

"As to the much disputed cotton piece goods, they are only 11 per cent of the whole value of American exports to the Philippines. The Japanese cotton piece goods imported into these Islands now exceed the American goods in quantity, but the American goods are far ahead in value."\*\*\*\*

"In order to accelerate Philippine exports to Japan, the country should develop the natural resources and pro-

(Please turn to page 13)

# Sumulong's Brief for Popular Front

● *Wants Clean Staples on Low-Duty Basis*

Juan Sumulong speaking for the Popular Front party in a brief to the MacMurray committee proposes that the Philippines be granted tariff autonomy at once, and also authority to effect commercial treaties with other countries besides the United States. In relation with the United States, under the Tydings-McDuffie act, he finds serious objection to the quotas limiting the duty-free privilege of raw and refined Philippine sugar in the American market, and of coconut oil and cordage. He opposes the excise tax America has imposed on Philippine coconut oil since the Tydings-McDuffie act became law; in general he argues that while political steps are taken to make the Philippines independent, economic steps are taken at the same time to make their independence impossible of realization.

As we write, there is news that Quezon and Osmeña have fused their factions of the Nacionalista party. Quezon has resigned as the head of his party, and an executive committee headed by Speaker Montilla of the Assembly takes his place. Supplementary news is that Aguinaldo's Popular Front party for whom Judge Sumulong speaks is to have election inspectors in the forthcoming local elections throughout the Islands: there is talk on all sides of the possibility of welding together from among all the malcontents a strong opposition party, whose banner may be the *Popular Front*.

This being so, there is merit in reviewing Judge Sumulong's contentions. He strongly advocates abolition of the graduated duties on Philippine products sold in the United States during the second half of the commonwealth period. He impeaches the ostensible motive behind these levies.

Judge Sumulong does not believe that holders in America of Philippine bonds are behind the levies, since "these creditors are interested in maintaining without loss the amount of Philippine exports (to the United States), because these exports are the best guaranty that our public debt will be paid wholly and in time." Instead of bondholders, Judge Sumulong sees American sugar and farming interests behind the levies, hoping to freeze Philippine products out of the American market before 1946 and before independence begins. Meantime, however, Judge Sumulong notes that the Islands have no tariff autonomy; they will be unable to effect commercial arrangements with other countries except with Washington's specific assent; also, all American goods continue coming into the Philippines until 1946 duty free, with no distinction as to the origin of their materials, but the old requirement that foreign materials in Philippine goods shipped into the United States duty free must be below 20% of the goods' value remains unchanged.

If the Islands are not to have tariff autonomy now, Judge Sumulong insists they shall have it when the graduated tariff levies begin three years hence.

"Even . . . granted to us now, . . . it can not be expected that in the twinkling of an eye we would find, as if by enchantment, a new system already established to replace the old one (free trade with the United States since 1909)."

Judge Sumulong thinks that the task of discovering new markets for Philippine products will be long and

hard; he thinks the first practical diversification of crops in the Islands will embrace products mainly for local consumption, and new products for sale overseas will be much longer in turning up.

He states that his party stands for immediate independence, also for abrogation of Philippine-American free trade. But he does not join these ends. The free trade, he thinks, should be tapered off very slowly; instead of being scrapped entirely, it should be placed on a permanent reciprocal basis, as nearly unencumbered as possible. "We are all vitally anxious that such liquidation (of free trade) be not sudden or abrupt so that unnecessary economic disaster may be avoided . . . We do not believe it is necessary that the date for the granting of independence which in our mind should be as soon as possible coincide with the date of complete abolition of the system of mutual preferential trade which should last longer."

In all this the Popular Front is not far from the convictions of the Nacionalista party. Sakdals are the only party of the extreme stand that independence come at once and all fostered commerce between the United States and the Islands cease at once.

It is understood that President Quezon is coming to believe that the Sakdal is arrantly a revolutionary party, that he begins to doubt its legality. Should its privileges under the law be rescinded, the field will be left to the Nacionalistas and the Popular Front.

Judge Sumulong tells the MacMurray committee that based upon withdrawal by the United States from naval and coaling stations in the Philippines (after independence begins) the Popular Front would heartily embrace proposals from certain commercial organizations in California for American commercial bases in the Islands after independence. "In this way we hope to prove to the American people that even if we do not desire to be involved in future conflicts in the Pacific, we are more than ready to be useful in all possible ways to American interests in this part of the world." First independence, mutual trade preferences going right on "until the Filipino people can enter into an agreement of trade reciprocity without endangering their economic life."

Mutual trade preferences, the Popular Front petitions through Judge Sumulong, should not extend to "such products as are of general consumption among the masses of our country," for these products should come into the Islands on a competitive basis.

The Popular Front concedes that free trade with America has benefited the Philippine upper and middle classes and elevated their living standards, but "for the common Filipino laborers in the city and in the country, especially in the latter, the free trade means the high cost of living without a single adequate improvement in wages." However, Judge Sumulong does not say free trade is the main cause of this; he hints that it is a fault of local government, and that the free trade is only a contributory factor.

Judge Sumulong's most emphatic protest is against the 3-cent tax a pound against coconut oil from the Phil-

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Now what is the solid opinion of these Islands?

Nearly all the briefs were submitted under the aegis of the Philippine-American Trade Association organized upon Malacañan's hint soon after the inauguration of the ten-year Commonwealth. Associate this fact, for sake of solid understanding, with the fact that the Philippines have the habit of indirection; they had rather give you utterances wherein to find their views than to state those views bluntly—and they had rather, infinitely rather, you would do likewise in approaching accords with them.

Bluntness is what the East likes least. It savors too strongly of the ultimate, of finalities—reached perhaps before all the argument is submitted and everyone has been heard. The Philippines are not innocent of this characteristic, not at all discreditable; indeed, so runs their nature.

So what?

All who submitted briefs through the Philippine-American Trade Association subscribed a statement of fundamentals. These universally subscribed fundamentals are two: *"The imposition of export taxes on shipments from the Philippine Islands to the United States from November 15, 1940, and the imposition of import duties by the United States and the Philippine Islands, each on articles the growth, product, or manufacture of the other, from July 4, 1946, will be disastrous to the producers and manufacturers of both countries, and, the time being too short to make the necessary readjustments, to the Philippine Islands in particular. . . . Irrespective of any change in the political status of the Philippine Islands, a continuation of the present free-trade relations. . . . would be advantageous to both countries."*

Abolition of the partial American duties (in form of export taxes of the Islands) provided for the latter half of the Commonwealth is asked, and continuation of free trade without terminating date, after 1946.

Now what really is wanted? By the sugar industry, affecting  $\frac{1}{3}$  of the population, the copra industry affecting  $\frac{1}{4}$  the population, the tobacco industry affecting 100,000 persons, most of them in Manila, the embroidery industry affecting a much larger number, and so on through all the industries submitting briefs? To ascertain what is wanted, it is only necessary to make deductions between the lines. The reader should not demand greater candor than this, candor possibly embarrassing. The attitude of the solid opinion of these Islands is there, candid in every aspect, but revealed indirectly.

The Philippines know that what they will get from the United States if their political association terminates with that country (fewer words would put this, but less acceptably), is the treatment of most favored nations, and that this is not duty-free trade. They ask however for duty-free trade. It will be a blind Congress and Executive, a blind America that fails of reading what the Islands really mean in their homologous petitions to the McMurray committee. Emphasis is added by something from the *Philippines Free Press* that even President Quizon watched with the closest interest. It will be remem-

## CLARIFYING THE FACTS

We give major space in this month's issue to summaries of the principal briefs submitted to the MacMurray "Joint Preparatory Committee on Philippine Affairs" quite properly, notwithstanding the merely inquisitory character of the committee and the fact that action at Washington affecting the Philippines will turn mainly upon counsel deriving from High Commissioner Paul V. McNutt. The service the MacMurray committee renders is the evocation of opinion on future relations with the United States from sources in the main highly responsible, well informed, and with everything at stake. The committee will convey this information to the interdepartmental committee of the cabinet, and through the cabinet it will reach the President. The committee does not function under authority of Congress, and the greater value of its intermediary services consists in the opportunity it creates for the sober second thought of these Islands to find wide publicity in America.

This value can not be overestimated. It goes without saying that the circumspection surrounding the committee's procedure here is commendable throughout. It is a fact-finding body, binational—for Manila as well as Washington. It is a creature of the executive will, not the legislative. But every newspaper in America, probably, as surely the few here, is interested in the committee's discoveries. Business correspondents of our patrons are more intensely interested, and we have printed many extra copies of this issue embracing summaries of the briefs in order that such key men in American industry and the great industrial cities may be reached.

bered that the MacMurray committee is a result of the suggestion for shortening the Commonwealth ten-year period, made by Sayre and Quezon in Washington in March. (Manila took it as the madness of a March hare, one with a lion's strength for doing mischief.) The *Free Press* polled more than 12,000 middle-class folk of the Islands on this subject, some in every province. More than eight thousand responded, and 55% of them opposed shortening the period. So much direct avowal suggests that most of the minority believe as the majority do, but do not make the sacrifice of saying so.

Surely now America may discern how the Philippines feel about retaining the relations between them and the United States that now exist. With no sacrifice of self-respect they favor it. It is the sense between the lines.

—W. R.

## Wants Economic Breathing Spell for Islands

### *Reciprocal Trade Should Be Permanent*

Certain additional data in the Araneta brief are interesting. One is a quotation from Lyman P. Hammond's report to Colonel Henry L. Stimson in 1928, when Stimson was the governor general of the Philippines:

"The estimated population of the Philippine Islands in 1926 was 12,100,000 persons. Consequently, it seems that the value of the annual commercial production per capita here is only about P67. Assuming 5.1 persons to the family, as in the 1918 census, the value of the annual commercial production of the average family in the Philippines is only about P342 (\$171.) According to data recently published by the Collector of Internal Revenue in the United States, the value of the annual income of the average family is about \$3,900 in that country."

Araneta believes the per capita production of the Islands has not increased materially since 1928, production remains about P1 per family per day. It is 1/10 the family production in the United States, on a basis of peso income here and dollar income there. Araneta contends that family income here should be multiplied five times during the commonwealth period (which he opposes shortening). To do this he would continue the trade conditions of the Tydings-McDuffie act, eliminating the export duties to be laid on Philippine products sold in the United States during the last half of the period, and would have monetary and tariff autonomy granted the commonwealth.

With tariff autonomy, the commonwealth could revise its duty schedules in a way to encourage manufacture in the Philippines of many staples now chiefly bought from Japan; if this affected any goods from the United States, other demands for more valuable imports would make it up; and extreme cases could be subject to negotiation. Araneta argues that the volume of Philippine exports can't be much increased, the volume of domestic commerce might be greatly increased. With the Tydings-McDuffie quotas on major products sold the United States, and with the prospect of no other overseas markets, incentive will be great to exploit the domestic market.

Araneta thinks that during the commonwealth period Filipinos should dominate the retail commerce of the Islands, Filipino merchants would more readily sell, and try to sell, Philippine manufactures than the foreign retail merchants who, many of them, eminently the Japanese, put forward the manufactures of their own country.

The feeble sovereignty of the Philippines subsequent to their independence from the United States could not

prevail against Japan in a tariff controversy, Araneta holds, nor prevent a duty schedule discouraging to Philippine domestic manufacturing for domestic consumption. Japan would want the widest possible market here, and impose conditions assuring her such a market. That is why Araneta recommends authority for the commonwealth to found its tariff policy right away. Revising her tariff in 1934, China came off second best with Japan. The tariff has the effect of keeping China on an agricultural basis, and discourages her industries. (Japan holds that she can manufacture cheaper than her neighboring countries can, and can use quantities of their raw products in her industries.) China's 1934 tariff raised the duty on raw cotton, an injury to China's textile industry, but the duty on numerous imported textiles was lowered.

In the act as a whole, Araneta sees the insistent hand of Japan exerting a pressure China could not withstand. He infers that the Philippines would have similar experience in devising a tariff schedule after 1946, on attaining independence. Therefore he says, do this now. The long-term Philippine-American reciprocal trade pact subsequent to independence, he wants strictly bilateral. (Here is an inconsistency, unless continuation of considerable commerce with Japan is contemplated as a factor in the Philippine-American arrangement, since the brief remarks extensively on the present triangular commerce between America, the Philippines, and Japan and says it "should be maintained as much as possible, and only any existing inequalities of the same should be corrected—the triangular trade should be improved and not destroyed.")

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## Tobacco Industry Can't Withstand Duties

The Philippine tobacco industry is greatly dependent upon the American market as an outlet for its manufactures. These exchange on such a narrow margin of gain that when the partial American duties on tobacco products become applicable with the advent of the sixth year of the Commonwealth, 1941, the business will begin to die. This is an assertion of the Manila Tobacco Association, well grounded. Thus a reciprocal branch of Philippine-American commerce will be destroyed by the duty provisions of the Tydings-McDuffie act unless these provisions are repealed. The Philippine-American Trade Association asks that they be repealed, and is supported by the briefs submitted to the MacMurray committee.

Bear in mind that though during the last five years of the Commonwealth the partial American duties apply to Philippine exports to the United States, American products continue to come into the Islands duty free, and this includes tobacco manufactures, almost exclusively cigarettes. While therefore the Philippine export-cigar industry will succumb to the partial American duties, except there is repeal, the American cigarette trade here will go right on—possibly at even better advantage than now. But is not the Philippine tobacco industry entitled to reciprocal trade?

The reciprocal character of the existing free trade is quickly illustrated. The latest figures quoted by the association pertain to last year.

During ten months last year, Philippine imports of American leaf tobacco and tobacco products were valued at P6,324,923 and in 1935 were 98.55% of all tobacco imports. During ten months of last year Philippine exports of tobacco and tobacco products, cigars, to the United States were valued at P4,424,210 and in 1935 were 54.79% of all tobacco exports. Thus it is seen that the Islands do not drug America with their tobacco, but while selling her a quantity of cigars and some leaf, actually dispose of nearly half their export surplus in other markets.

Observe that the advantage in this reciprocal trade lies with America, and would still benefit her were the partial duties repealed before they begin to apply. She enjoys a tobacco commerce here a third greater than

the Islands enjoy in the United States, and her cigarettes, well advertised, well merchandised too, tend to become the popular smokes in the Islands. Here then is a trade that cries out against disturbance by legislation, being, as it is, on a sound basis. Besides leaf and tobacco manufactures, mainly popular priced cigarettes, the Islands' tobacco factories themselves buy extensively from America: paper, labels, lithographs, flaps, bands, wrappers, shooks, cellophane, machinery.

The Manila Tobacco Association is to be congratulated on its very candid brief, a clear presentation of the just case against the partial duties soon to be applicable under the Tydings-McDuffie act unless Congress admits the fairness of the Islands' uniform petition that these duties be suppressed.

The value of findings for the tobacco industry, imported from the United States, is not a little revelatory. Cellophane sums from P250,000 to P300,000 a year. Machinery has reached almost P150,000 in a year. Paper, lithographs, etc., are standard importations from the United States. The situation demonstrate that it would not only be unfair, but downright bad business for Congress to permit a partial duty to apply to Philippine tobacco exports to the United States as it is now provided will be done beginning in 1941. The investment in tobacco factories here is a huge one, and thousands of men and women hired in them are dependent on the limited market in the United States the existing free trade has made it possible for the factories to procure. It is obvious that this market will remain limited at best, but it is equally obvious that it is vital to the industry and its employes.

Naturally the Commonwealth is directly concerned, for the excise revenue the industry yields. This brings it out plainly that the partial duties nominally provided in behalf of Philippine bondholders in the United States will not in fact benefit these creditors and are really beneficial, if not designed to be so, only to special interests whose objective is to injure competitors. For the bonds will be weakened by duties that weaken trade, and will remain sound under conditions fostering trade and producing public revenue from it.

● *Trade Now Reciprocal Would be Destroyed*

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## Howe Advocate...

(Continued from page 7)

The Reich borrows the money with which to buy the land, or it is provided by banks. It does not tolerate usury. The middleman gets but small part of the farmer's products, the object of the government being to end every kind of oppression on the farmer and make the farmer as prosperous as possible.

Complementing this agrarian program is a housing plan, houses for farmers being paid for in about 40 years' time. Rents are as low as is the interest charged.

Dr. Howe said that the object of all these measures is, first, to improve the wellbeing of the farmer and the worker; second, to increase food production; third, to make the people contented, and fourth, to take care of the population. "Germany also controls her banking and credit so that industry and agriculture get the money they need and at a relatively low rate," he concluded. "By this means she increases the production of wealth and controls foreign exchange."

## Japanese Chamber...

(Continued from page 8)

duce such goods as Japan keenly needs," the brief points out. "But there is a strict rule in the constitution of the Philippines that 60 per cent of the capital must be owned by American or Philippine citizens. So we can say that the door to developing the natural resources is closed to foreigners, and it will be impossible for Japan by herself to improve the export business. Such being the case, it is quite advisable for the Philippines to put into force the so-called 'economic control' in the archipelago through the cooperation of the three countries, i.e., Japan, America and the Philippines, as to capital, machinery, labor, etc., adopting an ideal policy of open-door and equal opportunity for all nations."

### Deny One-Way Trade

The brief denies that there is a "one-way" trade between the Philippines and Japan, saying that "the trade between the Philippines and Japan is approaching an equilibrium owing partly to the rise of market prices of Manila hemp and lumber and partly to the increasing exports of various kinds of minerals to Japan." Attention is directed to an increase of 8.98 per cent in Philippine imports from Japan, while Philippine exports to Japan have increased 56.61 per cent.

"The geographical positions of the Philippines and Japan will naturally improve the economic relation between these two countries," the Japanese chamber points out. "The Philippines produces abundant agricultural and natural products, especially minerals, which she can sell to other countries. On the other hand, Japan, being an industrial and manufacturing country, will have to purchase her materials from abroad. This means that both the Philippines and Japan are in a so to speak satisfactory position to cooperate with each other."

### Must Remove Restrictions

"We, therefore, are of the opinion that economic control and independence can be better attained among other things by taking advantage of the tremendous possibilities offered by the Japanese market." The chamber makes the following conclusion:

"As is shown statistically, we have been exerting our efforts and will do our utmost

to attain a trade equilibrium between the Philippines and Japan, but there lies a stumbling-block in our course towards that goal; that is a constitutional restriction as to the development of the natural resources in the archipelago. If this restriction can be either completely or partly lifted, our course will be clearer and our pace will be much accelerated. The Philippine industries and exports, consequently, will be enlivened, and naturally the purchasing power of the Philippine public will be increased.

### Decisive Factor

"Once we come to such a state of affairs, we believe, the triangular trade relations among the United States of America, the Philippines and Japan will be enhanced.

"Under such circumstances, if the Philippines should raise her customs tariff or establish a quota system on her imports she will be committing suicide, speaking figuratively, for such an act will bring about the demolition of the otherwise well-balanced trade relations among the three nations and the decrease of the purchasing power of her own people, thus eventually causing social unrest throughout the archipelago.

"On the other hand, the complementary nature of Philippine-Japan trade will no doubt be a decisive factor not only in preserving but also in promoting the aforesaid triangular economic relations among the United States, Japan and the Philippines."

## Sunulong's Brief...

(Continued from page 9)

ippines sold in the United States, a condition imposed in this trade that strikes a deadly blow at the Islands' most vital farm industry and dates subsequent to the Tydings-McDuffie act. He points out that while the blow was softened by providing that the collections under tax be returned to the Islands, the harm to the industry remain the same because no proceeds of the tax can be used directly or indirectly to benefit the coconut producers. These producers comprise a fourth of the population, on coconut lands well distributed throughout the Islands.

Judge Sunulong says the tax will operate to retard the gradual industrial progress of the Islands (which the Popular Front thinks should remain dominantly agricultural for a long time to come); there are potential industries that could utilize by-products of coconut oil production, yet under the law these may not be aided with the tax.

Judge Sunulong signs his brief in his capacity as chairman of the advisory board of the Popular Front. Celserio Tiongo signs as chairman of the executive council, Luis Agudo as the party's secretary. General Emilio Aguinaldo and General Jose Alejandrino append a treatise on national defense. It stresses enforced service to the state of young men and women in tasks of building up industries supplying the needs of defense. It insists that America retain no naval bases here after independence, because they could be "ground for violation of our territory in the event of war between the United States and any other power." It says in closing that the Popular Front is willing to accept independence at any time, along with its possible consequences, previous to the period fixed in the Tydings-McDuffie act.

### OBVIOUS OVERSIGHT

A cordage brief submitted to the MacMurray committee points out what we are sure must be an oversight by Congress in drafting the Tydings-McDuffie act creating the Commonwealth of the Philippines and placing cordage from the Philippines going into the American market under a yearly quota subsequently fixed at six million pounds a year, of course duty free.

The quota includes binder twine, heavily imported by the United States and on its free list. As the law stands, above six million pounds a year of cordage of every sort the Philippines can market no binder twine in the United States. They can not do so even by paying a duty, there is none; and while all the rest of the world is free to market binder twine in the United States, above the quota, taken up chiefly by rope, this territory still under American sovereignty with Congress having sole

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• Stresses True U. S.-Philippines Trade Balance

A measure of the general economic progress of the Islands may be obtained from the advance of exterior trade figures between 1900 and 1935 (excluding bullion)—

	Imports	Exports	Total
1900	\$ 45,737,000	\$ 45,981,000	\$ 91,718,000
1935	202,252,000	272,895,000	475,147,000

The Philippines have been subject, as have all countries, to fluctuations due to the world war and to trade depressions, from the latest of which the Islands have not yet fully recovered, but progress on the whole has been steady, with prospects of a further advance if conditions remain favorable.

Industries in the Philippines during the same years increased to an even greater degree than the external trade. But that expansion has been due almost entirely to the existence of this healthy external trade. Without the latter the major items of produce—sugar, hemp, copra, coconut oil, tobacco—and such industries as embroideries, cordage, hats, etc., would have found a considerable expansion impossible in the absence of an external market, as no home demand has been available to promote a growth of any great size. Even industries mainly of internal activities, such as saw mills, power plants, public utilities, rice mills, iron foundries, etc., would have found no means of attaining their present development, had there not been the prosperity and resources existing from an active and growing external trade. And it follows that, if external trade declines, industries of nearly all kinds must dwindle also in the absence of internal resources adequate to maintain them.

The growth of national revenue has also depended fundamentally on the expansion of external trade, not merely directly in such matters as import duties, sales tax, etc., but indirectly in the amounts collected from income tax and excise and other taxes on industry, which could not have attained their present proportions without the stimulus of a considerable external trade. And naturally without this larger national revenue there could not have been the improvement and expansion of national institutions and functions which have been attained and which are now essential for the well-being of the Islands. And here, too, it follows that if external trade declines, and industries as well, then national revenue also cannot avoid decreasing and embarrassing the administrative services which depend on it.

And as between Import and Export trade it should be noted that the growth of the former has been entirely dependent on the latter. If exports had not attained so considerable a figure, imports could not have grown as they have; the import market depends almost entirely on exports, as the internal resources of the country if themselves cannot yet support imports of any size. There is usually a balance of trade in favor of the Islands, and it has been argued that the Philippines benefit unduly from the excess exports, but this is not the case, as interest and dividends on Philippine bonds and investments held outside the country are met in part by excess exports, while freight, insurance and other transportation charges on imports and exports

accrue mainly to non-Philippine interests. If allowance is made for these, the gap between the import and export totals will be

The continuance of the external trade of the Philippines at a satisfactory level is essential for the commercial well-being of the Islands and for the maintenance of national institutions.

A material decline in external trade inflict very serious injury on United States industries and a dangerous decrease in national revenues, with inevitable internal difficulties.

Such a decline in external trade will inflict very serious injury on United States Export trade to the Islands, and will have a very adverse effect on United States Shipping to and from the Orient.

The policy of the economic development of 40 years has led to a belief that abrupt and sudden changes of commercial legislation will not be imposed on the Islands.

The maintenance of the American-Philippine mutual free-trade relationship for the full period arranged by the Tydings-McDuffie Act, and for as long as possible afterwards, is essential to avoid commercial distress, decline of national industries, and perhaps economic ruin.

Prior to 1946 there should be no economic changes in American-Philippine trade relations less favorable than those embodied in the Tydings-McDuffie Act; if an earlier political change should be decided, the free-trade relationship should be continued in an equivalent form for the mutual benefit of both countries.

Export taxes threaten serious injury and early stoppage of the trade in ue commodities involved, and should be eliminated.

Excise taxes in the United States, particularly as regards the copra and coconut oil businesses, are a definite restriction of trade, inflict considerable damage on interests involved, and do not seem to fit in with the terms of the Tydings-McDuffie Act; it is urged that they be rearranged so that, without neglecting American agricultural interests, they will inflict no unnecessary injury on the Philippine products concerned.

After 1946 trade relations should be continued for as long as necessary along present lines on a reciprocal basis safeguarded wherever advisable by quotas and other conditions, but enabling existing trade and shipping to be maintained to the mutual advantage of both countries besides saving the Islands from disaster by giving them a reasonable opportunity to adjust their national economy.

largely closed. Moreover, Philippine products (raw materials) and bulk commodities which require processing in the United

States thus providing work for labor there, whereas imports from the United States are almost entirely composed of manufactured goods. Also, under the "free-trade relationship" between the two countries American goods can still enter the Islands without any limitation as to volume or value, whereas Philippine free exports to the United States have now been considerably restricted by Congress—which also tends to reduce the gap between imports and exports.

The importance of the export trade as essential factor in the maintenance alike of the import trade, of island industries and of national revenue, and consequently national institutions, cannot be too strongly emphasized. It has been estimated that 48% of the total production of insular industries of every kind is exported, leaving only 52% for internal consumption, including such local essentials as rice and other foodstuffs, house construction, etc. A decrease of 66% in total exports is a moderate estimate of the effect of abolishing mutual free trade between the United States and the Philippines, and this would involve a decline, or waste, of 32% of total national production. Such a result, especially on top of the depression of recent years, would amount to a national calamity, which would affect every phase of the industries and the institutions of the Philippine Islands, which would render impossible the satisfactory continuance of many matters now considered as moderate necessities, and which would lead to unsettled conditions and unrest, perhaps even to serious local disorder.

To summarize the above—the prosperity of the Philippines depends entirely on its external trade, particularly exports. If that trade should decline to any marked extent not only would concerns interested in it suffer heavily, but it is the full conviction of the Chamber that many industries would be almost ruined and others at least very adversely affected, and further that national revenues would shrink to an extent making it impossible to maintain adequate and normal administrative functions—health, education, communications, public order, etc., employment would shrink, there would be wide-spread suffering, and the whole structure of the country as it has developed during the past 40 years would be injured and perhaps endangered. The Chamber feels that this outlook is exceedingly probable, and so serious as to justify all efforts to prevent any material decline in that external trade, particularly exports, which is the vital prop of the whole situation.

In considering the external trade situation, the essential factor since 1909 has been the mutual free-trade relation of the Islands with the United States. Without that special relation imports and exports could not have grown to their present level, and the commercial and other development of the Islands would have been on a lesser and slower scale. Smaller trade would have meant smaller expansion of produce production and industries, and also lower national revenue. There would have existed now a less developed State, with a more

(Please turn to page 16)



Obvious . . .

(Continued from page 13)

authority to regulate its commerce, is spe-

cifically excluded from that privilege. This is greatly detrimental to the fiber and cordage industry here; there is no parallel to it in the treatment of other Philippine

products in the American market, and it deserves to be brought to the attention of Congress for immediate correction.

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## Manila Chamber...

(Continued from page 14)

primitive standard of living and better able to bear the shock of economic adversity. As it is, the free trade relation has established mutual markets for American goods in the Islands and for Philippine products in the United States to an extent that these markets have become of very considerable value to the United States and of vital importance to the Philippines. And this free relation has not only developed large external trade totals but has stimulated industries to a high level, and has facilitated the collection of adequate national revenue to sustain an Administration which maintains educational, social and other services of a high standard. If external trade declines, as it must if the free trade relation is terminated, there is every reason of national resources as mentioned above—an economic

disaster which may undo much of the good work done in the Islands during the last 40 years.

In examining the course of trade since the American occupation one very satisfactory feature has been the absence of too abrupt changes in policy, tariffs, etc. Even the establishment of free trade was delayed for 10 years, and though this was due to circumstances no longer existing, it is a precedent for adequate notice of vital changes to allow time to adjust the country to new economic conditions. The Tydings-McDuffie Act also provides a 10 years' notice period, apart from the export taxes proposed. Merchants, Shipping firms and Industrialists, American, Filipino and other, laid their plans, as far as they were able, looking to the economic terms of that Act at least to cover the situation till 1946, but still hoping for some favorable modification of the economic conditions which

would enable the external trade with the United States, imports as well as exports, to continue even after that date; and they felt that the terms of the Act, were an assurance of security (apart from export taxes) for not less than that period of years. It was a 10-year interval for liquidation, adjustment and settlement not only of their own commitments, but also of the economic structure of the Islands, if this proves possible. Any shortening of that period will intensify the damage to Philippine economy and the injury to merchants and others; while if the period is made very brief, there will be insufficient time for a considered preparation and adequate notice of Tariff changes, Trade agreements and other necessary economic adjustments.

At the same time, Merchants and others, while clinging to the 10-year interval of the Act as at least some protection from immediate disaster, feel strongly that the ultimate effect of the economic provisions of the Act will be ruinous to the Islands, their industries and trade.

- a. The export taxes will mean for certain commodities speedy, even immediate, ruin within the 10-year period instead of abrupt disaster on the cessation of mutual free trade. They will involve automatic destruction of business in a time too short to allow of liquidation in an orderly manner or to diversify trade into other channels if such be possible, and it is claimed they are unnecessary for the purposes for which introduced as these are covered by other safeguards.
- b. Termination of mutual free trade from 1946 onwards will complete the ruin of American-Philippine trade, import and export. Almost certainly two-thirds of the export trade will disappear, and there is no suggestion of how it can possibly be replaced or switched to other countries. Such a reduction will make it impossible to import anything except the cheapest of goods and probably only a little of these; ordinary American products will be quite beyond the purchasing capacity of the Islands as a whole. The ultimate result will be the same as forecast above if the mutual free trade relation should come to an end abruptly within 2 or 3 years—merely delayed a few years which may enable a few mercantile concerns to liquidate their position, but which will not save the country as a whole from the decline of external trade, ruined industries, dwindling national revenues, hampering of Administrative functions, and perhaps internal disturbance.
- c. The decline of the external trade of the Islands, whether before 1946 or after, will inevitably inflict a most serious blow on trans-Pacific Shipping, especially American; and the lack of Philippine export cargo, in particular, will be ruinous for many lines unable to secure adequate return cargoes to the United States from other parts of the Orient.

Suggestions have been made that as a remedy for the decline in trade and production of sugar cane and other products which must result from terminating free trade, the Philippines should turn to diversification of agricultural products under Government auspices. Efforts have already been made in fomenting new activities to promote trade

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readjustment, but, as is usual in agricultural communities, it has been found impossible to move quickly. The change-over from the production of sugar to such articles as cassava, kapok, derris root and peanuts is not easy of accomplishment, for the Oriental agriculturist, apart from being inherently conservative, is disinclined to give up the production of a remunerative crop in which he is thoroughly well-versed for that of unknown commodities the value of which is hypothetical and the market for which may never be developed to an equal degree. In time, changes will doubtless be possible, but they will come slowly, and a 10-year period is all too short for the radical innovations which must be introduced into the agricultural life of the Philippines if such an important commodity as sugar is to be replaced by other products which can be profitably sold in the open markets of the world.

In urging the retention of the free trade relation, in one shape or another, as a fundamental necessity for saving the whole economic system of the Islands from serious danger and a possible collapse, emphasis must be laid on the fact that the relation is mutual and reciprocal. What the Philippines sell to the United States is matched by the American goods they buy in return. Not indeed equally for in 1936 Philippine exports to the United States, excluding bullion, were P215,044,000 against only P122,994,000 imports, and other years show similar differences. Not only, however, must it be borne in mind, as mentioned above, that the duties on the exports and of freight and other transportation expenses diminish the real gap between import and export figures, but there are also the circumstances.

- that the Philippines must inevitably bring in Far Eastern foodstuffs and other oriental supplies that cannot be obtained from the United States;
- that as a country still relatively poor the Philippines are often not in a position to purchase high priced goods; and
- that on the basis of population the per capita purchase by Filipinos of American goods is more than 5 times the per capita purchase by Americans of Philippine products.

Apart, moreover, from the above, the possibilities of the future must be considered. If mutual free trade comes to an end in 1939 or 1940 or later, coming as it will be ruined and other disasters will follow, with probably no recovery ever of the American-Philippine trade position. If, however, the present free trade relation, in one form or another, is maintained, then mutual prosperity may be reasonably expected, for the Philippine population is increasing rapidly, and the United States have in the Islands their twelfth largest export market and, except Japan, their finest oriental market already accustomed to American merchandise and with its credit so far unimpaired; the expansion of the mining business in the Islands in recent years and the steady increase of imports of mining supplies from America indicate the future possibilities of this market. As America must always have a source of supply of tropical produce, this may as well be the Philippines where the United States for so many years followed a policy of encouraging expansion of production, and where there is in return a considerable preferential market for all American goods. If the Philippines can sell to the United States, then they can also buy from them—but not otherwise. The retention of their existing markets against outside competition is now

## SUGAR

First rate presentation of the case for Philippine sugar in the general plan of commercial relations between the Islands and the United States was made to the MacMurray committee during the hearings at the Legislature building in Manila. Every business man who submitted oral discussion spoke for sugar too. Ex-Senator Harry B. Hawes submitted the painstaking brief introduced by the general statement we quote from him in the introductory article in this issue. The Philippine-American Trade Association emphasized sugar in its brief, and Horace B. Pond parried all questions about it.

Pond as the experienced head of the Pacific Commercial Company, leader among the importing corporations handling American manufactures in this growing market from notions and groceries to motor vehicles and heavy machinery, was naturally well prepared on the importance of the continued sale of Philippine sugar in the United States to the practical business of selling American goods in this market.

Sugar can withstand no shortening of the Commonwealth ten-year period. As in all lines of industry, in sugar commitments and plans have been effected for the full ten years. If a time came when Philippine sugar had to pay the American duty to approach that market (its only one, no other being procurable in the world), the industry would have to close down. This is the consensus of the briefs and testimony laid before the committee. Ten years is therefore in itself too short a time for cane growers to find it possible to shift to other crops.

But the calamity that loss of the American market would be to growers and the mills would be mild beside that visited upon the government and the general public of the Islands by the same circumstance. Tax structures are built upon the

a world problem for many highly industrialized countries, and it would be a misfortune for the United States and still more for the Philippines if their mutual markets should be deliberately sacrificed by a voluntary change of policy.

worth of the fields for cane, bank credit stands on the same basis. Budgets of thriving provinces, together with individual solvency, would crack like humpty-dumpty if our sugar could no longer be sold. Capital and business initiative, now looked to by the government to come from the cane producers and vitalize other industries, first selecting and founding them in order that the Islands may evolve an economy less dependent on the American market, would no longer be available.

Salvador Araneta, though a Manila attorney, whose brief to the committee is quoted extensively in this issue, speaks as a sugar producer: the industry is traditional in his family. Note with what reasoned aggression he approaches the problem of supplementary new industries. It is because our sugar still goes regularly to New York and San Francisco. Such men as he ask but for the opportunity to put their shoulders to the wheel in behalf of the New Philippines by honestly seeking practical modification of her economic situation Congress will surely decide that men of this stamp would indeed the rights to the benefits of sugar while they improvise a more balanced industrial structure for the Islands. The faith of Senator Hawes, who represents the industry at Washington, is much in point. The America who has consistently been just as well as generous to the Islands has no choice but adherence to that policy.

"To grant complete independence... without allowing sufficient time for necessary political and economic adjustments... would be little short of a denial of the independence itself," Roosevelt said in urging Congress to pass the Commonwealth act. The legislature here, accepting the act, relied upon this assurance and made formal note of it.

The quota in the American market that our sugar has in this act is 800,000 metric tons of raws a year, 50,000 metric tons of refined. The world of sugar raises no objection, the London conference more than acquiesces. Cuba has no grounds for objection, Puerto Rico, though an organized territory of the United States, should certainly not stress sugar another pound—her

(Please turn to page 56)

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Port Area

Wants Economic... (Continued from page 11)

Araneta states:

"Imports of Philippine products into the United States only represent 4% of the total imports into the United States, and with the exception of coconut oil, as to which there is some controversy, they do not displace a single unit of goods produced in the United States, so that with the destruction of the trade American producers will not be benefited in any way; only foreign producers will be benefited who would then be in a position to increase their exports of similar articles into the United States.

"Maintenance of our present volume of exports to the United States which are dependent on the present free trade arrangement, amounting to P215,000,000 last year, constitutes a very valuable source of wealth to the country which would be impossible to replace, and which will not only maintain but even increase the standard of living of the people. . . . Besides, we should not forget the proceeds of the excise taxes collected in the United States from Philippine products, which are being returned to the Commonwealth of the Philippines, which amount to P70,000,000 a year, a benefit which we would not receive once our independence is granted. The loss of this big amount which would be very helpful in developing new industries in the Philippines will undoubtedly retard a readjustment of our national economy."

His suggestions adopted by the United States and the Philippines, Araneta believes that development of domestic manufactures and their domestic consumption in the Islands will soon reduce the percentage of Philippine products sold to the United States, without affecting the volume, from 30% to possibly 10%. Correspondingly, per capita income would rise in the Islands and demand for American manufactures would expand.

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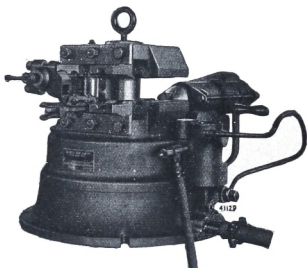
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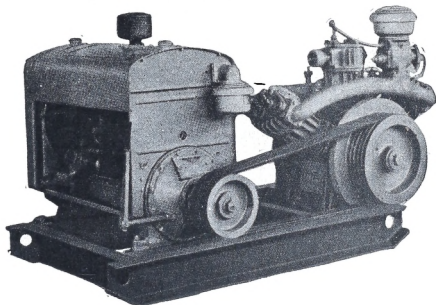
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# Will We Have Another Boom?

Will we have another boom?

This question is heard on every hand, in the clubs, restaurants, and wherever people congregate. Some ask it hopefully, while the more thoughtful ask it fearfully. It seems to be the most popular subject for discussion of all subjects, completely crowding out the weather, the World Series and our two un-declared wars.

No one knows the answer.

We don't know the answer. We wish we did—we might use that knowledge to recoup some of the losses we suffered during this last unlamented crash. (Some people might question our use of the word "crash" to describe the stock market recession which began in earnest in January, and stopped, at least for a while, on September 10th. Brokers might call it a "technical reaction"; market analysts might term it a "healthy adjustment"; but to us when San Mauricio goes down from P4.00 to P0.49 and lower, that is a crash.)

History teaches us that, however much we may dislike a crash, a boom is equally disastrous economically in the long run. Values and credit are impossibly inflated. Prices rise faster than wages. Factories expand, and businesses go into debt to meet an abnormal demand. Eventually the whole structure collapses with a re-sounding thud, and ruin and destruction follow.

No, we like a boom while things are booming. We also like to dance. But we don't like to pay the piper when his price is too high.

The price of a boom is always too high. The eventual crash frequently takes not only everything we have, but everything we are going to have for years to come.

Yet, a thoughtful review of the factors which may influence the situation here in the near future indicates that it is very possible that we may enter upon another period at least approaching the giddy levels of 1935.

In the first place, we have never had in the Philippines a real depression such as other countries have suffered. This is obvious to anyone familiar with the Philippines who saw Europe after the world war, or the United States after 1931. We have had to retrench from time to time, yes. Once in a while we have thought it advisable to postpone that trip abroad until next year. But we have never had breadlines or home relief or wholesale unemployment or banks closing their doors for good.

No, we have never had these things, and we don't have them now.

In fact, business in general is good. Retail sales are good. Lumber exports are very much higher than they were last year. Sugar men are jubilant over the passage of the 1937 Sugar Act by Congress (signed by President Roosevelt on September 1) which provides for the re-

We hope not, but the stirring in Mindanao, the prospect that something definite will be done to clarify Philippine-American economic relations before the middle of next year, war scares creating a ready market for our products, and other factors make us afraid that we will!

fund of the excise tax of P0.01 per pound to be collected on sugar importations from the Philippines; recognizes the Commonwealth of the Philippines as a country not "foreign" to the United States by re-stating its status as distinct and apart from Cuba and other foreign countries; assures the continuation of the duty-free quota established under the Tydings-McDuffie Act. Shipping is satisfactory, despite war and strike conditions, and the rice crop outlook for next year is promising.

The crash in hemp prices in the middle of August was due almost entirely to war conditions and the Japanese government's regulations limiting or prohibiting certain exports. The decline in hemp prices did not last, however.

Tobacco is plugging along about the same as last year, while real estate brokers report the best business in at least five years.

In other words, business is good. And that is, of course, the first possible reason why we may have another boom. We have not been knocked out by the stock market; we have just been knocked down.

In estimating the future, Mindanao must be reckoned with. We frequently hear the opinion expressed: "We've got to find another mining district. The Paracale district pulled us out of our last slump, and a new, important mining area will do the trick again."

JOURNAL readers will remember Earle W. Bedford's excellent article pointing out the practical potentialities of mineral exploration in the Diuta Cordillera region of Eastern Mindanao. From the background of several years' experience Mr. Bedford discussed the geology of the area, and estimated that there exists an area embracing in excess of 15,000 square kilometers, subject to, and meriting, intensive investigation.

It is known that many mining companies here have their eye on Mindanao—particularly the area of which Mr. Bedford wrote—and the rapidity with which claims have been staked there indicates that the region will not long be neglected.

Last month the JOURNAL ran several timely articles on the road-building program planned for Mindanao. Although this vast, fertile region has only some 2,500 kilometers of highway today, President Quezon has begun pouring millions of pesos into the island for roads. Since that issue of the JOURNAL, the President has announced his intention of giving Mindanao the lion's share of the P70,000,000.00 road-building program of the Commonwealth Government, and has also revealed plans for the opening of large tracts of land there to homesteaders, and the development of hydraulic power in the country. Plans are afoot for developing rubber-growing there on a big scale.



# Price Pegging Experiment

When brokers' clients took their reserved seats in broker's offices on Saturday morning, September 11, and settled back to watch the board, they noticed a cryptic announcement penciled across the bottom of the board reading, "trading will not be permitted in shares below the price last quoted at the close of trading on Friday, September 10." Most brokers added figures showing the pegged price for each stock.

The move came as a surprise to most people. For weeks there had been talk that brokers might as well close up shop, for all the amount of trading there was on the two exchanges, and this had actually been suggested. A "breathing spell", it was argued, would be a good thing for everybody. It would give a chance to catch their breath, and then, after the demoralizing effect of constantly lower prices had worn off, trading could be resumed after a few days or a few weeks, with everybody getting a fresh start.

No one had taken this suggestion seriously, since they well knew that, with the exchanges closed, buying and selling of stocks would continue as before, "over the counter" or from hand to hand, without benefit of brokers.

Yet, it was felt that "something should be done." Every piece of news that could be construed as in any

way unfavorable sent the market daily down to new lows for the year. Indeed, it did not even require news to do this; every fresh rumor was reflected in a selling market.

Investors were almost completely scared out of the stock market. Trading dwindled to a minimum. Floor traders and brokers devised private sweepstakes among themselves in order to keep busy during the short hours the exchanges were open for trading.

It was felt that in many cases stocks were quoted at prices which were not justified, in view of their production figures, ore reserves, management policies and dividend rates.

So, the governing board of the Manila Stock Exchange took the situation in hand, and decided on the momentous and unprecedented step of pegging prices at a certain level, i.e., establishing a fixed price below which brokers would not receive buying or selling orders for any stock. The International Stock Exchange quickly fell into line, although in some cases their pegged prices were higher than those on the other Exchange, and, in some cases, lower.

Then brokers waited grimly to see what would happen. If the pegged level were penetrated, stock would

(Please turn to page 24)

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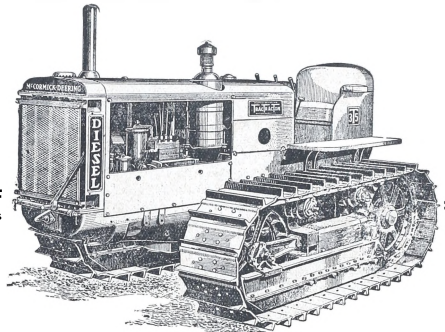
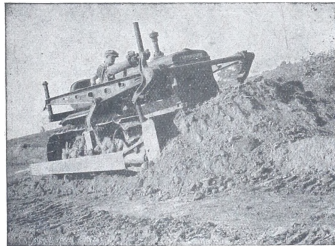
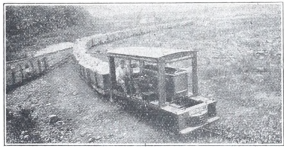
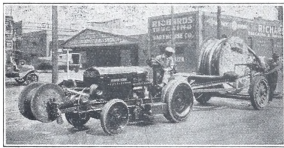
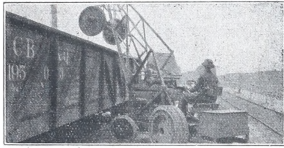
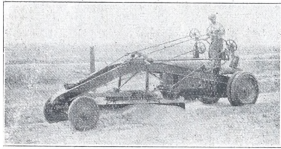
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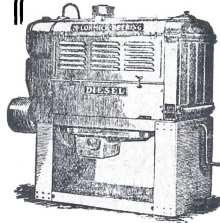


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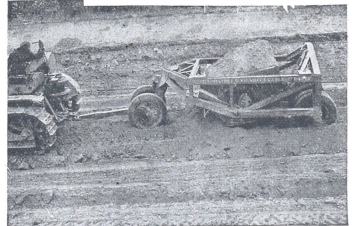
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## Price Pegging...

*(Continued from page 22)*

change hands outside of the facilities of the Exchanges, and the latter would be forced either to rescind their order, or to close up shop. The consequences of either step would be practically to wipe out stock equities, for the bottom would no longer be in sight.

The Securities and Exchange Commissioner, Judge Ricardo Nepomuceno, announced himself in favor of the expedient. (The Commission has, in general, been in favor of almost anything lawful which would tend to keep stock prices from going too low.) The public, on the other hand, was not so sure where it stood on the matter, and criticisms were spoken and published about the pegged-price level.

It was argued that the two Exchanges exist in large measure to serve the investing public by providing it with a market place where stock could change hands with a minimum of delay; that in this sense they were invested with a public interest; that by their action they in effect denied owners of stock the right to sell at any price they chose, and buyers the right to buy at the lowest price they could get; and that in this way they neglected their duty and followed their own selfish interest and the interests of their broker-members by establishing a level below which stock could not be bought or sold.

During the first week of pegged prices the public crowded the sidelines. There was practically no trading to speak of, but the average price of shares rose more than 10 points. The middle of the second week saw a resumption of buying interest in producing issues, which carried some of them to prices many points above their September 10 levels. The rise was featured by San Mauricio, which went from ₱0.49 to ₱0.85.

Profit taking set in the third week, and stocks lost part of their gains. The number of shares traded in also decreased, but stocks are still comparatively far above their levels before the two Exchanges announced pegged prices.

Will the experiment succeed? So far it has, and this in itself is, at first surprising, when we look at some similar experiments in the past. President Hoover's grain corporation tried to hold up the price of wheat by going into the wheat pit at Chicago, ready to buy wheat at its own high price. The government lost out in that experiment, and ended with millions of dollars of high-priced wheat in its warehouses, with nowhere to sell it. That carry-over of government wheat hung over the wheat market for years.

But can that unpleasant experience of the United States government be compared with the action here? In our opinion it can not.

It must be remembered that President Hoover acted on his own initiative, and without the support of grain buyers or brokers. Besides that, foreign wheat was being dumped in the United States, as well as in the rest of the world, at prices in some cases half as high as the United States grain corporation would pay at Chicago. Add to this a world-wide depression, which was beginning to paralyze American business in general, and you have a combination of adverse forces which spelled the inevitable doom of President Hoover's efforts.

We see no such combination of forces here. In the first place, the brokers acted together here in establishing pegged prices. President Hoover acted alone. In the second place, obviously the local stock market faces no problem similar to that confronting Hoover in foreign dumping of wheat. Thirdly, business in general

*(Please turn to page 34)*

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# Survey of Industrial Metals

An exclusive feature, in the JOURNAL

By the United Press

NEW YORK, Oct. 15.—Considerable unsettlement on all major markets caused non-ferrous metal prices to drift to lower levels during September, according to the monthly review of the magazine *Metal and Mineral Markets*.

The disturbed situation in Europe and the Orient together with the wide break in security prices caused a slump in metal buying. Even greater declines were probably averted by the steady consumption demands of industry.

The industrial absorption of nearly all non-ferrous metals this year is expected to show marked increase over previous years. Any marked renewal of metal purchases by nations carrying on rearmament programs would produce an instant response in prices, most traders believe.

Copper prices drifted toward lower levels late in September following in-

dications production was continuing to expand in nearly all producing areas. The average price of domestic electrolytic for the month was ¼ cent under August. Export copper declined nearly one cent under the August level.

Lead and zinc were in better demand from commercial users and September average prices were only a shade under August. Lead consumption has held up well throughout the year with prospects good for renewed buying in October and November. October delivery sales have been small, leaving the market with a good undertone.

Tin prices declined again in New York and London as traders worried over the world visible supply. The September average for Straits tin on New York was off ¾ cent. The outlook for improvement was good for October in view of month end reports from London that visible stocks had

declined about 3,000 tons during September. World visible stocks on Sept. 30 were placed at 20,922 tons. Development of additional industrial uses for tin may improve consumption figures during the winter months and brighten the outlook for tin prices in the early part of 1938, London metal dealers believe. Otherwise, the International Tin Committee is expected to fix lower quotas for the first quarter of next year to adjust the present situation.

The Sino-Japanese war has disturbed the London silver market and produced a slight gain in September silver prices. The New York price was unchanged from August.

Excepting antimony, most other metals were little changed from the August levels. Chinese antimony became scarce and improved the demand for the domestic product, resulting in moderately higher prices.

Higher tungsten prices have attracted traders at all major markets. China, one of the world's greatest producers of this mineral, has virtually halted shipments as the result of the Japanese blockade. As a re-

(Please turn to page 41)

## AVERAGE METAL PRICES FOR SEPTEMBER, 1937

(By United Press)

COPPER		Gain or Loss from Sept.
Electrolytic, Domestic refinery . . . . .	13.530	- 0.245
Electrolytic, Export, refinery . . . . .	12.984	- 0.942
London, Standard Spot . . . . .	52.989	- 4.154
London, Electrolytic, bid . . . . .	58.966	- 4.629
LEAD		
New York . . . . .	6.400	- 0.052
St. Louis . . . . .	6.250	- 0.052
London, Spot . . . . .	20.990	- 1.616
London, Forward . . . . .	21.044	- 1.626
SILVER & STERLING EXCHANGE		
Silver, New York per oz. . . . .	44.750	Unchanged
Silver, London, pence per oz. . . . .	19.889	+ 0.041
Sterling Exchange, "checks" . . . . .	495.145	- 2.898
ZINC		
St. Louis . . . . .	7.190	- 0.002
London, Spot . . . . .	21.406	- 2.734
London, Forward . . . . .	21.607	- 2.683
TIN		
New York, Straits . . . . .	58.675	- 0.790
London, Standard Spot . . . . .	258.943	- 5.652
OTHER METALS		
Gold, per oz., U. S. price . . . . .	\$35.000	Unchanged
Quicksilver, per flask . . . . .	\$89.020	- 2.403
Antimony, domestic . . . . .	16.555	+ 1.228
Platinum, refined, per oz. . . . .	\$51.000	Unchanged
Cadmium . . . . .	142.500	Unchanged
Aluminum, 99+¼ per cent . . . . .	20.000	Unchanged
CHROMIUM		
Chromium, 97½, 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.)

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½ Italian Vermouth  
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Stir, strain, serve with  
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## Galena Mill Exceeds Rated Capacity

*Mineral Resources' Marinduque Plant Going 2½ Hours a Day: Company Pleased.*

Built and delivered for operation in contract time by Southwestern Engineering, Mineral Resources' Island property has been operating 24 hours a day during October. There has been no hitch in routine and the company expresses entire satisfaction with milling results. The mill is Southwestern's first job in the Philippines, extending its well earned engineering repute in California

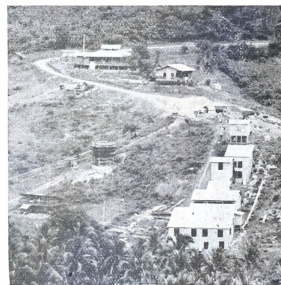
where its main offices are in Los Angeles. S. E. Stein heads the Manila company, occupying the entire first floor of the Skou building on Calle Aviles near the intersection with Mendiola.

Southwestern is very keen on the mining possibilities of the Philippines, and hopes to have a further hand in them. It is particularly interested in the potentialities of base metals here and their commercial ex-

ploitation. Its laboratory is equipped with the miniature equipment of a modern mine complete, to approximate the results of a full-size mill in practical daily operation.

Lead and zinc concentrates, besides gold, are the products of Mineral Resources at Marinduque. The mill's rated capacity is 150 a day; actual runs are about 200 tons a day, and Mineral Resources reports they can easily be 250 tons, owing to the softness of the ore, if the flotation cells are not overcrowded. Trucking the ore from mine to mill is reported as entirely satisfactory, a truck delivering 2 meters of ore makes the round trip in 7½ minutes; two dump trucks easily deliver 200 tons of ore to the mill a day, at the cost of 8-9/10 centavos a ton. A supply of 3,000 tons of ore is stored at the mill as a reserve to insure continuous operation.

In such business precautions the conservatism of Victor Lednický, superintendent, and that of the company's directors appears. Mineral Resources seems to have made certain of everything before it turned a wheel. The company's main product is zinc, for which the current market is very strong—"the outlook is more favorable (for zinc) than for any other base metal."



*Mineral Resources' Galena Mill on Marinduque Island.*

And now, with Marinduque so well launched, what of the Labo property of Mineral Resources on the mainland, the Paracale littoral? There is gold here, with copper. Work has recommenced on the main shaft, with the installations of a new engine. Will another commercial mine turn up?

"New discoveries on claims 71-72 are very promising. Cuts across the formation have proved the length to be several hundred feet. A prospect shaft is being put down 50 feet to crosscut the formation at depth.

*(Please turn to page 32)*

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# The Stock Market

(September 10 to October 9)



*Buyers watched from the sidelines to see how the pegged-price experiment would work out, and then started in on a buying spree which featured a rise of San Mauricio from P0.49 to P0.75 on September 29. Profit-taking then set in, and the market eased off sharply with President Roosevelt's Chicago speech, condemning "international anarchists," but rose again on Friday, and closed strong on Saturday, October 9. Interest mainly in producing issues.*

Down, down, down the market went from January of this year, with only short breathing spells, which gave a false sense of hope while they lasted. The Quezon-Sayre statement, presaging possible independence in 1939; rumors that Washington would reduce the price it now offers for gold; war scares in Spain and China all combined to drive it lower, and ever lower.

Talk was heard that the two stock exchanges might as well close up shop. Trading became so slight that floor-traders amused themselves during the day with sweepstakes games gotten up every day among themselves. Everyone agreed that something should be done, but none knew what.

Finally, on Saturday morning, September 11, this notice was posted on the big boards of all brokerage offices:

"Trading will not be permitted below the prices for which issues sold at the close of trading on Friday, September 10."

Then something had been done. An emergency measure, certainly. And brokers were by no means certain that it would work. If it did not, stocks would of necessity be bought and sold over-the-counter or privately without the assistance of the facilities of the exchanges. Brokers waited grimly to see.

The first week of trading under the voluntary price restrictions was both encouraging and discouraging. Pegged prices did indeed bring a halt in dwindling prices, and a rally of about 10 points developed from the establishment of the minimum transaction level. But dullness, which amounted to virtual stagnation, took hold of the market, and kept the volume of sales at record low levels.

The private floor-traders' sweepstakes boomed on the floors of the two exchanges.

Speculators and investors were not at all sure about this pegged-prices business, and crowded the sidelines.

(Please turn to pag 33)

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Manila, P. I

## Will We Have . . .

(Continued from page 21)

Now, we don't say the prophets are correct in predicting that a new district may bring back the halcyon days gone by. But we do say that Mindanao is going to be heard from, and soon.

Many people are of the opinion that there has been only one thing wrong with the stock market. They lay the blame for the whole amazing recession in stock prices on Independence. They point to the famous Quezon-Sayre statement (that the Interdepartmental Committee on Philippine Affairs would consider not only economic adjustments to be made between the United States and the Philippines, but would also consider the advisability of terminating political relations between the two countries much sooner than 1946, possibly in 1939) as the start of the decline in market prices, and they assert the fear of almost immediate independence for the Philippines is what will keep stock prices comparatively low.

This may be true. Certain it is that Messrs. Quezon and Sayre contributed greatly to the market fall, and it is equally certain that many people are conserving their capital to the utmost while they wait and see what is going to happen. This does not contribute to an active market, or even a normally enthusiastic market.

Now Chairman MacMurray has been at great pains from the first to make it clear that his committee is not concerned with political questions. The members of his Committee are defined by him as mere fact-finders. They are concerned with trade relations only; political questions are strictly up to Congress.

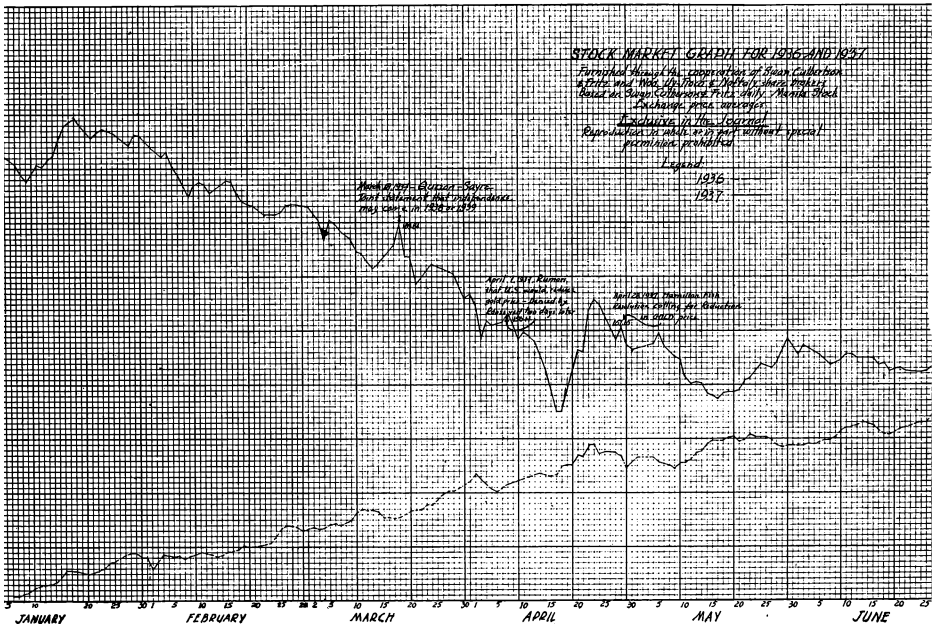
This may be true. MacMurray is undoubtedly sincere. But we doubt whether nothing at all will be done about the Independence question so unexpectedly thrust back upon us by Sayre and Quezon, after the MacMurray Committee makes its report. While Chairman MacMurray may be able to keep all political discussion out of that report; while he may be able to keep the pure subject of trade and quotas completely unsullied by any gross reference to, or recommendations as to the future political status of this country, it is almost certain that the subject will be taken up by the Interdepartmental Committee, as indicated by Sayre and Quezon.

It also seems almost incredible that the subject will not be mentioned at all in the Interdepartmental Committee's report to President Roosevelt, or that the President will have nothing to say on it in his recommendations to Congress.

Of course, it is possible that neither the MacMurray Committee, the Interdepartmental Committee on Philippine-American Affairs, President Roosevelt or Congress will touch upon the question of Independence for the Philippines. In this event, matters will stand as they were fixed in the Tydings-McDuffie Act, to-wit: Independence on July 4, 1946.

Which, come to think of it, wouldn't be such a bad outcome at that.

While we are not political soothsayers, we throw out the suggestion we have frequently heard of late that Filipinos have grown unenthusiastic toward Independence since the Sino-Japanese embroglio, and, fearing that the restless expansion of the Japanese Empire may even-





tually reach down to engulf the Philippines, are taking more and more comfort at the sight of the American flag flying cheerily in the breeze over Malacañang Palace.

Of course, Congress has the last word, but at least with Filipinos themselves lukewarm toward Independence, one influence for immediate political freedom for the Islands is removed.

Chairman MacMurray has estimated that his Committee will have made its report by February of next year, at the latest, and probably much sooner. It therefore appears that we can confidently expect a Philippine Bill by March of 1938.

Those who have followed that stock market know that the Sino-Japanese war affected it adversely. (We know that neither side has declared war, and that both countries still maintain Ambassadors in the capital of the other, but where thousands are killed in fighting every day and a blockade extends all along the China coast, that, to us, is a war.)

Business men know that the war has affected their business. Shipments to either China or Japan are virtually prohibited by trebled freight insurance. If shippers cannot afford to pay insurance costs, they cannot get bank credit on their shipments, since banks do not loan money on uninsured freight. This affects the volume of bank business in foreign exchange and in commercial paper.

This, in turn, freezes a normal outlet for surplus bank funds, and depresses business conditions generally. Producers are unable to sell their goods abroad; ship-owners are unable to find charterers for their bottoms; tourist traffic falls off to a fraction of normal—and so on.

Yet, on the other hand, warring nations must have goods. And they must have not only goods which will be useful for war, but they must also have in large measure food, clothing, shoes, luxuries—goods which they would ordinarily produce for themselves within their own boundaries, but which they cannot produce during war time when their every energy must be bent toward winning the war.

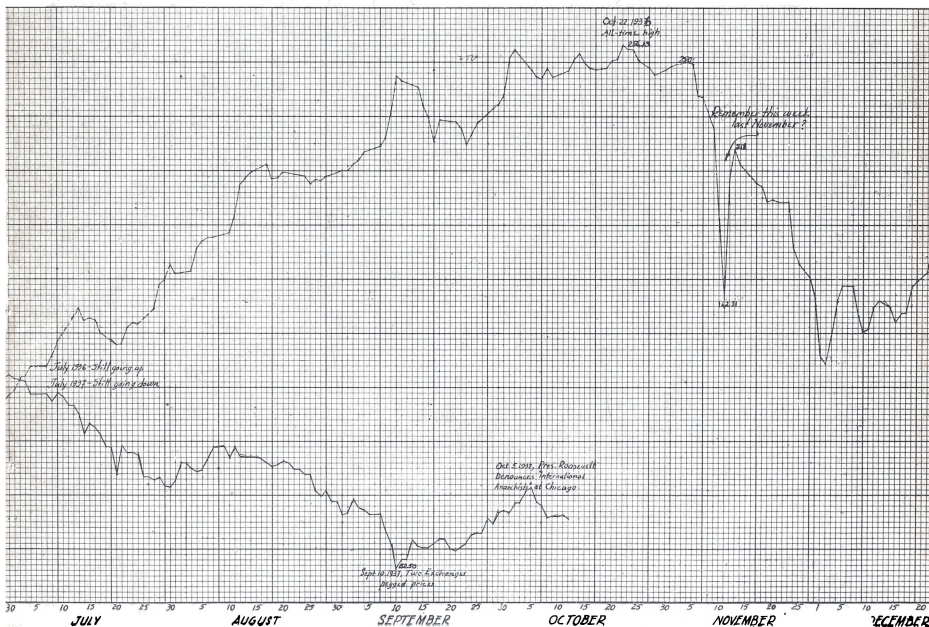
The United States discovered this fact in 1914, and profited by it immensely. It is entirely possible that, under the influence of an abnormal demand from other countries at war, Philippine industries and Philippine agriculture may receive a tremendous impetus such as they have never before experienced.

We do not say this will happen. We merely throw it out as a possibility.

Undoubtedly another, albeit more prosaic, cause of the 1937 crash was the unwarranted inflation of values. Stock prices were far higher than they should have been. Dividends were so far discounted that they were practically lost to sight. It couldn't last.

Then we also had the demoralizing effect of so many mining companies springing up, most of them capitalized at ridiculously high figures (no one thought of forming a mining company with less than a million pesos capitalization), selling their stock gleefully to a joyful public "25% down and the rest when the Board calls for it," then starting in enthusiastically buying equipment, bringing mining engineers out from the States, and figuring when they would be ready for a mill.

Some of these companies were patently mere promotion "get-rich-quick" schemes (the promoter got rich,



not you). The majority of them were honest enough, but over-enthusiastic, carried away by the hum of millions in the air.

It often happened that, after a company had been formed for the purpose of mining gold, and, in fact, had actually sold its stock, it discovered that it had no claims. We don't say gold—they didn't even have a place to look for gold.

And even this was not always dishonest. They thought they had gold claims—wonderful claims—but dishonest claims peddlers, over-lapping claims, or a failure to comply with the requirements of the law in filing their claims or locating them—and reputable, honest business men frequently woke up to discover that they had sold stock to the public on nothing.

Worthless claims, salted claims, Escolta miners, the penny share racket—all of these things combined merrily to fleece the people, and help the crash along.

But the Philippines is an amazingly resilient country. It has taken shocks before—taken them in its stride. It has successfully come through crisis after crisis. Remember the first impact of the Tydings-McDuffie law? Remember the crash of 1933?

This is not due entirely, or even primarily, to luck. After all, the Philippines is chiefly an agricultural country. This gives it a foundation of strength. Also, it is a peaceful country, its government is stable, its finances in good order, and its taxes low. Therefore, in the nature of things, it takes a lot to hurt the Philippines permanently.

Remembering all of this, there are those who believe the country will shake off its headache, and stride forward again. Yes, they predict another boom. They

tell us that we will be buying and selling stocks again, and that we will just be putting different names on our buying and selling orders than we did before. Many of the weak companies with no ore resources will gradually spend their capital in a fruitless endeavor to find the elusive metal, but their places will be taken by others. Remember King Solomon? Or Bicol Gold? Or Montezuma?

And, they will argue vehemently, and with some effect, new mines are coming into production regularly. This, they assert, strengthens the market fundamentally.

To predictions that we will merely have a repetition of the last boom, with wildcat companies making off with the investor's money, they reply that this cannot happen again, or at least not on nearly so big a scale as before, because the Securities and Exchange Commission and the Bureau of Mines have now organized and trained their staffs so that they are now prepared to protect the public against unsate or dishonest ventures.

This is wrong. The Government can never protect the public from unsate ventures. It does not even pretend to try to do so. The two agencies mentioned can only protect against fraud. They can keep us from having our money stolen from us, but they cannot keep us from putting our money into a hopeless or near-hopeless venture, if we feel like doing it.

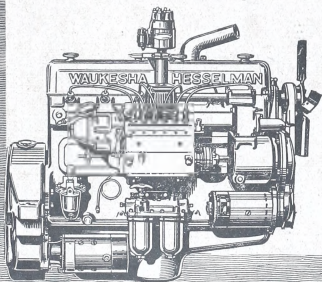
They can, however, tell us that a venture is hopeless before we invest in it. They can make it possible for us to find out approximately what the chances really are of the company which is asking for our hard-earned money. This is all they can do, and all they were created to do. But it is a lot.

(Please turn to page 52)

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expand the field of economical application of fuel oil power

Waukesha-Hesselman Engines—four and six cylinders, 20 to 300 HP—burn low cost diesel fuels but without the Diesel's high pressures. Fuel is fed by solid injection as in the conventional Diesel engine, but a spark from battery or magneto ignites the charge.



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When the combined costs of installation, operation and maintenance are considered, Waukesha-Hesselman Engines effect the greatest economy... They power Ingersoll-Rand compressors in all parts of the world... The ideal source of power for buses, lorries, light speed vans, trailer-tractors, farm tractors, agricultural machinery... Bus fleet operators report drastic economies: fuel costs reduced as much as 50% to 60%—mileage increased 25% to 40%. One bus company reports a saving of twenty pounds sterling per bus per month with Waukesha-Hesselman diesel-fuel power instead of petrol.

Founded in 1906, Waukesha Motor Company today manufactures forty-two different models of engines burning all modern fuels. The ratings range from 12 to 375 HP.

Distributors for Waukesha Industrial Engines

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Distributors for Waukesha Automotive Engines  
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**WAUKESHA MOTOR COMPANY**  
WAUKESHA, WISCONSIN, U. S. A.

Cable: "MOTOR-WAUKESHA"

21-737

# Manila Stock Exchange

## MINING SHARES SOLD

September 16th to September 30th, 1937

October 1st to October 15th, 1937

MINES	Price per Share		No. of Shares Sold	First Sale			Closing		Total Sales	
	From	to		High	Low	Last Sale	Bid	Asked		
Acoje Mining Co. ....	P .08½	P .09	95,000	.09	.10	.08	.08	.09	110,000	
Agno Consolidated .....	.033	.033	40,000	.033	.033	.033	...	.05	40,000	
Agusan Gold Mines .....	"	"	"	"	"	"	"	.10	.....	
Amalgamated Minerals. ....	.043	.044	70,000	.05	.05½	.05	.05	.04½	150,000	
Ambassador .....	.003	.002	650,000	.033	.004	.002	.002	.002	2,600,000	
Angelo Mining Co. ....	.06	.07	330,000	.07½	.09¾	.07	.07½	.07¾	8,000,000	
Antamok Goldfields .....	.53	.58	917,000	.58	.61	.54	.55	.55	774,000	
Associated Mines .....	.004	.004	1,400,000	.004	.004	.004	.004	...	2,250,000	
Atok Gold Mining Co. ....	.15½	.18½	650,000	.18½	.20	.17	.17½	.18	18½	560,000
Baguio Gold Mining Co. ....	.14	.17	130,000	.17	.18	.16	.16	.17	225,000	
Batatic Mining Co. ....	11.00	7.40	2,000	...	...	...	...	7.40	.....	
Batangas Minerals .....	.06½	.07¾	1,535,000	.07¾	.11	.07¾	.11	.12½	13	3,195,000
Batong Buhay .....	.01	.011	1,270,000	.011	.014	.011	.012	.011	12	1,020,000
Benguet Consolidated .....	10.00	10.25	4,800	10.00	10.25	9.00	10.00	10.00	10.25	13,800
Benguet Exploration .....	.06	.06	30,000	.06	.06	.06	...	...	.06½	10,000
Big Wedge Mining Co. ....	.10½	.12½	535,000	.12	.14	.11½	.12½	.12½	.13	40,000
Bued Mining Co. ....	"	"	"	.09¾	...	...	...	...	.10½	.....
Century Gold .....	"	"	"	...	...	...	...	...	.002	.....
Coco Grove, Inc. ....	.26½	.52	518,000	.53	.57	.46	.52	.51	.53	467,000
Consolidated Mines .....	.013	.015	26,155,000	.016	.022	.016	.019	.018	.019	40,360,000
Crown Mines .....	.036	.045	400,000	.047	.05¼	.035	.035	.034	.038	350,000
Dayaka Mining .....	"	"	"	.06	.06	.038	.038	...	.05¼	360,000
Demonstration .....	.35½	.42	1,426,000	.42½	.45	.39	.39½	.39	39½	1,477,000
Developments, Inc. ....	.23	.23	5,000	...	...	...	...	.20	.23	.....
Dulangan Mtn. Int. ....	.02	.03	50,000	.03	.03	.027	.027	.027	.03	230,000
Dulong Mining Co. ....	.11	.11½	410,000	.11½	.13	.10½	.10½	.11	.11	495,000
El Tesoro Mines, Inc. ....	.001	.001	50,000	.001	.001	.011	...	...	.002	50,000
Florancia .....	"	"	"	...	...	...	...	.08¼	.10½	20,000
Gold Creek Mining Co. ....	.07	.08	160,000	.07½	.09	.07½	.08	.07½	.09	60,000
Gold Shares, Inc. ....	"	"	"	.07	.07	.05½	.05½	...	.05¾	895,000
Gumaua Goldfields, Inc. ....	.06½	.07½	770,000	.07½	.09½	.06¾	.08	.08	.08½	1,110,000
Homestake Gold Mines .....	.003	.003	155,000	.003	.003	...	...	.002	.005	1,300,000
Ipo Gold Mines, Inc. ....	.11½	.13	360,000	.12¾	.14	.11½	.11½	.12	.12	485,000
Itoang Mining Co. ....	.58	.43	1,046,000	.43½	.45½	.38	.38½	.38½	.39	1,622,000
I. X. L. Mining Co. ....	.48	.56	567,000	.56	.63	.55	.58	.57	.58	456,000
Lepanto Cons. ....	.11	.12	50,000	.13½	.13½	.12½	.13½	.12	.13½	45,000
Mambuloa Cons. ....	.13½	.13½	125,000	.14	.15	.14	.15	.14½	.16½	100,000
Marasop Goldfields .....	.09	.09½	285,000	.09	.10	.08¾	.09½	.09½	.10	605,000
Marsman & Co., Inc. ....	40.00	43.00	750	45.00	47.00	40.00	40.00	45.00	39.00	180
Masbate Cons. ....	.11	.13	1,055,000	.13	.15½	.13	.14½	.14½	.15	1,705,000
Mindanao Hamamali .....	.002	.002	100,000	...	...	...	...	...	.004	.....
Mine Factors .....	.007	.007	200,000	.007	.007	.007	.007	...	.007	400,000
Mine Operations .....	.11	.13	165,000	.12	.12	.12	...	.12	.12½	10,000
Mineral Enterprises .....	"	"	"	.02	.03	.025	.026	...	.04	60,000
Mineral Resources .....	.10½	.15½	310,000	.15½	.19	.13	.15½	.15	.15½	880,000
Mother Lode .....	"	"	"	...	...	...	...	...	.04½	.....
Nielson & Co., Inc. ....	.10½	.13	40,000	.13½	.13½	.11	.12	.11	.12½	60,000
North Camarines .....	"	"	"	.24	.24	.23	.23	.23	.24½	70,000
Northern Mining .....	"	"	"	.045	.045	.045	...	...	.045	60,000
North Mindanao .....	"	"	"	.06	.06½	.06	.06	...	.06½	40,000
Palidan Suioc .....	.06¾	.09	465,000	.09¾	.11	.08	.09	.09	.09½	945,000
Paracale-Daguit .....	"	"	"	.003	.003	.003	.003	...	.005	100,000
Paracale Gold .....	.06½	.07	360,000	.08	.09½	.07	.08	.08	.09	1,105,000
Paracale Gumauas .....	.16	.26½	295,000	.26½	.26½	.21	.23½	.24	.24	140,000
Paracale Mining .....	.007	.007	300,000	.009	.009	.007	.008	.007	.009	350,000
Philippine Amalgamated .....	"	"	"	...	...	...	...	...	...	.....
Phil. Dorado .....	.11	.12	100,000	.12	.14½	.11½	.12½	.11	.13½	345,000
Phil. Iron Mines .....	"	"	"	...	...	...	...	...	125.00	.....
Pilar Copper Mines .....	"	"	"	...	...	...	...	...	.05	.....
Prudential Min. Co. ....	"	"	"	...	...	...	...	...	.04	.....
Rio Verde .....	.05½	.05¾	70,000	.05½	.05½	.05½	...	...	.05½	40,000
Salacot Mining Co. ....	.013	.015	370,000	.014	.014	.013	.013	...	.014	605,000
San Mauricio .....	.46	.73	1,404,000	.74	.83	.64	.67	.66	.67	1,718,000
Sta. Cruz Mambuloa .....	.001	.001	150,000	.002	.002	.002	.002	.001	.003	150,000
Santa Rosa (New) .....	.018	.027	3,840,000	.005	.005	.005	...	...	.004	105,000
Surigao Oriental .....	.004	.005	450,000	.20½	.24½	.19	.20½	.20	.20½	5,845,000
Suyoc Consolidated .....	.15½	.19½	2,000,000	.07	.07	.07	.06¼	.07½	.07½	115,000
Syndicate Investments .....	.05¾	.06¾	170,000	.09½	.09½	.08	.08	...	.09	45,000
Tinago Consolidated .....	.08	.08	20,000	.20	.20	.20	...	...	.20	5,000
Twin Rivers Gold Co. ....	"	"	"	.56	.64	.53	.57	.57	.58	2,102,000
United Paracale .....	"	"	"	...	...	...	...	...	.07¼	805,000
Universal Explor. Co. ....	.43	.55	931,000	.08¾	.09	.06½	.06½	...	...	.....
<b>TOTAL SALES</b> .....			<b>53,076,550</b>							<b>88,734,980</b>

## Galena Mill...

(Continued from page 26)

The oxidized surface contains considerable free gold in addition to metallic copper and chalcocopyrite, but it is quite probable that this will all be in sulphides at depth." The quotations are from the recent circular to shareholders sent out by Mineral Resources over the signature of its president, Samuel F. Gaches.

Various offers are in hand for the company's lead and zinc from Marinduque, where the gold recovery is also very pleasing.



Longyear Diamond drill at work at Malaguit.

## Waukesha's New Export Manager



MAX HOFMANN

Waukesha Motor Company (advertisers in the *Journal*) announce that Max Hofmann has been made sales manager of their export department. He has been with the Waukesha Company since 1926 going to them from Korting Brothers in the Argentine, a diesel engine building company. With the Waukesha Company Hofmann has specialized in overseas sales and installation problems. The company handles Spanish correspondence.

**AN AMERICAN MILL SUPERINTENDENT**, now located in Mexico, with 13 years' experience, the past five years as mill superintendent with a mining company operating in Mexico, wants a connection in a similar capacity or as flotation plant operator with a reputable Philippine mining company. Age, 32; married; speaks and writes Spanish fluently; can leave Mexico on short notice if necessary. Address, James C. Kennedy, A. S. & R. Co., Anganguo, Michoacan, Mexico.

## INTERNATIONAL STOCK EXCHANGE

CRYSTAL ARCADE BLDG.—MANILA, P. I.

## FORTNIGHTLY REPORT

Mines	Sept. 14th to Sept. 30th, 1937		Total	Oct. 1st to Oct. 10th		Total Sales
	First Sale	Last Sale		First Sale	Last Sale	
Acocje	P .08	P .09	41,000	.09	.08	50,000
Acop			000			000
Agno Consolidated	.03	.03	15,000	.033	.033	20,000
Agusan			000			000
Amalgamated Minerals	.038	.04	210,000	.045	.05	60,000
Ambassador			000	.003	.003	980,000
Antamok Goldfields	.54	.57	379,700	.57	.56	84,000
Associated Mines	.004	.004	140,000	.004	.004	415,000
Atok Gold	.17	.17	105,000	.18	.185	55,000
Baguio Gold	.135	.16	55,000			000
Balatoc Mining			000			000
Ratangas Minerals	.005	.0775	1,280,000	.075	.125	4,230,000
Batong Buhay	.01	.01	410,000	.011	.012	3,520,000
Benguet Consolidated	10.00	10.00	000			000
Benguet Exploration			000			000
Big Wedge	.105	.12	401,000	.12	.125	480,000
Bonanza			000			000
Bued			000	.04	.04	10,000
Coco Grove	.37	.52	120,000	.53	.52	69,000
Consolidated Mines	.013	.016	13,010,000	.015	.019	19,005,000
Cooperative Mines			000			000
Crown Mines	.03	.039	130,000	.045	.046	120,000
Dayaka	.04	.045	40,000	.055	.055	15,000
Demonstration	.35	.42	618,000	.41	.39	646,000
Dulangan			000			000
Dulong	.026	.027	70,000	.028	.026	30,000
Eastern Deep Sea			000			000
East Mindanao	.115	.115	30,000	.115	.11	140,000
Equitable			000			000
Filipinas			000			000
Florante			000			000
Gold Creek	.07	.07	15,000			000
Gold Shares	.035	.042	120,000	.04	.0525	775,000
Gumaus Goldfield	.06	.0725	60,000	.0825	.08	220,000
Ipo Gold Mines	.115	.13	15,000			000
Itoyan Mining	.38	.43	582,000	.42	.39	770,000
I X L	.49	.57	69,000	.62	.57	3,000
Lepanto Consolidated			000			000
Luzon Consolidated	.005	.005	42,500			300
Mambulo Paracale			000			000
Mapaso Goldfield	.0875	.0875	35,000			000
Marsman			000			000
Masbate	.115	.14	310,000	.13	.145	846,000
Mineral Enterprises			000	.026	.026	20,000
Minerals and Metals			000			000
Mineral Resources	.11	.135	60,000			000
Mother Lode	.045	.045	10,000			000
Nielson & Co.			000			000
North Mindanao			000			000
Northern Mining			000			000
Palidan Suyoc	.0675	.0925	125,000	.095	.09	294,000
Pampanga Gold			000			000
Paracale Daguit			000			000
Paracale Gold	.065	.075	90,000	.0725	.075	160,000
Paracale Gumaus	.16	.24	60,000			000
Paracale Mapalad			000			000
Paracale Mining Dev.	.0065	.0085	765,000	.008	.008	555,000
Philippine Dorado	.105	.12	35,000	.12	.125	235,000
Philippine Iron Mines			000			000
Philippine Min. Mng.			000			000
Philippine Racing Club			000	.55	.54	6,500
Prudential			000			000
Rio Verde	.06	.06	50,000	.055	.055	90,000
Salacot Mining			000	.013	.013	230,000
San Mauricio	.46	.73	980,000	.71	.67	777,000
Santa Rosa	.018	.026	6,655,000	.025	.02	5,340,000
Santo Niño			000			000
Surigao Oriental	.005	.005	1,645,000	.005	.005	420,000
Syndicate Invest.			000			000
Suyoc Consolidated	.15	.195	1,511,000	.19	.20	6,630,000
Tagumpay			000			000
Twin Rivers			000			000
Union Management	.04	.05	136,000	.05	.047	35,000
United Paracale	.44	.55	178,000	.55	.57	434,000
Universal Exploration	.06	.06	60,000	.06	.0725	465,000
Virac Exploration			7,500			000
TOTAL (LISTED)			30,671,200			48,319,500
MISCELLANEOUS			145,170			35,000
GRAND TOTAL			30,816,370			48,354,500

## The Stock...

(Continued from page 27)

Yet, the close of the week on Saturday, September 18, showed stocks up an average of more than 10 points over the low established on the previous Friday, and the market seemed to have a strong undertone. Brokers decided to report for work as usual on Monday morning.

The second week of pegged prices opened quietly, but the market turned active toward the end of the week, some producing issues gaining sharply. San Mauricio opened at P0.49 on Monday, and began a steady rise interrupted only by a drop on Tuesday, to close the week at P0.61. Itogon advanced from P0.415. Antamok, Demonstration and United Paracale likewise recorded substantial gains.

There was no news of importance which would account for this gain, and most guesses had it that a halt in short selling was the reason.

This "short selling has stopped" reason has been advanced to account for every recent gain in stock prices, in spite of the fact that short selling has been outlawed for, lo, these many weeks.

An exciting week was ushered in on Monday, September 27. With Marsman issues leading the way, the market moved sharply upwards on Monday, in the most active day's trading that either Exchange had witnessed since the middle of August. Interest was concentrated on producing issues, which all recorded gains.

San Mauricio gained 8 points more to P0.70, while United Paracale reported a 4-point increase to P0.53. Coco Grove, Itogon, Marsman, I. X. L., Antamok, Benguet Consolidated, Atok Gold, Demonstration and Ipo Gold, among others, sold at higher prices.

Coco Grove continued to rise on Tuesday, while others held most of their Monday gains. Coco Grove made five points more on Wednesday, September 29, while San Mauricio, not to be outdone, rose to P0.76, dropped back to P0.71, and finally closed at P0.75. Virtually all producing issues were active, and closed two to three points higher.

Apparently surprised at what they had done, buyers decided to take their profits, and Thursday, September 30, showed a slight decline in prices. That Friday was irregular, but the market turned upward again on Saturday, again led by the Marsman-managed mines. Averages gained 2.15 points, to close at 86.94, a gain of no less than 10.79 points over the close of the previous week.

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Brokers, when queried, answered the question of why the activity and higher prices during the week of September 25 to October 2nd with the obvious answer that buyers were more active, and speculators were more interested in the market. There was again no news of any importance. The Sino-Japanese war continued to plug along on the Shanghai front, and, apparently, the gain was just one of those psychological things which cannot be explained.

The week of Monday, October 5, opened with nice gains being registered all around, especially in producing issues. 17,049,450 shares were traded in at the Manila Stock Exchange, and 7,757,000 shares changed hands at the International, the best business either market had done in many weeks.

Suyoc Consolidated was the most active issue, and gained a point to P0.23½. Masbate Consolidated also gained a point to 15½ but Santa Rosa lost 4 points to P0.024, on an announcement that the company proposed to sell its unissued capital stock to its stockholders at P0.02 a share to pay for the plant now being built. I. X. L., Angelo, Benguet Consolidated, East Mindanao and San Mauricio all gained.

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Tuesday, October 5, was another active and profitable day. Gold share averages advanced on both exchanges, and San Mauricio sold as high as P0.82—a gain of P0.33 points from the low of September 10. Batangas was up and down as usual, closing with a gain of 2¼ points at P0.115. Benguet lost the P0.25 it gains or loses from time to time, and closed at an even P10.00.

As Marsman issues had led the gains registered all along, so they led in sharp losses suffered on Thursday, October 7. San Mauricio lost 5 points to P0.75, Suyoc fell off 2 to P0.22, United Paracale lost 4, closing at P0.60, and Coco Grove was down 3 points to P0.53. East Mindanao was the only gainer of the day, with a point advance to P0.12½.

It was a busy trading day, and the big drop was attributed to President Roosevelt's Chicago speech wherein he excoriated "international anarchists," and advocated a quarantine of treaty-breaking nations. The New York market also dropped sharply.

Volume was still good on Friday, October 8, but the market continued to drop on receipt of news that the State Department had formally branded Japan the aggressor in the Sino-Japanese war. There were no sharp drops in prices, however, and stocks were traded in a very narrow range. Batangas Minerals was an outstanding performer, selling as high as P0.11 and ½, and closing at P0.11.

The market closed strong and active for the week, with practically all producing issues showing gains on Saturday, October 9. San Mauricio sold 147,000 shares within a range of P0.64 to P0.70, to close at P0.70. United Paracale went from P0.53 to P0.56; Demonstration gained a point and a half to P0.39½, and Coco Grove went from opening sales of P0.16 to P0.48. Ipo was unchanged at

P0.17, and closed at P0.18. There was practically no activity in non-producing issues.

Brokers were pointing out as the JOURNAL went to press that the most important thing about the present market is not the gains recorded recently by many issues, but the greatly increased volume of sales on both Exchanges in the last two weeks. They argue that investors are much more likely to buy in an active market than they are in a sluggish one, and that the enthusiasm thus generated by increases sales is quite likely to reflect itself in increasingly higher prices all around.

Meanwhile, the newspapers were being closely watched for war news, and for progress being made in the proposed meeting of the signatories to the Nine-Power pact. Independence seems to have been forgotten, at least for the time being, and we don't hear very much about reducing the price of gold.

### Price Pegging...

(Continued from page 24)

is good here; we are not faced with the creeping paralysis of depression which harassed Hoover and all of his efforts.

We know that price pegging has succeeded in various ways since Hoover's unfortunate experience. The New Deal has pegged the prices of farm products time and again, and apparently successfully, through subsidies to farmers and processing taxes, coupled with marketing restrictions.

What are the currency stabilization funds maintained by England, France and the United States with the profits of devaluation of currency, if they are not price-pegging devices? And, apparently, they are working. England has recently announced her intention to re-

(Please turn to page 35)

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## What the Diggers Are Doing



### HAUSSERMANN:

**BENGUET:** A dividend of ₱0.25 was paid on September 30, to stockholders of record on September 20, making a total of ₱0.70 per share to date.

Ore reserves as of July 1, 1937, were only ₱14,000.00 lower than the figure reported on January 1, 1937. Total ore reserves after six months mining this year amounts to ₱16,295,240.00. The company earned a net profit for the first half-year of ₱3,955,608.75, according to its semi-annual statement. Further figures for a later period than this were unavailable as the **JOURNAL** went to press.

A **JOURNAL** representative had a very interesting talk with Judge Haussermann anent the timber problem now facing most important mining companies here. As usual, the Judge "saw no cause for alarm in the situation". He said that some companies, particularly in the Baguio area, had indeed experienced a shortage of tunnel timber during past months, and confirmed the fact that some of them had made rather extensive purchases of timber on the Pacific Coast.

However, he pointed out that the *Heald Lumber Company* has expanded its facilities greatly in order to supply the demand, erecting three new mills and connecting tramlines. It has also commenced the construction of a 15-mile aerial tram to tap new areas. These preparations place the company in a position to supply the demand, he said.

The Judge pointed out that some mining companies have made very heavy demands on the facilities of the *Heald company* during the rainy season, which has been in large part the cause of shortage of timber. He expressed the opinion that much of this rainy-season jam could be averted if mines would store up timber during the dry season against use in the rainy months.

Mr. Francis Haussermann told the **JOURNAL** that the *Benguet Consolidated Mining Co.* has built and put into operation its own factory for making nuts, bolts, mine cars and other mine equipment (other than, of course, heavy machinery or rails, etc.) for the Haussermann mines. The project has been very successful, and is expected to save many thousands of pesos for the companies in the future. The duty on some of these items runs very high, and the saving in this alone, not to speak of freight charges and handling costs, will be very great.

The report for the first half of 1937 states that living conditions at the camps have been improved by the erection of a new school house, and additional housing for both American and Filipino employees.

**BALATOC:** This premier producer declared a thumping dividend of 40 centavos a share, 10 centavos higher than the second quarter dividend. Also paid stockholders last month was a 50 per cent stock dividend.

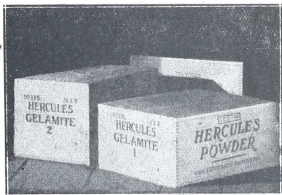
The **JOURNAL** wrote on *Balatoc* and *Benguet Consolidated* last month.

The company is of course more concerned than *Benguet Consolidated* over the pending test case to determine the

present status of vested rights in mining claims located before the inauguration of the Philippine Government.

This is a friendly test case instigated between the *Balatoc Mining Company* and

## A Message to Miners



## HERCULES GELAMITE CUTS MINING COSTS

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the Bureau of Mines to compel administrative action on the granting of a patent on the *Lolita* claim of the Balatoc company, which was located in 1914, and upon which all the work required for patent had been accomplished long before the inauguration of the Commonwealth. The Balatoc company contends that the saving clause contained in Art. 12, Sec. 1 of the new Constitution limiting mineral lands of the public domain as belonging to the State, and decreeing their future disposition only to citizens of the Philippines, or 60-per cent Filipino-controlled corporations *SUBJECT TO* (Italics ours) any existing right, grant, lease or concession at the time of the inauguration of the Commonwealth, grants them, as locators under the Act of Congress a vested right in their claims, and, moreover, makes them parties to a contract with the United States which the Philippines cannot impair.

The Solicitor-General contends in his brief that the saving clause does not apply to corporations, and, further, that Congress had no intention of restricting the power of the Philippines in its Constitution to impair vested rights and contractual obligations.

The outcome of the case is of the greatest importance, not only to the Balatoc Mining Co., but also to every person or corporation applying for a patent to a mining claim located prior to the inauguration of the Commonwealth, in other words almost everybody.

If the Government wins the case, all rights in such claims will be confiscated on November 7, 1938, and all investments lost unless State ownership under the above-mentioned provision of the Constitution is recognized and application for a lease from the State made.

As many top-rank mining executives have told the JOURNAL, a lease is objectionable in many ways, viz:

(1) It is granted for 25 years, renewable for another period of 25 years. It is not perpetual as is a patent.

(Please turn to page 51)

### MIGUEL CUADERNO SUCCEEDS L. R. AGUINALDO AS PRESIDENT OF THE INTERNATIONAL STOCK EXCHANGE

This month the International Stock Exchange passed its first year of successful operation, and elected Mr. Miguel Cuaderno, head of the Finance Mining and Brokerage Company, as its President for the next year, to succeed Mr. L. R. Aguinaldo.

The new president was quoted as expressing great satisfaction over the spirit of mutual cooperation which exists between the two local Exchanges, and also between individual members of the Manila and Inter-



MIGUEL CUADERNO

national Stock Exchange. He ascribed this largely to the friendly spirit shown by the president and other officials of the Manila Stock Exchange with officials of the International.

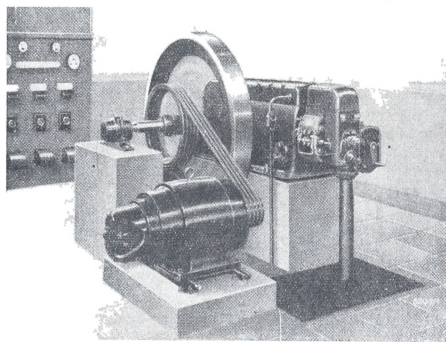
Mr. Cuaderno stressed as the basic policy of the board of directors of the International Stock Exchange during the ensuing year equal treatment to every Exchange member, no matter how small the individual sphere of operations of the several members might be.

The Exchange head is the General Manager of the Finance & Mining Investments Corporation, and also of the Allied Management Corporation. He was formerly a Vice-President of the Philippine National Bank, and was a member of the Constitutional Convention.

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## Culled from the News

### DEPENDABLE NEWS FROM LONDON

Carroll Binder, Director of the foreign-news service of the Chicago Daily News, writes from London under date of August 22 on the state of opinion in the City of London on the price of gold. He has been covering the news in London for the News during the summer. It is familiar ground to him, and his observations are dependable. Here is what he says:

"The shrewder investment experts here in the City of London have recovered their faith in good gold mining shares. They admit that the panic over reduction in the gold price was much, much overdone; they think the price will not be materially lowered. They have been buying good-yield gold shares in South Africa and Homestake, which they favor. I have not encountered partisans of the Manila shares, but there must be such here."

As our readers know, since Binder wrote in August, London has stiffened the price of gold. The world seems definitely committed to high prices for the metal and the price crisis seems to be passed.

### NIELSON:

Two mines under the management of Nielson and Company, Inc., were brought into production on the first of October, Nielson interests announced.

Lepanto Consolidated Mining Company, a copper and gold property, began milling concentrates on the first of the month. The 300 ton plant is the largest and best equipped copper extraction plant in the Far East, and the only one in the Philippines.

Hong Kong Mines, Ltd., a lead and silver property located in the New Territories of Hongkong, operating under a Crown lease from the British government, is the other Nielson-managed property which was brought into production this month. This property has a 150-ton plant, and is now operating at full capacity.

Two gold properties in the Philippines were recently brought in as proven mines by Nielson engineers when a 75-ton mill was ordered for Tinaga Consolidated Mines, located in the Masbate district, and a 125-ton mill for the Paracale Gumaus Consolidated Mining Company in the Paracale district.

Meanwhile, Nielson engineers report satisfactory progress on other properties under their management.

### NALESBITAN VENTURE:

The report of the Trustees of the Nalesbitan Venture written by Messrs. Francisco, Ortigas, Jr., D. P. O'Brien, and H. J. Belden, Trustees to the participants included a report as of July 31, 1937, submitted by the General Manager, Mr. Folke H. Kihlstedt.

After reporting generally on the progress of the mine and construction work from the beginning of the year, and discussing the geology of the area, the report estimates that there was, at the date of writ-

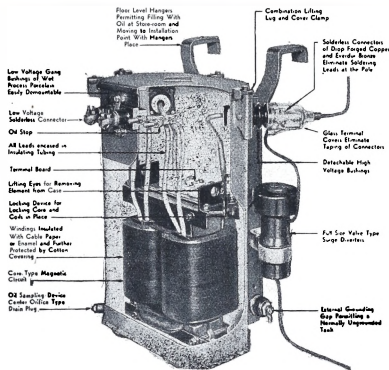
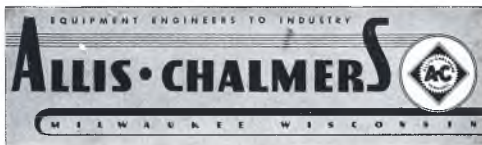
ing the report, a total of 116,630 tons of proven ore, and probable and possible ore in the main vein zone. This ore averaged 0.198 oz. per ton, it was estimated, or a total of 23,004 oz.

The report makes it clear that the above figures include proven ore, and also probable and possible ore. Proven ore is segregated from the probable and possible in the report.

The ore bodies are of great width, and full advantage will be taken of this fact, to keep mining costs low.

Adding 17,500 tons containing 525 oz. of gold to the ore reserves, due to an estimated 15% dilution of mineralized wall rock, carrying 0.03 oz. of gold per ton (which dilution Mr. Kihlstedt states cannot be avoided, due to conditions encountered), total ore reserves of the mine will be estimated at 134,130 tons, with a grade of 0.175 oz. per ton, with an approximate value of ₱1,635,666.00.

After discussing mill tests, costs of operation, and other matters, Engineer Kihlstedt considers that the property should have



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a mill of a capacity of at least 300 tons daily. The present rate of development indicates that the mine should in not too long a time be able to support a mill of this size.

From the accomplishments of other mines in the Islands, Mr. Kihlstedt estimates that the operating costs will not exceed \$8.00 per ton, leaving a profit of some \$4.00 per ton of ore milled.

Mr. Francisco Ortigas, Jr., one of the Trustees, told the JOURNAL that plans are now afoot to develop the property along the above lines. At the time of going to press, no announcement could be made, but the JOURNAL was informed that the Bureau of Mines report on the ore samples was being awaited before definite action was taken.

The JOURNAL expects to be able to report what action is taken in its November issue.



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## WENDT:

The annual report of *Amalgamated Minerals, Inc.*, for 1936-1937, in addition to being a report on the activities and progress of this comparatively new company, affords an interesting picture of trends in the mining of base metals in the Philippines.

Before attempting formation of the company, several months of preliminary work were required. Contracts were entered into with potential producers of base metal ores in the Islands on the one hand, and on purchasing interests abroad on the other. Not until satisfactory contracts had been completed, was it considered justifiable to proceed with the formation of a local company.

The company was actually formed on October 24th of last year. The Board of Directors, elected on that occasion, remains unchanged, viz. H. A. Wendt, President, W. B. Sheppard, Vice-President, Thomas N. Powell, Director and legal advisor, W. F. Gumperle, Director, A. D. Brunner, Director, C. F. Lloyd, Director, and Chas. Kurz, Director, and Secretary-Treasurer.

In addition to the administrative staff, the company employs four mining engineers, and eleven American and Australian mine superintendents and miner-prospectors.

One of the first problems confronting the guiding heads of the company was that of selecting worth-while properties from the mass of mineral claims hopefully submitted to it.

A very much abbreviated statement of the company's activities follows:

**COPPER:** Amalgamated Mineral has a contract with the San Remigio mine for 68,000 tons of ore. Shipments of ore made, or in process of being loaded, at the date of the report, total over 51,000 tons.

1,000 tons had been shipped from Pilar Copper Mines at the date of the report, and the Wendt company hoped to resume

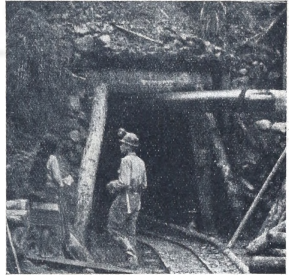
shipments shortly.

The *Mount Uac* property, in Mashate, a copper property in Zambales, one in Pangasinan, and one in Ilocos Norte complete the copper picture.

**MANGANESE:** The company waits the clearing up of weather conditions to ship from a port in Ilocos Norte, and from San Miguel Bay in Camarines Sur.

A contract has been closed for the purchase of 3,000 tons monthly from a large producing manganese mine, of which 300 tons was shipped during August. A manganese property in Palawan is being worked, and options on two other properties have been taken.

Diamond drilling on a Paracale option failed to prove ore in sufficient quantity. (Please turn to page 48)



Entrance to the 300 level tunnel of the Nayuk Contract with Quartz Hill. Hauling to the mill will be from this level.

## SEPTEMBER, 1937, GOLD PRODUCTION

Name of Mining Companies	September, 1937		September, 1936	
	Tonnage Milled	Value	Tonnage Milled	Value
Ambassador Gold	1,242.00	\$ 12,917.06		
Antamok Goldfields	20,651.52	408,854.61	21,973.00	\$ 542,311.66
Baguio Gold	6,225.00	106,827.50	5,288.00	86,511.86
Balatoe Mining	36,900.00	1,076,134.34	37,020.00	1,061,472.16
Benguet Cons.	27,824.00	853,594.80	23,623.00	673,534.96
Benguet Expl.	3,150.00	19,780.00	3,242.00	23,950.00
Big Wedge	3,480.00	134,115.74	3,344.00	113,371.44
Cal Horr	6,040.00	128,705.92	6,338.00	125,511.26
Coco Grove		No Production		103,796.60
Demonstration	7,875.93	121,502.35	6,085.00	114,253.52
East Mindanao	3,522.00	81,188.00	2,420.00	35,644.00
Gold Creek	1,694.48	31,389.96		
Ipo Gold	6,006.00	49,811.98	5,861.00	49,940.37
Itoyon	30,438.00	320,319.10	13,794.00	226,537.88
I. X. L. Mining	7,515.00	208,874.21	6,236.00	137,637.32
Masbate Cons.	57,344.00	277,741.00	48,078.00	220,046.71
Mindanao Mother Lode*		167,191.54		
North Mindanao*		8,000.09		
Northern Mining	164.00	2,750.28	557.00	8,602.34
Royal Paracale †	2,924.00	25,013.83		31,927.00
Salacot	6,150.00	30,917.44	5,300.00	37,487.00
San Mauricio	6,389.00	136,479.97	4,277.00	222,281.13
Suyoc Cons.	5,474.00	124,925.18	6,481.00	99,931.28
Tambis Gold	40,138.00	14,379.60	39,349.00	9,100.00
Twin Rivers	20,031.00	38,769.32		
United Paracale	6,798.00	190,005.96	9,401.00	129,293.37
Total		\$4,537,183.28		\$4,053,141.86
August 1937 Gold Production		\$4,279,452.30		

\* Concentrate Production only. † IXL Argoe before now Royal Paracale. x Cubic yard handled.

REAL ESTATE, BUILDING  
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AMERICAN CHAMBER

OF COMMERCE JOURNAL



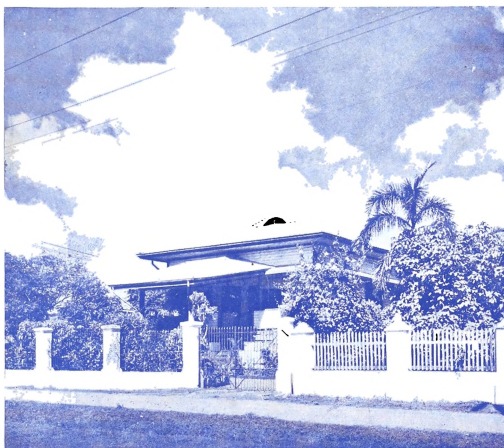
*Interior of National Rice Corn Corporation office after remodeling*

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MANILA

# Enlarging the Boundaries of Manila

● *Pros and Cons on Pres. Quezon's Proposal*

Six weeks ago it was announced that the President and members of the municipal board in conference had agreed to the immediate expansion of the City of Manila to include suburban municipalities. The plan, which has long been contemplated, was revived when the President announced an appropriation of P1,000,000.00 as an annual subsidy of the national government for the City of Manila.

The announcement caused a storm of protest from most of the real estate men and brokers who have financial interests in the subdivisions included in the municipalities intended to be taken into the City limits if the expansion is carried out. The plan involves inclusion in the city boundary lines of Caloocan, San Francisco del Monte, Rosario Heights, San Juan, Pasay, and possibly San Pedro Makati. If carried out, it will add about 200,000 inhabitants to Manila's present population.

The advantage to the City is obvious: the inclusion of this additional taxable property should have the effect (in theory) of reducing the present tax rate on city property. Consequently, no objections have been heard from city property owners.

But there are disadvantages to the plan, even to the city of Manila, although some of them are not apparent at first blush.

In the first place, the police force will have to be doubled, or even trebled, in order properly to maintain order and give protection in the su-

burban areas. There are at present about 860 uniformed policemen on the force, each policeman covering an area of approximately one square mile.

This means that Manila does not have enough policemen right now to take care of its present needs, let

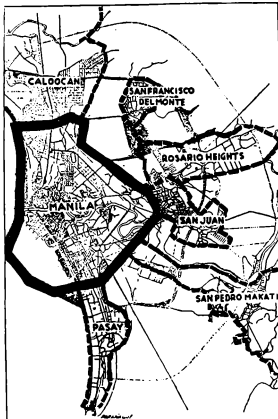
not now have adequate sewerage facilities.

The rural system of health supervision at present exercised in the outlying towns will have to be replaced by the city system. Zonification and other problems will have to be considered.

All of this means that it is highly improbable that the city tax rate will be lowered at all when the extension is accomplished. The theoretical argument that the inclusion of additional taxable territory in the city will automatically bring about a reduction of taxes is offset by practical considerations of the additional expense involved in the merger.

Subdivision owners and owners of suburban property, when questioned by the JOURNAL, evinced practically unanimous opposition to the plan. They foresaw immediately higher taxes on their property, with no corresponding benefits to them. These higher taxes, it was pointed out, would greatly hinder the growth of subdivisions around Manila, since many of the subdivisions sell lots to the lower-salaried groups of workers on extremely easy terms, thus operating on a very small margin of profit to themselves.

It was pointed out that there is, in the Philippines, no large middle class such as there is in the United States, capable of paying from \$65 per month up for homes. The so-called "luxury market" is limited here, and if any great business is to be done in real estate, it must be done



alone a force sufficient to maintain order in a greatly enlarged territory.

Expansion of the city will also mean the extension of the health and sanitation service. The sewerage system will have to be extended to those few suburban areas which do

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with the small-salaried groups. Those in the business must be contented with a smaller margin of profit on each sale.

As the JOURNAL'S Real Estate Review, edited by Mr. P. D. Carman, shows, real estate is now having a comparative boom, after more than five years of starvation. Brokers deplored any action which would tend to retard this increase of business.

To suggestions that the outlying districts would be benefitted by the merger because they would be given the benefit of Manila's police and fire protection, these real estate men retorted that this, too, was all right in theory, but probably would not work out in practise. To prove their point, they pointed an accusing finger at Manila crime statistics, and stated that they could not see how a police force which cannot protect the city now, could properly protect the subdivisions when they were brought into the city. The same argument held good, they said, for the fire department.

Mr. Francisco Ortigas, Jr., of the Mandaluyon Subdivision, Mr. P. D. Carman of Addition Hills and Boulevard Heights, and Mr. J. L. Myers of San Juan Heights and Rosario

Heights, as well as other subdivision managers, were unanimous in their condemnation of the plan. A conspicuous exception was Mr. John Gordon, of San Francisco Del Monte Subdivision, who stated that he favored it 100%, and added that he thought any increase in taxes that would accrue to the subdivision property would be more than offset by better police and fire protection from the city police force, which would result in lower insurance rates.

Mr. C. M. Hoskins, a clear thinker, pointed out gently that the whole thing depended on how the proposed incorporation is brought about. If Manila taxes are not lowered, and if taxes on subdivision property are increased without any corresponding benefit to them, then, of course, everyone is against the plan.

Hoskins recalled previous abortive attempts to make Manila bigger. The last one, about four years ago, he said, actually passed the then House of Representatives, but died a natural death in the Senate.

That bill, he said, was not objectionable. It provided that no higher taxes should be imposed on the subdivisions than before; contained a well thought-out program of gradual

improvement of streets; provided for police and fire protection in outlying districts, as well as extension of the city health and sanitation services there; and in every way met all objections that could be raised to any scheme to enlarge Manila's boundaries.

We have not been favored with a glimpse into the President's mind, he said, and, consequently, we don't have any idea at this time what form the proposed incorporation bill will take. It may well be that it, too, will meet all objections. If it does not, time enough then to speak out against it.

At any rate, presumably the subdivisions will get their share of the P1,000,000.00 annual subsidy to the City of Manila, if they become a part of the City.

As the map printed here shows, if the President carries out his plan, Manila will look somewhat like an octopus, with arms reaching out to take in the important subdivisions above mentioned. It is not planned to include the unproductive and sparsely-settled area in between.

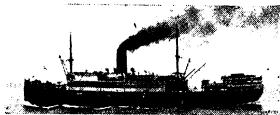
One wag suggests that the area in between the arms shown on the map be given to the City of Los Angeles as a not-improper extension of its territory.



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AGENTS

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MANILA

227 David

# News of the Subdivisions



*Mandaluyong Estate.* "Caesar came, saw, conquered; others come, see, and remain to live!"

This clarion adorned with an effigy of the Roman conqueror of Gaul mounted on white charger has appeared in billboard and newspaper advertising for the past year. It invites attention to the Mandaluyong Estate subdivision, one of the fast growing new suburbs of Manila. Nearly everyone has seen this estate; you can't miss it if you golf at Wack-Wack or visit Camp Murphy. They are parts of it, good parts. It lies southeast of Manila over the San Juan river in Rizal province, twenty minutes by motor from Plaza Goiti.

Francisco Ortigas, Jr. is the energy behind Mandaluyong. Young and a believer in letting folk know of what you have to sell, he makes the public Mandaluyong conscious through the

radio, newspapers and magazines as well as billboards. The subdivision has been carefully planned, and restricted for residences and for industries. It is one of the extensive properties of Ortigas, Madrigal & Co., a Spanish form of association having some of the attributes of a corporation and some of a partnership nature.

The company was formed in 1932. Francisco Ortigas, Jr., president; S. J. Cook, treasurer; Clyde A. DeWitt, Rafael Moreno, Vicente Madrigal, other members of the board.

*Juan Luna Subdivision.* Up Tondo way where Manila's population is densest lies this twenty-block subdivision managed by A. D. Gibbs, Jr., offices in the Peoples Bank Building. The specialty is low-priced homes, P380 the down payment on a P1,900 house and lot, P8 the lowest terms

for unimproved lots. The company's branch office at the subdivision is being housed in a model home illustrating what a small sum can be made to produce as a home for a family of low income.

An interesting footnote on the state of the times is that sales in this subdivision are rising in volume, to approximate the levels of the first year, 1930. Sales are under the management of Conrado Espiritu, who reports the tract is 50% sold; but many sales have been of large lots, the buyers selling parcels on their own account, so there are plenty of opportunities left.

*San Juan Heights* under management of J. L. Myers gave the village of San Juan over the calle Sta. Mesa bridge its initial modern growth and is dotted with new homes of every type. That suburban homes at Ma-

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1,600 shares of Common Stock of P500.00 par value .....	800,000.00
<b>Total authorized capital .....</b>	<b>P1,000,000.00</b>
Capital subscribed .....	250,000.00
Paid-up capital .....	128,250.00

### Purposes of Corporation:

To invest in real estate and interests in real estate.

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S. F. GACHES, <i>President &amp; Director</i>	AMOS G. BELLIS, <i>Director</i>
MIGUEL UNSON, <i>Vice-President &amp; Director</i>	B. H. BERKENKOTTER, <i>Director</i>
C. M. HOSKINS, <i>Sec.-Treasurer &amp; Director</i>	J. C. VICKERS, <i>Director</i>

B. S. OHNICK, *Director*

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This is not a prospectus. For further information interested parties are invited to consult the prospectus, which will be sent upon application.

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nila are good investments and axiomatic if buyers limit their pledges to a prudent portion of their income. The clearing of slums will add new value to good titles.



*Addition Hills and Boulevard Heights.* Addition Hills lies beyond the San Juan river and the city boundary line. It adjoins the Insular Hospital, Wack-Wack, San Juan, Mandaluyong, and Welfareville. The Pasig boulevard skirts it, and it is advertised as the closest-in subdivi-

sion. This subdivision is the pride of P. D. Carman, who estimates that P2,000,000 worth of homes have been built there during recent years. Many of these homes are spacious and beautiful, others snug and cozy.

Real estate men all acclaim the fun of converting rent money gradually into full ownership of equities acquired by down payments and augmented by monthly installments. It does work, too.

### REAL ESTATE

By P. D. CARMAN  
Addition Hills



September sales were somewhat under last month's total as well as below the 1936 September figure. The January to October total (P19,599,102) is, however, very much larger than for the same period of last year (P12,018,832).

Sales City of Manila  
August September  
1937 1937

Sta. Cruz	P 100,321	P 105,637
Sampaloc	79,779	76,370
Tondo	42,884	95,551
Binondo	356,641	394,307
San Nicolas	361,841	145,500
Paco	23,700	21,800
Ermita	107,933	344,680
Malate	345,137	57,400
Sta. Ana	168,157	132,258
Quiapo	6,750	70,912
San Miguel	6,500	—
Intramuros	75,000	—
Pandacan	40,815	—

P1,716,458 P1,442,415



## Building in and about Manila



**MARSMAN BODEGA:** Within the short space of two days, all officials and employees of the various Marsman organizations moved out of their old offices in the Insular Life Building, and took up temporary quarters in the newly-completed Marsman bodega this month.

The bodega, which cost about P100,000.00 to build, is located in the port area, just behind the Robert Dollar Co. offices. A new road was constructed to give access to the bodega from the street.

Juan M. Arrellano was the architect, Mariano A. de Castro the builder, and Mr. J. B. Findley, long-time Manila contractor, was the consulting engineer for the project. The Philippine Builders Agency, at the State Building, supplied Soule steel windows and stucco manufactured by the California Stucco Company.

The first-floor ceiling is of Canec acoustic pulp, handled by the Pacific Commercial Company, and Norton and Harrison furnished acoustic celotex for the second floor ceiling. F. H. Stevens & Co. furnished the floor tile, and all electrical wiring was constructed by the Mora Electrical Company.

Meanwhile, plans are going ahead for the new 4-story Marsman Building, which it is expected will be commenced within the next few months.

Bids were called for on this job about a year ago. C. M. Hoskins, local real estate broker, handled the bids at that time, and received bids from about twelve local contractors. Juan M. Arrellano is also the architect for the projected new building, which Mr. Charles Hirst, of the Marsman Trading Company, told

the JOURNAL will cost about P600,000.00.

**SYNTHETIC MARBLE:** Have you ever heard of synthetic marble? Well, there is such a thing, and a factory here, the Manila Artistical Decoration Co., is developing it into quite an industry.

Piero Amberti, who says he is a member of the Royal Art Academy of Italy, and hails from Turin, is the guiding genius of the factory, which is located at 530 Raon. We spent a pleasant hour browsing through the place, and came away marveling at the things this man can do with what we always thought was ordinary cement.

It seems that he takes two kinds of cement—regular portland cement and a special grade imported from abroad, mixes them together to his

## MANILA ARTISTICAL DECORATION COMPANY

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Beauty  
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Steel Windows and Doors

**CALIFORNIA STUCCO COMPANY**

Exterior Stucco

Sole Representatives:

**PHILIPPINE BUILDERS AGENCY, INC.**

301-302 State Building

Tel. 2-29-43

Manila

own formula, and gets a substance that hardens to a consistency which he claims is much harder and more durable than marble itself. He can shape and mold the stuff to any shape, and will build anything for you, from a copy of an ancient Roman bath to a bird house.

He did the new fountain in President Quezon's garden in synthetic marble, and also did many of the decorations in the President's new chapel with the same stuff. He has many orders on hand for walls, garden carvings, decorative figures, etc.

What has all this to do with the High Commissioner's residence? Well, frankly, we don't know, but it may have a lot to do with it.

Two other projects are already proceeding apace in this Boulevard area: the Santos apartments, and the new club-rooms of the University Club in the fifth floor of the University Apartments Building.

It was from the University Apartments that someone recently sniped at workmen riveting structural steel on the Santos Apartments. It was not long after this that riveting stopped there during the siesta hour, after eight p. m., and before eight a. m.

The new club-rooms of the University Club were not sufficiently completed for us to get a very good

idea of how they are going to look when we inspected the job, but we could see enough to know that they are really going to be something. Indirect ceiling lighting, polished-wood walls, circular bar, and floor-plugs—you will forgive us for mentioning floor plugs, but we were very much impressed. There is a floor-plug every few feet, in every room. Apparently someone has long been annoyed at the paucity of floor plugs in many old Manila buildings, and has resolved to do something about it.

We were also impressed with the fold-up partitions. They can be closed, to make five separate rooms, or they can all be opened up to make one large room for dances and other

club doings. They are very high, and we thought they would be very heavy, but they fold up as easily as you would fold your pocketbook.

### What the Diggers . . .

(Continued from page 54)

quijor, according to Mr. L. J. Harvey, President of Mine Factors, Inc. The mine is working at a minimum capacity of three thousands tons per month. A shipment to Japan was loaded on the S. S. "Susana," and other shipment of 3,000 tons is due out of the mine on October 25th.

This is the first industry ever to have been established on the island of Siquijor. Trading there has heretofore been largely a matter of barter, but, with Mine Factors' pay days every two weeks, money is appearing as a medium of exchange for the first time at least since the American occupation.



Marsman Bodega and the present home of Marsman Interests

## THE LAND

will be here

## LONG AFTER

the gold is out of the ground

## INVESTIGATE

## DEL MONTE SUBDIVISION

SAN FRANCISCO DEL MONTE, INC.

Leyba Building  
227 David

Tel. 2-16-36

Branch Office Del Monte & Porvenir  
(when operator answers ask for local 4)

### Price Pegging . . .

(Continued from page 34)

plish her stabilization fund, but Secretary Morgenthau says his fund is still big enough to serve its purpose.

So, we see no reason why the experiment must certainly fail here. And, meanwhile, it has given us much-needed relief.

## NICANOR M. BAUTISTA

ARCHITECT

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Manila

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MANILA

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### LUMBER REVIEW

By FLORENCIO TAMESIS  
Director, Bureau of Forestry



Lumber and timber exports in July amounted to 24,758,632 board feet, compared with 29,691,872 board in June, or a decrease of 16.6%. The decline has been very largely due to decreased shipments to Japan and China as a result of the Sino-Japanese conflict.

Exports to Japan during the month under review amounted to 17,317,856 board feet, compared with 22,997,336 board feet exported during the previous month. Likewise, shipments to China showed a decrease of 640,664 board feet from those of the previous month. If the present Sino-Japanese conflict continues, it is believed that the timber licensees engaged in exporting logs to Japan would suffer considerable financial draw-back in view of the fact that they have increased their logging investments with the expectation to increase their log exports. On the other hand, the situation would be favorable to the big sawmill operators as it would give them opportunity to regain in the foreign markets whatever ground they have lost due to competition by the Japanese.

As usual, the United States remained as the leading foreign market for Philippine sawed lumber. Exports to this country during the month under review showed an increase of 1,166,848 board feet over the previous month. Several consignments of Dao logs to be manufactured into furniture and similar articles were shipped to the United States during the month.

Exports to Great Britain during the month amounted to 1,339,840 board feet, compared with 564,344 board feet in the previous month, or an increase of 137%. Consumption in Australia showed a considerable decrease of 93% from that of the previous month, while exports to British Africa showed an increase of 357,856 board feet or 98%. The upward trend of consumption of Philippine sawed lumber in British Africa during the past few months is indicative of good prospect of this product in that country.

The domestic market for lumber and timber remained active during the month in spite of the continuous rain. Lumber production exceeds lumber deliveries by 5.3% and showed an increase of 9.8% over the previous month.

### Survey of Industrial...

(Continued from page 25)

result, tungsten prices have soared and now run above \$30 per unit as compared to the 1936 price of \$14.83.

Tungsten is used in the production of electric light filaments, high-speed tool steel and other alloys, electric contact points, and certain chemicals. Last year China produced two-thirds of the world's production.

### THE RICE INDUSTRY

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



Firmness dominated the market during the first half of September. Demand from the consuming areas was well sustained in the face of smaller arrivals from the producing centers. In the second fortnight heavier receipts

brought about a decline of 10¢ to 15¢ for both varieties. The new harvest in the Bicol region, some parts in Pangasinan and Tarlac, Capiz, Lanao, Antique, and Zamboanga produced further depressing effect on the market.

The National Rice and Corn Corporation started selling its rice at P5.75 f.o.b., Manila, only to places where prices are considered prohibitive. In the sales and distribution of its stock, it has opened selling stations in Samar, Leyte, Masbate and Davao.

Current quotations for Elon-elon and other luxury grades of rice ranged from P6.10 to P6.40 per sack of 57 kilos, net, with palay of that class quoted from P2.70 to P2.85 per sack of 44 kilos, net. Macan, Manila quality, ruled between P5.65 to P5.90 and with palay of same class at P2.70 to P2.85.

Despite the gradual decline of the rice market, trading in palay has not been materially disturbed. Reports from the provinces indicated that price of palay has not changed until about the closing day of the month. In view of the unfavorable market conditions, it is expected that those who have been holding their stocks in anticipation of further advance in prices are now disposing of them either in the form of palay or rice, thereby depressing the market.

Arrivals in Manila during the month by railroad and water from the provinces amounted to 131,048 sacks or a decrease of 13,096 sacks from the preceding month. Monthly statistics of arrivals in Manila by railroad from the provinces may be noted as follows:

### TOBACCO REVIEW

By P. A. MEYER  
September, 1937



RAWLEAF: Purchase of the 1937 crop continued throughout the month in Cagayan and Isabela. Nearly 90% of September exports was shipped to Italy, destined for European monopolies. Shipments to the United States were less than last month but more than double of the September, 1936 figures. Details are as follows:

Rawleaf, Stripped Tobacco and Straps	Kilos
Australia .....	1,210
Belgium .....	6,687
Hongkong .....	4,600
Indochina .....	51,932
Italy .....	1,888,590
North Africa .....	120
Straits Settlement .....	944
United States .....	187,287

Sept., 1937 .....	2,141,370
Aug., 1937 .....	228,321
Sept., 1936 .....	88,006
Jan.-Sept., 1937 .....	11,323,118
Jan.-Sept., 1936 .....	10,104,405

CIGAR shipments to the United States show the following comparative figures:

	Cigars
Sept., 1937 .....	20,563,441
Aug., 1937 .....	17,430,560
Sept., 1936 .....	16,234,920
Jan.-Sept., 1937 .....	130,687,173
Jan.-Sept., 1936 .....	126,620,142

Month	Quantity
January .....	183,848 Sacks
February .....	174,406 "
March .....	202,598 "
April .....	181,318 "
May .....	144,708 "
June .....	160,797 "
July .....	194,663 "
August .....	144,144 "
September .....	131,048 "
TOTAL .....	1,517,530 Sacks

## The Yokohama Specie Bank Ltd.

(Established 1880)

HEAD OFFICE: YOKOHAMA, JAPAN

Capital (Paid Up) .....	Yen 100,000,000.00
Reserve Funds .....	134,400,000.00
Undivided Profits .....	10,745,726.93

### MANILA BRANCH

34 Plaza Cervantes, Manila

S. DAZAL, Manager

Telephone 2-37-59 Manager

Telephone 2-35-28 Import Dept.

Telephone 2-37-58 Export & Current

Deposit Account Dept.

Telephone 2-37-68 Remittance & Deposit Dept.

Telephone 2-37-55 Cashier & Accountant

## Government Regulation of Radio in the Philippines

The rapid growth of radio from the day when Marconi sent a tiny signal across the Atlantic to the present time has created many problems in regulation. The fact that radio signals do not recognize national boundary lines but are limited only by the strength of transmitters, has added to the difficulty of regulation.

For example, the Federal Communications Commission, which is charged with the duty of regulating radio broadcasting in the United States, outlawed the station of "Goat Gland Brinkley," a quack doctor who had been advertising a preparation which he claimed was manufactured from goat glands, and which was guaranteed to cure anything from hay fever to appendicitis. The good doctor had been selling tons of the stuff, largely by advertising it over his station, which was located in Texas.

When the Communications Commission revoked the license for his station, Brinkley simply moved it across the border into Mexico, and continued his fraudulent broadcasting as before. His programs, travelling over the ether waves, ignored the border police altogether, and it was only after protracted negotiation with the Mexican government that its cooperation was secured and Goat Gland Brinkley's station forever silenced.

The Communications Commission is half expecting Brinkley to move his station to Canada, or Cuba next, and continue on his merry way until again suppressed.

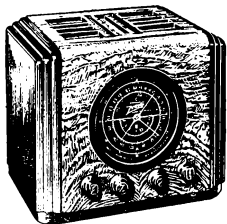


Governments have frequently complained of "outlaw" stations belonging to supposedly friendly powers, which will usurp the wave-length of established stations maintaining an international broadcasting program, and through "interference" make their signals unintelligible. Veiled hints that Mussolini was resorting to this were made in England during the time of the Italian conquest of Ethiopia.

Nevertheless, great progress has been made in regulation of radio, largely because of the fact that the nations of the world recognize that some form of regulation is necessary in order that the radio industry itself may grow, freed of international cut-throat rivalry. The first effort to regulate international radio-telegraph communications was made when a conference of various nations, including the United States, was held in Berlin in 1903. Aside, however, from discussing drafts of proposed conventions, nothing was done here.



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AMERICAN-BOSCH  
CENTROMATIC RADIOS**

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Bosch Sales & Service  
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Manila

Baguio Branch  
Pedro Armeña & Co.  
29-A Session Road  
Baguio

Another conference was held in 1906, which resulted in the First International Wireless Telegraph Convention. This treaty was not ratified by the United States until 1912, and was followed by others, notably the London Convention of 1912, the Washington Convention of 1927, and the Madrid Convention of 1932.

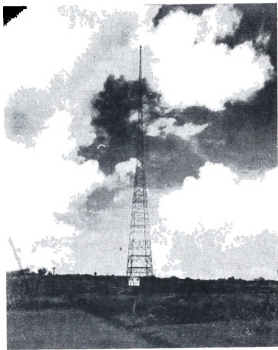
Due to the peculiar status which the Philippines has always occupied with reference to the United States, namely, that of an unincorporated possession, the above-mentioned treaties to which the United States was a signatory power did not apply here. The Philippines have always been thought of as a part of the United States in "an international sense, but not in a domestic sense."

For some time, therefore, there was no regulation of any kind of radio in the Philippines. It was not until 1923 when the first attempt to regulate radio communication here was made. At that time, there were a few amateur stations, and some ship and private land stations. Local broadcasting was just emerging from the experimental stage. A Radio Communication Board was formed in that year, composed of a member of the staff of the Governor-General, as Chairman, and one representative each from the U. S. Army, the U. S. Navy, and the Bureau of Posts. This Board was to act as an advisory body to the Governor-General on all radio matters.

The first radio law enacted in the Philippines to regulate radio communications was Act No. 3275, which took effect in November, 1926. This empowered the Secretary of Commerce and Communications to regulate radio communications by all privately-owned land and ship stations within the Philippines, but it did not compel ocean-going and inter-island vessels of Philippine registry to maintain radio stations on board. Not until several disasters had befallen Philippine vessels, notably the VICENTICA, and the

QUANTICO, and lives and property lost, was the necessity for a law to safeguard vessels at sea through radio communication fully realized. Act No. 3396 was passed, making it obligatory for vessels above a certain tonnage to be equipped with radio installation. The general provisions of this law were enforced by the Director of Posts, but those affecting radio installation on board vessels are enforced by the Collector of Customs.

Establishment of more radio stations in the Philippines, and the rapid strides made in the progress of radio science, notably the advent of short-wave broadcasting, rendered the provisions of Act No. 3275 out of date. It was also necessary to consolidate enforcement of all radio regulations in one department of the government.



KZRM's 400-foot vertical Radiator antenna

Act No. 2846, better known as the Radio Control Law, was therefore enacted in 1931, repealing Act No. 3275, and transferring the duties of the Director of Posts under Act No. 3396 to the Secretary of Public Works and Communications.

The new law was patterned after the U. S. radio law. By its terms, the Secretary of Commerce and Communications may delegate the enforcement of any regulations promulgated by him to an office or bureau under his department, or create a new agency for this purpose.

At first, these regulations were enforced by a section of the Telegraph Division of the Bureau of Posts. Later, however, it was thought necessary to create a separate division, not only to enforce radio laws and regulations, but also to carry out the administrative and technical features of the radio broadcasting law. Thus, the present Radio Division came into existence on March 25, 1933, and has continued this work to date, except for the collection of radio registration fees under the broadcasting law, which was transferred to the Bureau of Internal Revenue on September 1, 1936.

The radio control law requires that, before a radio station is established, a construction permit shall first be secured. The Radio Division inquires into whether or not there will be interference with existing stations, and whether there will be a violation of existing law in the operation of the new station, etc., before granting this permit. After the station is established, the law requires that it shall operate only under a license, which is revocable for cause, and renewable at stated periods. Heavy penalties are provided for violation of the act, or regulations issued thereunder.

Next month, the JOURNAL will review in detail the rules and regulations which have been promulgated under the Radio Control Law, and discuss how they have worked in actual practise. The Radio section will also include a discussion of Government subsidy of radio here, its feasibility, and the chances for it developing into a weapon for government censorship.



KZRM's mixing room

## KZRM Short-Wave Xmeter Overcomes Broadcasting Difficulties in the Philippines

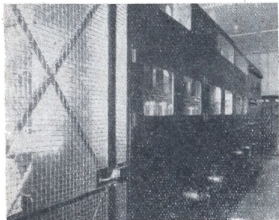
Last July station KZRM, Radio Manila, inaugurated its new 1000-watt short-wave transmitter. We reproduce a picture of its new broadcasting tower elsewhere in this issue. The operation of the new short-wave is simple: all programs over the regular wave-length are simultaneously broadcast over the short-wave.

Contrary to popular opinion, KZRM officials state that the pri-

mary purpose of this new short-wave service was not to give service to countries outside of the Philippines, but to improve radio reception in the Islands. It seems that atmospheric conditions here are not conducive to good radio reception all over the islands under ordinary conditions, but that it has been the experience of radio listeners that their reception, even in islands close to Manila, was

often very poor, and sometimes non-existent. For this reason it was decided to install the short-wave transmitter.

On the night of the opening of this new transmitter, listeners from Iloilo, Samar, Misamis Oriental, and Mindanao responded to test broadcasts made on a frequency of 31.55 meters, and reported perfect reception. However, other listeners from such far distant points as Shanghai, Hongkong, Singapore and Sarawak, Borneo, have also reported excellent reception. The *Palmeration North*, an evening paper published in New Zealand, makes the programs of



KZRM's control panel

KZRM a daily feature for its listeners. Thus it is a fact that the Philippine broadcasts over station KZRM cover the entire Orient, when the new short wave was originally installed to meet the needs of local listeners only.

Two different frequencies are used on the short-wave broadcasts from time to time, in order to insure the best possible results: 31.35 meters, and 25.38 meters. With the new 420-foot vertical radiator antenna increasing the field strength of KZRM's long-wave broadcasts more than two and one-half times their present strength, and with the short-wave transmitter apparently covering the entire Orient, to judge from fan letters received by the station, the Philippines will lead countries of the Far East in radio broadcasting.

## MANILA HEMP

By H. P. STRICKLER  
Manila Cordage Company

During the entire month of September all foreign markets were quiet with little or no demand. However, there have been several shipments to Japan indicating that the Japanese government is permitting the importation of cordage grade. It is understood that shipments of the very lowest grades and the strings and tow are still on the prohibited list of importations into Japan.

As a result of the absence of demand from foreign markets all local markets have

ceased off slightly, but the general attitude of most dealers and producers has been rather firm, these refusing to accept the parity of the prices offered or indicated in London and New York. They are strengthened in this attitude by the fact that production is gradually decreasing, and is now substantially below normal.

Reports from the provinces which are being confirmed by actual observation indicate that the new production is tending towards the higher grades. In districts where formerly only lower grades were produced, producers have now switched to the production of medium and higher grades. If this practice continues, it is bound to result in a further decrease in production and also ultimately in a considerable decrease in the supply of the lower grades.

### PRICES OF LOOSE FIBER IN MANILA

Per Picul

August 31st	September 30th
CD ..... P28.00	CD ..... P27.00
E ..... 26.00	E ..... 25.00
F ..... 24.00	F ..... 22.00
I ..... 18.50	I ..... 16.50
S2 ..... 17.50	S2 ..... 16.00
J1 ..... 16.00	J1 ..... 15.50
G ..... 15.00	G ..... 15.00
J2 ..... 12.50	J2 ..... 12.25
K ..... 10.25	K ..... 10.00
L1 ..... 10.00	L1 ..... 9.50
L2 ..... 9.75	L2 ..... 9.00

### PRICES OF LOOSE FIBER IN DAVAO

Per Picul

August 31st	September 30th
CD ..... P26.00	CD ..... P25.00
E ..... 24.00	E ..... 22.50
F ..... 22.00	F ..... 20.50
I ..... 17.00	I ..... 17.00
S2 ..... 14.50	S2 ..... 15.75
J1 ..... 14.50	J1 ..... 15.75
G ..... 13.50	G ..... 14.50
J2 ..... 13.50	J2 ..... 14.25
K ..... 12.25	K ..... 12.25

## Culled from . . .

(Continued from page 38)

tities. The company has transferred its labor's in this field to another property, about which they hope to have an important announcement soon.

**LEAD:** Galena properties of the company are being explored as showing favorable indications of a commercial quantity of lead. To date, results have been disappointing.

**CHROMITE:** An Amalgamated Minerals engineer has been assigned to superintend the efforts of a Zambales company in grading their ore to the requisite commercial standard. A Mindanao group is having their claims surveyed with a view to obtaining a lease from the government.

**SULPHUR:** Exploration work is being carried on in Camarines Sur and South Mindanao.

**GENERAL:** The company earned profits in the last quarter of the period reported on, and the Directors, while not declaring a dividend at this time, hope to grant an interim dividend, should profits continue.

**Mineral Enterprises, Inc.** abandoned work on the *Mindanao Trust* property, due to unfavorable showings, and has concentrated its efforts on the properties of the *Malaguit Mining Association*, and *Maligaya, Incorporated*, with which it has operating contracts.

Both of these properties are of low relief, at sea level, with veins running into the sea. For this reason, it was deemed expedient to sink shafts, with the first level not less than 200 feet below sea level, to avoid possible inundation. This required quite large mine plants.

The Malaguit plant is completely installed, while a power plant and compressor are being installed at Maligaya. The report to stockholders for the year 1936-1937 grows enthusiastic about the possibilities of the Malaguit property, while it warns that, in spite of headway made, the Maligaya property is still to be considered a prospect.

### YANGCO AND COMPANY:

This promotion firm, with offices in the Wilson building, is now handling the promotion of the *Pan-Philippines Corporation* and the *San Luis Investment Company*, according to Mr. H. P. Hoskyn, Vice-President and manager of the company.

The Pan-Philippines promotion has proceeded very satisfactorily, according to Mr. Hoskyn and only a limited number of the company's shares are now available for sale to the public. The shares are divided into preferred and common, the preferred shares taking first call as to dividends to the extent of 10% of any declared dividend, or 60% of net profits, whichever is the larger.

The San Luis Investment Co. is based on the principles under which the English fixed trusts operate, according to Mr. Hoskyn. This is a device whereby an investor can obtain an interest in many enterprises, thus to sink able to diversify his normal risk.

Shares of this company are likewise divided into common and preferred shares. Any dividends which may be declared will be given first, 6% to the preferred shares, then 6% to the common shares. The dividend surplus, if any, will then be divided among both the preferred and the common stock.

(Please turn to page 52)

## THE COMMONWEALTH OF THE PHILIPPINE ISLANDS

DEPARTMENT OF COMMERCE AND COMMUNICATIONS

BUREAU OF POSTS  
MANILA

SWORN STATEMENT  
(Required by Act 2580)

The undersigned WALTER ROSS, Editor, Business Manager, THE AMERICAN CHAMBER OF COMMERCE JOURNAL, published monthly in Manila, P. I., after having been duly sworn in accordance with law, hereby submits the following statement of ownership, management, circulation, etc., as required by Act 2580 and amended by Commonwealth Act No. 201.

Editor, WALTER ROSS, P. O. Box 1638, Manila.

Publisher: The American Chamber of Commerce of the Philippine Islands, P. O. Box 1638, Manila.

Manager: WALTER ROSS, P. O. Box 1638, Manila.

Printer: McCullough Printing Co. Owners or stockholders: The American Chamber of Commerce of the Philippine Islands.

Bondholders, mortgagees, or other security holders of one per cent or more of total value: None.

Total circulation—1,515.  
Manila, P. I., April 1st, 1937.

Subscribed and sworn to before me this 30th of September, 1937, the deponent having exhibited his cedula F-23279 issued at Manila, P. I., on February 26, 1937.

WALTER ROSS.  
PEDRO J. BAUTISTA  
Notary Public  
Until Dec. 31, 1938

## SHIPPING REVIEW

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



For August the outward cargo totaled 294,749 revenue tons exceeding July slightly. Heavy movements in logs and molasses offset a slump in hemp and a decided slump in ores. The movement of sugar, centrifugal 102,653 and refined 2,580, exceeded July

bales, about 4,400 bales more than in July. The Japanese trade shows a slump of 20,000

To	Tons	With Atac. Sailings	Of Which Tons	Were carried in American bottoms with Sailings
China and Japan	97,771	51	652	6
Pacific Coast Local Delivery	28,984	17	17,584	7
Pacific Coast Overland	1,354	10	702	5
Pacific Coast Intercoastal	2,307	7	1,822	3
Atlantic and Gulf Coast	146,756	35	30,194	9
European Ports	14,498	16	56	2
All other ports	2,179	28	419	6

A GRAND TOTAL of 294,749 tons with a total of 103 sailings (average 2,861 tons per vessel) of which 51,429 tons were carried in American bottoms with 13 sailings (average 3,956 tons per vessel).

figures, by 33,414 tons. Seven non-conference vessels participated in the August trade lifting a total of 56,211 tons.

The shipments of desiccated coconut, 7,605 tons, shows that this commodity is in heavy demand. With no tanker movement in coconut oil, the berth lines took care of all offerings and carried 14,639 tons to the States. The copra movement dropped to 26,865 tons, Pacific Coast 14,305 tons, Atlantic Coast 10,820 and to Europe 1,740 tons. This is the first worthwhile European business for several months. Cane and Meal shipments dropped slightly, to the United States 4,440 tons, China 50 tons and Europe 3,450 tons, total 7,940.

We reported a slow movement in hemp for July and must again report decreased business as August shipments were only 99,963 bales. The United States took 19,497

The saving factor in the month's business was the heavy movement in logs and lumber, 19½ million board feet. Japan trade was exceptionally heavy and took 12½ million feet. The United States took three million, Europe 1½ million feet, China, Australia and South Africa absorbed the remainder.

Ores show a slump of more than 23,000 tons, 18,000 of which are shown in the iron ore shipments to Japan. Tonnage for this trade could not be had in sufficient value. The shipments in detail are: To Japan 46,139 tons of iron and 300 tons of manganese. To the Atlantic Coast 8,500 tons of chromite and to Tacoma 523 tons of concentrates for treatment. A total of 53,453 tons.

The molasses shippers forwarded one lot to Japan and a full tanker over 13,000

bales and only took 25,954 bales. Europe upped their orders to 48,735. The remainder widely scattered was on a normal basis.

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

tons was loaded at Iloilo and despatched to Hongkong for orders. The pineapple cannery forwarded 2,327 tons which we understand cleans up the season's pack. Shipments of junk and kapok seeds to Japan register a slump. Shipments of tobacco and rope were also off. Gains are noted in cigars, embroideries, rattan furniture, gums, kapok, cutch, margarine and vegetable lard. Europe took their customary 100 tons of coconut shell charcoal.

Increases in rates ranging from 20% to 50% have been made within the past year and it begins to look as though further increases will be put into effect. The situations on the China Coast and in the Mediterranean are giving shipowners something to worry about.

(Please turn to page 51)

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SS PRES. TAFT	Nov. 27	SS PRES. LINCOLN	Dec. 25

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For Rates See Table	Line	VESSEL	Manila	Hongkong	Shanghai	Nagasaki	Leave Nagoya	Leave Kobe	Leave Yokohama	Leave Honolulu	Arrive Victoria	Arrive Seattle	Arrive Vancouver	Arrive San Fran.	Arrive L. Angeles
	10	NYK HIYE MARU	Con Stmr.					Nov. 6	Nov. 9					Nov. 21	Nov. 20
	6	AML PRES. GRANT		Nov. 3	Nov. 6	Nov. 9		Nov. 11	Nov. 13		Nov. 24	Nov. 24			
	11	FL SLEMMSTAD		Nov. 9											Dec. 3
	9	NYK TAIYO MARU	Con Stmr.					Nov. 15							Dec. 2
	3	CPR E. RUSSIA		Nov. 8	Nov. 12	Nov. 14	Nov. 16		Nov. 20		Nov. 29		Nov. 29		
	14	BF TYNDAREUS	Con Stmr.	Nov. 19				Nov. 18	Nov. 20	Nov. 22		Dec. 18	Dec. 16		
	4	DSSL PRES. COOLIDGE		Nov. 10	Nov. 13	Nov. 16		Nov. 18	Nov. 19	Nov. 26				Dec. 1	Dec. 5
	10	NYK HEIAN MARU						Nov. 29	Dec. 2			Dec. 14	Dec. 13		
	16	SL BENGKALIS		Nov. 12										Dec. 10	Dec. 5
	12	BL TAI YIN		Nov. 15	Nov. 18	Nov. 23		Nov. 28	Nov. 27	Nov. 30					Dec. 15
	6	AML PRES. JACKSON		Nov. 17	Nov. 20	Nov. 23		Nov. 25	Nov. 27		Dec. 8	Dec. 8			
	8	NYK TATSUTA						Nov. 30							Dec. 15
	11	FL FERNSLEU		Nov. 20											Dec. 12
	1	CPR E. JAPAN		Nov. 22	Nov. 26	Nov. 28		Dec. 1	Dec. 3	Dec. 9	Dec. 14		Dec. 14		
	13	KL CORNVILLE		Nov. 22	Nov. 26										Dec. 18
	16	SL SILVERMAPLE		Nov. 23											Dec. 18
	15	ML GRETEMAERSK		Nov. 24	Nov. 27	Dec. 3	Dec. 9	Dec. 7	Dec. 11						Dec. 14
	16	SL SALAWATI		Nov. 25											Dec. 22
	5	DSSL PRES. TAFT		Nov. 27	Dec. 1	Dec. 4		Dec. 6	Dec. 7	Dec. 15					Dec. 21
	6	AML PRES. JEFFERSON		Dec. 1	Dec. 4	Dec. 7		Dec. 9	Dec. 11		Dec. 22	Dec. 22			Dec. 26
	10	NYK HIKAWA MARU						Dec. 4	Dec. 17			Dec. 29	Dec. 28		
	3	CPR EMP. ASIA		Dec. 6	Dec. 10	Dec. 12	Dec. 14	Dec. 6	Dec. 18		Dec. 27		Dec. 27		Dec. 29
	5	DSSL PRES. HOOVER		Dec. 8	Dec. 11	Dec. 14		Dec. 6	Dec. 17	Dec. 24					Jan. 2
	16	SL HOESH MERCHANT		Dec. 13											Jan. 10
	12	BL TAI YANG		Dec. 15	Dec. 18	Dec. 23	Dec. 28	Dec. 7	Dec. 30						Jan. 14
	6	AML PRES. MCKINLEY		Dec. 15	Dec. 18	Dec. 21		Dec. 23	Dec. 25		Jan. 5	Jan. 5			
	10	NYK HIYE MARU						Dec. 25	Dec. 28			Jan. 9	Jan. 8		
	2	CPR EMP. CANADA		Dec. 30	Dec. 24	Dec. 26		Dec. 29	Dec. 31	Jan. 7	Jan. 12		Jan. 12		
	13	KL PLEASANTVILLE		Dec. 22	Dec. 26										Jan. 17
	15	ML NIELMAERSK		Dec. 24	Dec. 27	Jan. 2	Jan. 8	Jan. 6	Jan. 10						Jan. 25
	16	SL SILVERBELLE		Dec. 26											Jan. 21
	5	DSS PRES. LINCOLN		Dec. 25	Dec. 29	Jan. 1		Jan. 3	Jan. 4	Jan. 12					Jan. 18
	6	AML PRES. GRANT		Dec. 29	Jan. 1	Jan. 4		Jan. 6	Jan. 8		Jan. 19	Jan. 19			Jan. 23

## MINIMUM RATES FROM MANILA

1	CPR (EMP. JAPAN)	First	P90	P190		P250	P275	\$365	\$450	\$450	\$450					
		Tourist	58	105		155	170	220	270	270	270					
2	CPR (EMP. CANADA)	First	P90	P190		P250	P275	\$360	440	440	440					
		Tourist	58	105		155	170	215	260	260	260					
3	CPR (EMP. ASIA-RUSSIA)	First	P90	P190		P250	P275	326	400	400	400					
		Tourist	52	95		140	155	190	230	230	230					
4	DSSL (P. HOOVER-COOLIDGE)	First	P90	P190		P250	P275	365						\$450	\$460	
		Tourist	58	105		155	170	220							270	275
5	DSSL (SSS-TAFIECT)	First	P90	P190		P250	P275	326							420	430
		Tourist	52	95		140	155	190							230	235
6	AML (PRES. JACKSON)	First	P90	P190		P250	P275				\$400					
		Tourist	52	95		140	155				230					
8	NYK (ASAMA-TATSUTA)	First						\$360								
		Second						215								
		Cabin						\$285								
9	NYK (TAIYO)	Tourist					155									
		First								\$345						
11	FL	First									180					
		First													\$150	
12	BL	First	\$20	\$35		\$55	\$55								\$195	
		First													\$140	
14	BF (Rate from Hongkong)	First										\$35.00				
		First	\$25	\$45		\$70	\$75								\$220	
15	ML	First													\$165	
		First	\$20	\$60											\$160	



**COPRA AND ITS PRODUCTS**

By KENNETH B. DAY  
AND LEO SCHNURMACHER



KENNETH B. DAY

Rather unexpectedly, the copra and oil markets took a turn for the better in September. Prices have been going down so steadily for several months that some check was inevitable. It had been felt, however, that with the copra season in full swing, this check should not appear until later in the year. Consequently, when the markets began to harden up in the middle of September, buyers were taken somewhat by surprise, which possibly accentuated the situation more than a long range prediction would seem to warrant.

**Copra**—Copra arrivals, although somewhat below August as should be expected, were still heavy, totalling something over 550,000 bags in Manila and approximately 440,000 bags in Cebu. These figures were

approximately 25% above the eleven years' average in the two ports, although only 15% higher than September 1936 in Cebu. The planting season had something to do with the Cebu situation, but at the end of the month prospects for fair seasonal arrivals, both in Manila and Cebu, for the balance of the year were very good.

The month opened with desultory trading at P8.25 for resacada in Manila and equivalent prices in Cebu, with the market tendency generally weak. About the middle of the month, the market firmed, and after some trading at P8.50 sellers advanced their prices to P9.00, at which figure a fair amount of business was done prior to the end of the month. At the very end of the month, sellers were holding for higher prices and buyers were indicating the possibility of paying P9.25.

There was not as much selling as one would have expected, because sellers who were fairly well oversold at the beginning of the month became nervous and felt they should cover up their outstandings before committing themselves further. This they did by raising prices in the provinces and by buying up small odd lots in the open market. Thus, the provincial markets throughout the month, particularly in the Manila district, were substantially above base equivalents, and in general small lots were being absorbed by dealers with contracts at higher prices than mills or exporters could afford to pay. By the end of the month most dealers had covered up their positions and had gone slightly long in anticipation of higher prices in October.

The export trade was fairly good with Coast prices advancing from 2.50 cents to 2.65 cents for October/November shipments of copra, and with European quotations



LEO SCHNURMACHER

jumping from a low of £13/2/6 to a high of £14/10/0, and possibly a little more. The European market, in particular, was interesting in that the advance was more rapid than elsewhere in the world. It was at first thought that this advance was purely speculative, but it developed at the end of the month that a real consumptive demand had sprung up in Europe where present prices were considered reasonable. The only reason a large volume of business was not done with Europe was that freight space was very hard to obtain and closely held, thus making it impossible for sellers to take advantage of many of the attractive offers received and at the same time strengthening buyers' opinions in Europe through scarcity of acceptances. The question of space shortage, therefore, plus the desire of dealers to cover up outstanding contracts, gave an involuntary and probably an unwarranted appearance of strength to the markets.

Shipments for the month were comparatively light, due very largely to difficulties in berthing steamers in the Philippines because of the confused conditions in Northern China.

Statistics for the month follow:

Arrivals:	Sacks
Manila .....	552,202
(includes 725 tons shipped from Cebu)	
Cebu .....	439,195
	Metric Tons

Shipments:	Tons
Pacific Coast .....	9,938

Gulf Ports .....	4,092
Europe .....	4,231
China and Japan .....	1
Other Countries .....	8,066

Stocks on hand:

	Beginning of Month	End of Month
	Tons	Tons
Manila .....	31,108	33,349
Cebu .....	27,792	31,027

**Coconut Oil**—The coconut oil market, while reasonably quiet, showed more buying interest the second half of September than it had for the previous month. At the beginning of September oil could be sold in New York at 4 cents c.i.f., and on the Pacific Coast at 3 3/4 cents f.o.b. By the middle of the month the price advanced to 4 1/4 cents c. i. f. New York for December/January shipments, and a certain amount of spot oil could be sold on the Coast at 4 1/4 cents f.o.b. There was one occasion when a little oil might have been sold in New York at 4 1/2 cents f.o.b. By the end of the month, these prices were unchanged with buyers actively willing to take on additional December/January business at 4 1/4 cents in New York and at the same price on the Pacific Coast, but with sellers holding for 1/2 cent more for both destinations. Buying on the whole was fairly light, with buyers interested chiefly in small parcels ranging up to 500 tons.

Shipments totalled about half those for August, registering something over 11,000 tons only.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast .....	1,366
Atlantic Coast .....	8,412
Gulf Ports .....	1,595
Other Countries .....	79

	Beginning of Month	End of Month
	Tons	Tons
Stocks on hand in Manila and Cebu .....	8,563	12,120

**Copra Cake and Meal**—The European cake market was much more attractive to sellers than the American meal market, which sagged badly due to the great amount of competing feedstuffs available, or likely to be available, a brisk trade was done in copra cake at prices ranging up to P4.00 per 1,000 kilos f.o.b. with a c.i.f. equivalent of approximately \$34.00 per long ton. Unfortunately, not much space was available, but

Shipping . . .

(Continued from page 49)

The following figures show the number of passengers departing from the Philippines for China, Japan and the Pacific Coast for the month of August, 1937:

	First	Intermediate	Third
Hongkong .....	61	117	162
Shanghai .....	12	116	15
Japan .....	31	11	87
Honolulu .....	20	13	25
Pacific Coast .....	75	69	44
Europe via America .....	8	0	0
Total for August 1937 .....	207	326	333
Total for July 1937 .....	189	225	268

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by the end of the month most local mills had sold out their estimated production for the balance of 1937 at about these levels. The meal market on the Coast was nominally about \$25.00 per ton c.i.f., which, under the new freight rate, worked about substantially less than cake to Europe. There was very little inquiry for meal from the Coast during the month, even at these low prices.

The Philippines-Europe Conference announced another increase in cake rates of 7/6d, effective April 1, 1937, this being the third increase within a year.

Statistics for the month follow:

Shipments—	Metric Tons	
Pacific Coast .....	2,431	
Europe .....	5,741	
	8,172	
	Beginning	End of
	of Month	Month

Stocks on hand in Manila and Cebu ..... 4,743 9,251.  
**Desiccated Coconut**—The desiccated coconut market was weak throughout the month. After excellent business for the first five months of the year, the demand slackened off, and with increasing stocks in the United States, mills here cut production because they were unable to move these stocks rapidly enough. On September 20th the base price in New York was reduced to 8 3/4 cents with the possibility of a further decrease in October or November. Competition between the local manufacturers was keener than usual, and buyers in the United States were selling off with the hope of getting some advantages from the fall close in their standard contracts, which, characteristic of this trade, gives buyers the advantage of any marked decline, although holding sellers to a fixed maximum. Nuts were plentiful and factories could have operated at much greater capacity had the business been available. Exports for the month declined to 2,939 tons.

**General**—At the end of the month there was a firm feeling in all markets, except for desiccated, and producers and sellers were looking forward to better prices in October. Whether this feeling of optimism was justified or not is for the future to tell but it was generally agreed that there was nothing in the statistical picture to give of more than a temporary firmness to the market, and if predictions of an excess cotton crop should come true, the whole market tone should be adversely affected thereby. At the same time, with Euro-

pean buyers keener than usual, and with oils and fats very reasonably priced on the whole, there was reason to believe that the lows of August and early September might very easily be the lows of the year. Rarely has the market looked more confused than it did at the end of September.

### Culled from the . . .

(Continued from page 48)

The San Luis Investment Company has already invested in the stock of a mine-management company, an industrial company, and two mining companies, at very favorable prices, according to Mr. Hoskyn.

**PAN-PHILIPPINES CORPORATION:** This company, which was formed about the middle of this year by Major J. E. H. Stevenot, Mr. J. H. Sampson, and others, for the purpose of acquiring and developing mining properties in the Philippines, has signed a contract with the *Treasure Island Mining Company* for the management, financing and operation of the latter's properties on the island of Lahuy, Camarines Sur.

The well-known prospector, Mr. W. F. Turcell, staked the Lahuy claims some time ago. He later sold his rights to the *Treasure Island Mining Company*.

In May of this year, work was started on the island on a comparatively small scale. Encouraged by results obtained, however, work has been pushed at a faster pace, and has resulted in very gratifying ore discoveries.

Two pieces of work of major importance are now being carried forward: on Tunnels Nos. 5 and 6. Mr. Orlando McCrae, the chief engineer of Pan-Philippines corporation, has this to say about operations in his latest report:

"Tunnel No. 5 encountered its objective at a little less than 200 feet from its portal, in the form of a vein which, upon sampling, returned \$1,664.00 in gold per ton, in a width of 18 inches. The crosscut was continued through the vein, which exhibited a thickness of 8 and 1/2 feet, with a grade of \$62.44 in gold per ton.

After cross-cutting, drifting was continued along this vein, and, discarding the extremely high values first encountered, the vein was exposed by recent drifting may be conservatively appraised as containing an average of \$51.98 in gold per ton.

"Tunnel No. 6 has been driven North for 180 feet, and two drifts have been run upon veins developed. Along the hanging wall side of Drift No. 1 there is a width of 14 feet of material which will average about

\$10.00 in gold per ton. Drift No. 2 exposed an ore shoot showing excellent gold values which average \$56.38 in gold per ton, over a width of 2 1/2 feet.

Every effort is being made to put the *Treasure Island* property on Lahuy into production during the first half of the coming year, and present indications are that this can be accomplished.

**THE HERCULES POWDER COMPANY,** with head offices at Wilmington, Delaware, has sent its representative Mr. W. F. McCandlish, to Manila to remain here a short period to assist the Philippine distributors of Hercules powder, *Engineering Equipment and Supply Company*.

Mr. McCandlish came here via Clipper with Jim Marshall, Colliers writer, on the last lap of the latter's famous Manila-to-China-to-Japan-to-Oregon-to-Manila-to-China trip. He expects to go back by Clipper shortly.

### QUARTZ HILL:

Two properties of importance in the Philippine Gold Industry are being operated by the Quartz Hill Mining Company. They are the Quartz Hill property consisting of 51 claims located four kilometers west of the Mountain trail at K. 57. The other property is that of the *Nayag Mining Corporation*, located at K. 110, in the Suyoc District. The latter property is operated on a profit sharing contract. The former is in the property of the Quartz Hill Mining Company.

Incorporated September 9, 1937, the Quartz Hill Mining Company consists of 2,000 shares no par value with a market value of \$2,000,000. The company has organized to explore and develop the old Igorrote workings west of Kilometer 57. An examination and favorable report was made by W. T. Graham and the company started work in November of 1936. The officers of the Corporation are O. E. Hart, President; J. S. Sampson, Vice-Pres. and Treasurer; P. S. Holt, Asst. Treasurer and Secretary; Frank S. Parker, Director; R. Fernandez, Director; and J. G. Hartman, Director.

Progress to date has been extensive and even to the casual observer it is apparent that the property is being developed under competent engineering management and due regard for the stockholders funds.

To date, at the Quartz Hill property, seven tunnels have been driven for a total distance of 3,000 feet. The main Bogan vein which is a strong structure running generally N and S is at present time showing a width up to fourteen feet in a wintz being sunk on the vein. Assays made show values to \$35.00 per ton.

Will we have . . .

(Continued from page 30)

To summarize: We have been through a lot, but we were not really hurt in a vital spot. It looks as though a new mining and agricultural district were going to be

opened up in Mindanao. Business in general continues good. The war in China and, to a smaller extent the war in Spain have hurt us, but it is possible that war demands may eventually give our agriculture and industry a tremendous impetus. The independence question will probably be settled, either by action or by inaction on the part of Congress, probably by March. At any rate, we will get legislation on trade relations between the United States and the Philippines by then. The last boom came down with an awful crash and it hurt us, but not permanently.

The old producing mines are still producing, and new producers appear regularly. The bogey about reducing the price of gold seems to be laid to rest, at least for the time being.

Yes, we hope we don't ever get another boom, or anything approaching it. But we are afraid we might!

JR

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Numerous crosscuts are being driven on three levels to intercept the Bogan vein on the south slope of the property and when these crosscuts intercept the vein and raises are constructed, it is believed that a large quantity of positive ore will be blocked ready for milling operations.

Buildings on the property consist of an office, engineers' quarters and mess, three laborers' dormitories, warehouses, and power plant. A 20 H. P. diesel is installed at a central point on the property to supply light and power to the workings and quarters. A compressor was recently purchased and is now being installed in the power house to provide air for jack hammers. This new equipment will speed up the work and cut costs of operation. Before the end of the present year, the Quartz Hill property will show much substantial progress toward the decision to establish a mill.

The property of the Nayak Mining Corporation which in May, 1937 came under the control of the Quartz Hill Mining Company is fast approaching the stage when a mill will be ordered. Present discussion indicates that the type of milling equipment needed will be settled within the next sixty days.

This old Igrovite mine has been worked intermittently by Americans since 1902 but at no time on as extensive a basis as at present. The property consists of twenty-two claims. Eleven tunnels have been driven for a total distance of 8,320 feet. There are three main working levels which are known as the 100, 200 and 300 level tunnels.

Level No. 100 has been developed sufficiently until milling starts. Over 1,800 feet of workings have been completed and two raises to the surface have been completed. Excellent ore shutes exist on this level.

Level No. 200 has 2,600 feet of drifts and crosscuts. Five raises have been cut to the 100 level. This level has partially developed ore bodies ready for stoping. Active development work is continuing to the south with very favorable results.

Level No. 300 has a thousand feet of drifts and crosscuts, and raises to the 200 level are being pushed. It is from this level that the main hauling will be made to the mill.

Assays at Nayak have been consistently good, indicating a large body of millable ore with assays running to \$94.73 per ton.

Other development work on the Nayak contract is moving ahead rapidly. Blowers have been installed in the No. 200 and No. 300 and Cobre tunnels. 7,000 feet of air and water lines have been laid.

The power equipment consists of a 100 H. P. diesel connected to a 37 KW generator. A 65 H. P. diesel compressor unit supplies air for the jack hammers.

A fully equipped assay laboratory is in daily operation on the property. Other buildings consist of an office, bodega, staff mess, residence, twelve bunk houses for native laborers, store, powerhouse, blacksmith shop and tool house.

At the time of the recent inspection trip made by Mr. O. E. Hart, President and other officials of the company there were 143 employees at work at the Nayak Contract.

The program at Nayak is progressing on a most satisfactory basis and with recent installations of machinery operating costs have been greatly reduced and discussion now centers around the purchase of a mill.

## What the Digger . . .

(Continued from page 36)

(2) Conditions can be imposed on the lease which might hinder good mining

operations; royalties exacted by the State increased and other charges imposed on mining out-put, which would make it very difficult, if not impossible, to estimate costs in advance.

Furthermore, under the law, ore extraction must cease when application for a lease is made, until the lease is granted. This forces mines with unpatented claims to suspend production for an indefinite period, and thereby lose their income entirely.

The case is highly important, and will probably be carried to the United States Supreme Court for final decision. The precedent in which local mining now finds itself as a result of this case has been widely commented upon editorially in U. S. newspapers.

**CAL HORR:** The report for the first six months of 1937 showed operations here very satisfactory, with a total of 5596,345.14 of ore being milled during the period. This included Ukab, Hartwell and Crown Point ores, however, only 370,508.46 being Cal Horr ore.

Including the manganese group, ore reserves seem to be limited to two more years, which will end the life of the mine. However, it is planned to mill all ore in the Crown Point and Kelly groups of Benguet, and any ore developed in the adjacent Narba, Southern Cross, and Gold Hill contracts, as well as any shallow ore found in the Hartwell group. The mill is centrally located with respect to all these properties, and can be reached from all of them by comparatively inexpensive aerial tramways.

**IPO:** Operations continued at normal here, with 31,200 tons of ore milled for a gross recovery of 93.15, 128.51 and an average of 93 per cent extraction. The half-year report is very encouraging as to Ipo,

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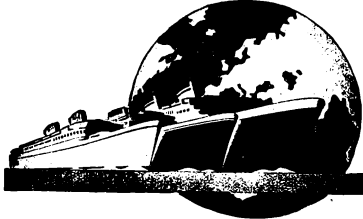
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pointing out that discoveries of primary ore of commercial value give it a good chance for the first time of developing into a long life operation. However, profits will be curtailed for a few months more due to the necessity of a vigorous development campaign.

In general, operations on other Hausermann-managed mines are proceeding satisfactorily. Florancia and Consolidated Mines have been held up by difficulty in securing cargo space, and other transportation difficulties.

**SORIANO:** The Soriano mines reported a record total production for September, according to figures released the first of this month. *Antamok*, *I. X. L.* and *Masbate* turned out an aggregate of :926,829.95, as against P919,198.00, which was the previous high for these three mines.

*I. X. L.* produced P208,874.21, from a tonnage of 7,515, as against P171,696.00 in August, and as against the previous all-time high of P186,058.63.

*Masbate* reported a record of P277,742 from a tonnage of 67,344, which compares with P254,415.04 in August, and the previous high of P262,734.28.

*Antamok* reported P440,244.57, as against :34,772.00 in August.

*Benguet* Exploration turned in P19,780, as against :21,442.82 in August.

#### MARSMAN:

**Palidan-Suyoc Tunnel:** September advance was 1,148 feet, which left the face 5,925 feet from the portal at the end of the month.

This advance was considered creditable, in view of soft ground encountered, necessitating much timbering. The tunnel is believed to have passed the influence of the Palidan Slide area. Country passed through

during September showed considerable faulting, but no vein formation were cut.

The company has at least one first class "mucker" on its force in the person of **Mr. Herman Stokes**, tunnel man from Nevada, California, Mexico, and points North, South, East, and West. Stokes' father is also well-known to tunnel men, and this young man seems to be a chip off the old block.

We met Stokes, Jr. on our trip to the Philippines. He told us then that he was coming out to work the Palidan-Suyoc tunnel on a contract time-bonus basis. He evidently likes the country, because he has since brought his family out. We learned a lot about the business of digging tunnels on that long boat trip, but Stokes insists that, after all, all there is to digging a tunnel is getting the dirt out.

**Itoگون** and **United Paracale** made good records in September, according to reports coming from the mines.

Its capacity increased to 1,000 tons daily, Itoگون was able to produce P230,319.10. **United Paracale** hung up a record for the fourth consecutive month, with a total output of P192,755.24 from 6,962 tons milled. Head values at **United Paracale** averaged P28.79 per ton for the month, with a recovered value of P25.10 on an extraction of 87.2 per cent. Itoگون's extraction was 86.75 per cent.

September saw the completion of the expansion program at Itoگون, started early this year. The capacity of the plant was finally put on a 1,000 ton per day basis, after long and costly delays due to labor and shipping strikes in the United States.

For this reason, the matter of an inter-terim dividend was put over.

**Mindanao Mining Company.** Operations have been going on at the placer property of the Mindanao Mining Co. since the first of September, *J. O. Enberg* of the Board of Consulting Engineers of Marsman and Co. reported last month on his return from a trip to Mindanao.

Work has been going on on a one-shift basis, but the installation of a power light plant will enable work to continue 24 hours a day.

**San Mauricio:** Increased its production from P95,064.40 in August, to P136,479.97, according to reports released by Marsman & Co. *Sugar* did not fare so well, due to the breakdown of one ball mill. This mine produced P124,925.18 of gold from 5,474 tons of ore milled.

All construction work at San Mauricio for 1937 is expected to be completed according to schedule.

The big news agent Marsman mines is the new one million peso dredge recently completed for *Coco Grove*, about which more next month.

**Royal Paracale:** Announced September production of P25,013.83 from 2,924 tons. Considerable development was run through the mill, as work is now being carried on at the new 320 level as well as at the 370 level.

**Royal Paracale** was formerly the *L. X. L. Argos* mine, and was taken over from the Soriano interests by *Sam Wilson* and associates a few months ago. The stock is now being offered for sale to the public by the *S. F. D., Inc.*, with offices in the *Crystal-Arcade*.

**MINE FACTORS:** Has completed loading of a second shipment of manganese at the mine operated by Mine Factors at *Sitri*. (Please turn to page 44)



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SEA	Nanking	Oct. 30			Nov. 11				Nov. 30					Dec. 20	Jan. 3	Dec. 17	
MM	Felix Roussel	Nov. 2	Nov. 2	Nov. 7	Nov. 9	Nov. 14	Nov. 17	Nov. 20	Nov. 24	Nov. 25			Nov. 29				Dec. 16
HAPAG	Ruhr	Nov. 6	Nov. 2	Nov. 7	Nov. 12	Nov. 17	Nov. 17	Nov. 20	Nov. 24	Nov. 25	Dec. 5			Dec. 19			
NYK	Yamaguchi Maru	Nov. 6	Nov. 2	Nov. 7	Nov. 12	Nov. 17	Nov. 17	Nov. 20	Nov. 24	Nov. 25	Nov. 23			Dec. 21			
NRM	Van Marck	Nov. 6	Nov. 3	Nov. 5	Nov. 6	Nov. 10	Nov. 10	Nov. 14	Nov. 18	Nov. 23	Nov. 23			Nov. 29			
NYK	Terukuni Maru	Nov. 5			Nov. 11	Nov. 15	Nov. 15	Nov. 16	Nov. 21	Nov. 23	Nov. 27			Dec. 8			Dec. 16
HAPAG	Lever Kusen	Nov. 5			Nov. 11	Nov. 17	Nov. 17	Nov. 16	Nov. 21	Nov. 23	Nov. 27			Dec. 19			
LT	Conte Rosso	Nov. 6			Nov. 10	Nov. 14	Nov. 14	Nov. 16	Nov. 21	Nov. 23	Nov. 27			Dec. 19			
BF	Atrous	Nov. 8			Nov. 10	Nov. 14	Nov. 14	Nov. 16	Nov. 21	Nov. 23	Nov. 27			Dec. 19			
DSSL	Pres. Adams	Nov. 10	Nov. 7		Nov. 16	Nov. 18	Nov. 22	Nov. 26	Dec. 6	Dec. 6	Dec. 11	Dec. 13	Dec. 15				*Nov. 30
EABS	Meonia	Nov. 10			Nov. 23	Nov. 26	Nov. 30	Dec. 7	Dec. 12	Dec. 12	Dec. 17			Dec. 25			
BF	Persus	Nov. 10			Nov. 17	Nov. 17	Nov. 17	Nov. 17	Dec. 6	Dec. 6	Dec. 11			Dec. 29			
EACS	Java	Nov. 14	Nov. 10		Nov. 12	Nov. 17	Nov. 17	Nov. 17	Dec. 6	Dec. 6	Dec. 11			Dec. 29			
RL	Bolcar	Nov. 14	Nov. 10		Nov. 12	Nov. 17	Nov. 17	Nov. 17	Dec. 6	Dec. 6	Dec. 11			Dec. 29			
HEAL	Zuiderkreek	Nov. 14	Nov. 10		Nov. 12	Nov. 17	Nov. 17	Nov. 17	Dec. 6	Dec. 6	Dec. 11			Dec. 29			
PD	Comarin	Nov. 13	Nov. 13		Nov. 19	Nov. 20	Nov. 24	Nov. 17	Dec. 1	Dec. 5	Dec. 8			Dec. 17			
BF	Aneas	Nov. 16	Nov. 16		Nov. 24	Nov. 26	Dec. 1	Dec. 8	Dec. 13	Dec. 13	Dec. 16			Dec. 25			
SEA	Canton	Nov. 15	Nov. 17		Nov. 21	Nov. 23	Nov. 28	Nov. 17	Dec. 4	Dec. 8	Dec. 9			Dec. 29			
MM	Pres Doumer	Nov. 15	Nov. 17		Nov. 21	Nov. 23	Nov. 28	Nov. 17	Dec. 4	Dec. 8	Dec. 9			Dec. 29			
MM	Wallerand	Nov. 18	Nov. 18		Nov. 24	Dec. 1	Dec. 1	Dec. 8	Dec. 13	Dec. 13	Dec. 16			Dec. 25			
GL	Kingsbury	Nov. 19	Nov. 19		Nov. 26	Nov. 29	Dec. 5	Dec. 12	Dec. 12	Dec. 12	Dec. 12			Dec. 29			
LT	Comte Blancamine	Nov. 19	Nov. 19		Nov. 26	Nov. 29	Dec. 5	Dec. 12	Dec. 12	Dec. 12	Dec. 12			Dec. 29			
MMIC	Spain	Nov. 20	Nov. 20		Nov. 26	Dec. 3	Dec. 5	Dec. 11	Dec. 11	Dec. 11	Dec. 12			Dec. 29			
NYK	Hakusan Maru	Nov. 20	Nov. 20		Nov. 26	Dec. 1	Dec. 1	Dec. 8	Dec. 12	Dec. 13	Dec. 16			Dec. 25			
NYK	Pres. Harrison	Nov. 24	Nov. 24		Nov. 30	Dec. 2	Dec. 6	Dec. 10	Dec. 20	Dec. 20	Dec. 27	Dec. 29		Dec. 29			
NRM	Ehr. Huggens	Nov. 27	Nov. 27		Nov. 26	Nov. 27	Dec. 1	Dec. 11	Dec. 15	Dec. 15	Dec. 16			Dec. 21			
MM	Genobau	Nov. 30	Nov. 28		Dec. 3	Dec. 4	Dec. 8	Dec. 11	Dec. 15	Dec. 16	Dec. 17			Dec. 27			
NDL	Cap. St. Jacques	Dec. 1	Dec. 1		Dec. 7	Dec. 7	Dec. 12	Dec. 18	Dec. 22	Dec. 22	Dec. 23			Dec. 29			
CR	Althos II	Dec. 1	Dec. 1		Dec. 7	Dec. 7	Dec. 12	Dec. 18	Dec. 22	Dec. 22	Dec. 23			Dec. 29			
MM	Althos II	Dec. 1	Dec. 1		Dec. 7	Dec. 7	Dec. 12	Dec. 18	Dec. 22	Dec. 22	Dec. 23			Dec. 29			
RL	Sibajak	Dec. 1	Dec. 1		Dec. 7	Dec. 7	Dec. 12	Dec. 18	Dec. 22	Dec. 22	Dec. 23			Dec. 29			
EABS	Alia	Dec. 4	Dec. 4		Dec. 10	Dec. 10	Dec. 15	Dec. 22	Dec. 26	Dec. 27	Dec. 30			Dec. 29			
P&O	Parona Maru	Dec. 5	Dec. 5		Dec. 11	Dec. 11	Dec. 15	Dec. 22	Dec. 26	Dec. 27	Dec. 30			Dec. 29			
NYK	Yamaguchi Maru	Dec. 5	Dec. 5		Dec. 11	Dec. 11	Dec. 15	Dec. 22	Dec. 26	Dec. 27	Dec. 30			Dec. 29			
DSSL	Pres. Poik	Dec. 5	Dec. 5		Dec. 11	Dec. 11	Dec. 15	Dec. 22	Dec. 26	Dec. 27	Dec. 30			Dec. 29			
EACS	Malaya	Dec. 9	Dec. 9		Dec. 17	Dec. 17	Dec. 22	Dec. 29	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
P&O	Rajputana	Dec. 11	Dec. 11		Dec. 17	Dec. 17	Dec. 22	Dec. 29	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
HEAL	Rosenkirk	Dec. 14	Dec. 14		Dec. 19	Dec. 19	Dec. 24	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
BF	Sarpedon	Dec. 15	Dec. 15		Dec. 22	Dec. 22	Dec. 28	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
NRM	Jean Laborde	Dec. 15	Dec. 15		Dec. 22	Dec. 22	Dec. 28	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
NRM	J. V. Ollen Barnwell	Dec. 15	Dec. 15		Dec. 22	Dec. 22	Dec. 28	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
MMIC	Gen Mitzinger	Dec. 18	Dec. 18		Dec. 24	Dec. 24	Dec. 30	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
NYK	Katori Maru	Dec. 18	Dec. 18		Dec. 24	Dec. 24	Dec. 30	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
LT	Victoria	Dec. 21	Dec. 19		Dec. 24	Dec. 24	Dec. 30	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
DSSL	Pres. Pierce	Dec. 22	Dec. 19		Dec. 28	Dec. 30	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
EABS	Boringa	Dec. 25	Dec. 25		Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
RL	Dampo	Dec. 25	Dec. 25		Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
P&O	Rampara	Dec. 28	Dec. 26		Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
NDL	Schanhorst	Dec. 28	Dec. 26		Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
CP	Cap Pandaran	Dec. 28	Dec. 26		Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			
MM	Anamis	Dec. 29	Dec. 29		Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31			Dec. 27			

## RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA  
Traffic Manager, Manila Railroad Company



The volume of commodities received in Manila during the month of September, 1937, via the Manila Railroad Company are as follows:

Rice, cavanes	135,499
Sugar, piculs	118,240
Copra, piculs	125,858
Desiccated Coconuts	29,809
Tobacco, bales	3,554
Lumber, board feet	566,407
Timber, kilos	1,709,000

The freight revenue car loading statistics for four weeks ending September 25, 1937, as compared with the same period of 1936 are given below:

## FREIGHT REVENUE CAR LOADING

COMMODITIES	Number of Freight Cars		Freight Tonnage		Increase or Decrease	
	1937	1936	1937	1936	Cars	Tonnage
Rice	575	814	7,684	10,557	(219)	(3,473)
Pulay	83	10	971	85	73	886
Sugar	221	228	6,752	7,193	(7)	(441)
Sugar Cane	—	—	—	—	—	—
Copra	652	806	4,796	6,025	(154)	(1,229)
Coconuts	47	143	443	1,566	(96)	(1,123)
Molasses	2	3	59	102	(1)	(43)
Hemp	—	—	—	—	—	—
Tobacco	31	6	260	60	25	208
Livestock	7	3	43	7	4	36
Mineral Products	260	283	1,102	3,216	(23)	(1,144)
Lumber and Timber	144	116	3,650	4,217	(23)	(568)
Forest Products	4	6	28	39	(2)	(11)
Manufactures	312	154	2,997	2,111	59	886
All Others including L.C.L.	2,792	2,637	18,507	18,244	155	263
Total	6,061	5,269	48,663	53,422	208	(4,759)

## SUMMARY

Week ending Sept. 4	1,236	1,309	11,406	14,544	(74)	(3,138)
Week ending Sept. 11	1,236	1,482	11,210	15,006	(236)	(3,796)
Week ending Sept. 18	1,328	1,239	19,323	12,707	58	616
Week ending Sept. 25	1,262	1,268	12,724	11,166	(6)	1,559
Total	5,062	5,268	48,663	53,422	208	(4,759)

Note—Figures in parenthesis indicate decrease.

## Sugar

(Continued from page 17)

furns require more diversification than our own. Domestic refiners raise no objections to the modest 50,000 metric tons permitted to be treated here for the American market, an activity mainly carried on by American capital.

It is disconcerting that sugar presently bulks so large in Philippine exports, therefore in their domestic economy. It equals the value of American manufactures sold in this market, but not when freight, insurance, and profits of American capital in the industry are taken away, and when

federal taxes on corporations' and individuals' incomes are abstracted. However, it was 46% of all Philippine exports last year, by value, and exports are about 40% of the Islands' production. Yet cane covers but 15% of the tilled land of the Islands, and now that it is confined to a quota its relative position among the exports will steadily decline. Population, will increase, food crops will be larger and new ones will be added. Some elaboration of products may be anticipated, and with all this, with the passage of but a short times sugar will be in a normal place among our exports.

But as the Manila chamber of commerce cites in its brief, even as matters stand there is admirable balance to Philippine-American commerce. It does not appear superficially, international commerce is not transparent enough for that, but fundamentally it exists. There would be no remedy for an evil, since evil is absent from the situation, in injuring Philippine sugar the American market which was in former years, not twenty years ago indeed, held out as the peculiar inducement of the industry's modernization. That could be nothing less than a breaking of faith.

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