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## *Philippine Progress Number*



*From the Book: The Martial Spirit.*

### THIS RARE PICTURE COMMEMORATES 1898

The scene is at Tampa, Florida, a Group of Officers of Roosevelt's Rough Riders. At the end of the table, Colonel Leonard Wood, left, and Lt.-Colonel Theodore Roosevelt. Roosevelt's earlier activity as assistant secretary of the navy included the formulation of the plans that led to establishing American sovereignty over the Philippines. General Wood served the Islands so long and well, and finally as governor general, that it is believed this additional and quite rare picture of him will be appreciated.

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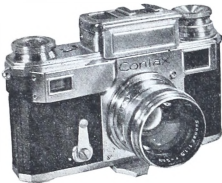


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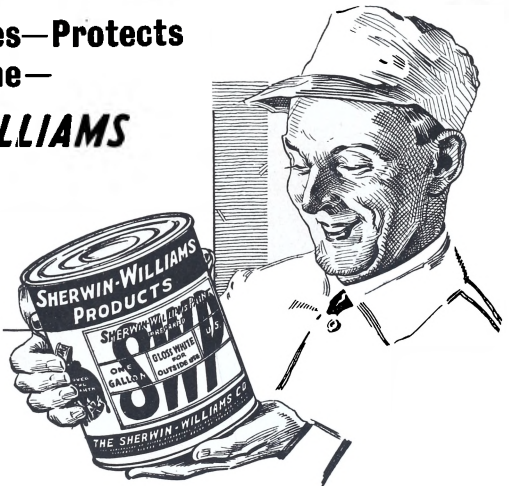
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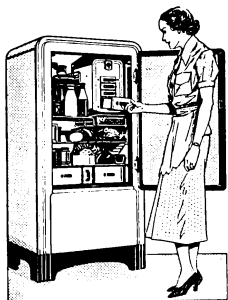
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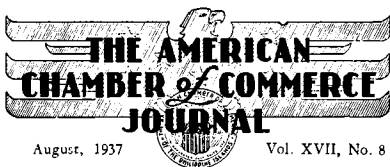
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—  
WALTER ROBB  
Editor and  
Manager



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## Just Little Things

● *Life* of June 7 has a commencement number, particularly interesting. America is mottled with colleges, and what would you guess the plant investment in them to be? It is 2-1/2 billion dollars which counts from the founding of Harvard in 1636; and that, you know, is hardly the half of a year's Federal budget. The colleges had 1,250,000 students enrolled last year; quite a lot, but less than 1% of the population and only 15% of the college-age population. June graduates were only 150,000. Students enrolled in American colleges in 1917 were only 250,000; there were five times that number last year, in bigger and better colleges, 80% of the lot being educational. Good as the showing is, it is conceivable that curricula will be varied and facilities amplified as the country grows older until all young men and women have college opportunities to qualify either in the arts, the trades, or the professions.

● The plant investment at the University of the Philippines is ₱7,600,000. The private-education commissioner does not know what it may be in the private colleges, but in general their buildings are cheaper than the public ones—say the total plant investment in Philippine colleges is ₱18,000,000. That is about a fourth of a year's budget for the government. Philippine colleges have 24,288 students enrolled; the country's population between 16 years and 25 years in age is 3,319,312; the college enrollment is therefore below 3/4 of 1% of the college-age population. The health service says the total population is 13,266,702; if so, the college enrollment is 18/100 of 1% of the country's population or roughly, proportionately, below 1/5 of the American college enrollment. The comparison is good. Philippine college graduates this year number 3,830 of whom 825 were graduated by the University of the Philippines.

● Ill and lying out a fever, *Plutarch's Lives* made diverting reading that promises to last out the year. But Numa of Rome has been reached, he who followed Romulus and turned his pugnacious city as well as nearly all Italy to ways of peace and pursuit of the arts and crafts by inculcating universal respect for and worship of the gods in lieu of cavalier invocation of their aid in battle. During his whole reign therefore, and Rome had had to bring him from his farm to make him, a

foreigner, by the way, her king, the gates of the Temple of Janus were always closed: Rome made no war, suffered no provocation to arms from her neighbors, lately so bad mannered about such things. Since Janus looks back upon brutality and forward toward civilization, Numa made January the first month and shifted Mars's month from first place to third; and he made February, the month of purification and tributes to the dead, the second month. April when blossoms open and on whose first day maidens could bathe with garlands in their hair and an eye for beaux in the willows, is of course for Aphrodite, Venus to you perhaps, and May for old men, though it may be for Maia the mother of Mercury, and June for Juno, though it may be for Rome's young men. After this there were mere numbers, until a caesar claimed August; and because January and February were slipped in as described, February correcting the calendar quite well, September to December, seventh to tenth are numerically out of place: opportunity for four several modern caesars.

● For the second consecutive year our neighbor A. K. Spielberger has topped the list of Sun Life salesman throughout the world with highest sales for the twelvemonth. We emphasize it because going into insurance was Spielberger's grasp as a dying man at a straw. From boyhood he was enamored of the Layman's missionary movement, and had educated himself at the University of Chicago for missionary work; he has his bachelor's and master's degrees, and the only thing wanting for his doctor's degree is the thesis, that he plans one day to write after delving once more into studies at Chicago. Missionary work, when he arrived in the Islands fifteen years ago, was utterly disappointing; it began with nothing at all to do in Manila for three months, and went from bad to worse. He not only had education, but a trade, as well as robust health; he had chosen missionary work not to live upon, but as an ideal. Finally he found himself in charge of a boy's dormitory; that was what he was to settle down to for life, and that is when he applied to Sun Life for a job. He thinks the depression, felt lighter here, handicapped the boys in the American field, and that the mining boom here boosted him along. But we think the man himself is a factor in his remarkable success. So do you.

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# Popular Education in the Philippines

• *It is more popular than proficient*

"A country reflects its national ideals in its methods of colonization. The American policy rests on the principle that the solution of economic and political problems will be found in the general education of the mass of the people. We have outlived the conviction that a republican form of government is necessarily the best for all peoples at all times, without reference to their experience, characteristics and intelligence. It may be something to be labored for, an inspiration, a goal. But an ignorant people will always be an incapable, inefficient, and an oppressed people. The higher education of a select few will never save a democracy."

These words were very early in Charles B. Elliott's second volume of *The Philippines*, its chapter on Philippine schools. Another paragraph toward the beginning reads in part:

"A pueblo was a district sometimes many square miles in extent and containing numerous villages, scattered at considerable distance from the center of population. . . . As attendance did not average over sixty in pueblos of from eight thousand to twenty thousand people, it is evident that only children of the rich and the dwellers in the large towns had the opportunity for even elementary instruction."

That reference is to Spanish times. "There were many scoffers in Iloilo," writes this observant scholar and classicist who was an early associate justice of the Philippine supreme court, "when the Argo, with Jason and fifty heroes, sailed for Colchos in search of the Golden Fleece; so the cynics smiled when the United States Transport *Thomas*, with its load of school teachers, passed through the Golden Gate and sailed for Manila."



That was in 1901, mid-year, the ship to reach Manila at the opening of the annual school term, and the number of teachers on the transport was about six hundred fifty. Some teachers had preceded this group; in fact, a nucleus of a school system had germinated from the civil-administration activities of the United States army, and the Philippine Commission, taking over legislation September 1, 1900, had a considerable foundation with which to proceed to establish a department of public instruction and the bureau of education first headed by Dr. Fred W. Atkinson, under which the Philippine public schools system has been carried on ever since.

Even under the Commonwealth there is a public-instruction department, Vice President Sergio Osmeña at the head of it. Heroisms of American teachers who for longer or briefer periods associated themselves with this service are prosaic in the annals of Philippine schools, being so common; during all early years, especially, the risks to which they exposed their health, and often their lives, adorned them in the garb of true crusaders; their insignia was a simple textbook, their baldric a girdle of persistent courage meekly rewarded.

The impression these teachers made upon Philippine culture is the deepest that bears the American imprint. The schools they founded now accommodate an enrollment of some 1,200,000 pupils and engage the services of some 28,000 teachers hired either by the central government or the provinces and towns. Emotion is evoked by so much done, with such a purpose, in so little time, but when reason examines the record a somewhat lower mark is given everyone concerned in it.

(Please turn to page 11)

## SOME COMPARATIVE DATA ON SCHOOL COSTS

I. Distribution of school expenditures (1934) of U. S. and Philippine public schools:

UNITED STATES <sup>a</sup>		PHILIPPINE ISLANDS <sup>b</sup>		
Amount contributed by:	Percent	Amount contributed by:	Percent	
Federal Gov't.	43.095,876	Insular	14,215,905.35	61.92
State Gov't.	846,356,490	Provincial	4,094,009.70	17.84
County Gov't.	338,317,906	Municipal	4,648,004.80	20.24
Local Gov't.	2,393,334,874			
Total	3,621,304,186	Total	22,957,919.85	100.00

<sup>a</sup>—*Biennial Survey of Education in the United States*, Bulletin 1935, No. 2, Office of Education, U. S. Government Printing Office, Washington: 1936, p. 19.  
<sup>b</sup>—*Thirty-Sixth Annual Report of the Director of Education*, Bureau of Printing, Manila, 1936, p. 59.

II. Per-Pupil and Per Capita Costs (1934):<sup>c</sup>

Countries	Per Pupil	Per Capita
Alaska	\$339.88	\$26.36
Continental U. S.	152.44	27.08
Hawaii	132.48	24.28
Canada	106.82d	22.14e
Virgin Islands	80.74	9.84
Puerto Rico	45.06	5.86
Japan	36.12f	6.06g
Philippines	19.15h	1.78i

<sup>c</sup>—All figures in table II, unless otherwise footnoted, have been taken from the *Biennial Survey of Education in the United States*, Bulletin 1935, No. 2, Office of Education, U. S. Government Printing Office, Washington: 1936, p. 90.

<sup>d</sup>—Computed from figures given in *The Statesman's Yearbook*, 1935, Macmillan, London, p. 298.

<sup>e</sup>—Computed by dividing the total public schools' expenditures by total population according to the 1931 census. *The Statesman's Yearbook*, 1935, Macmillan, London, pp. 294 and 298.

<sup>f</sup>—Computed by dividing the total elementary and secondary school expenditures by the total elementary and secondary enrollment for 1932. *A General Survey of Education in Japan*, 1935, Department of Education, Tokyo, pp. 14, 19, 71.

<sup>g</sup>—*A General Survey of Education in Japan*, 1935, Department of Education, Tokyo, p. 70.

<sup>h</sup>—*Thirty-Sixth Annual Report of the Director of Education*, Bureau of Printing, Manila, 1936, p. 58. The 1935 unpublished data: Per-pupil cost, \$20.38; per capita cost, \$1.91.

III. Percentage of all public educational costs of total governmental expenditures from all sources:

Continental U. S. (1928)	40.18%
Japan (1934)	24.73%
Canada (1934)	23.16%
Philippines (1934)	20.21%

<sup>i</sup>—*Department of Superintendence, Ninth Yearbook*, National Education Association, Washington, 1931, p. 329. This is the only available data published on percent of total educational costs of total governmental expenditures derived from all sources. In the study reported all educational costs, including those for higher education, coming from local, county, and state revenues were combined and divided by all tax collections from the same entities but excluding Federal aids for schools.

<sup>j</sup>—Computed from the *World Almanac*, 1937, p. 671, from total educational expenditures of the Empire and total governmental expenditures from all entities.

<sup>k</sup>—Computed by dividing total public school expenditures by the sum of the consolidated general expenditures (Dominion) and provincial ordinary expenditures. *The Statesman's Yearbook*, 1935, pp. 298 and 299. The school expenditures given do not include those of universities.

<sup>l</sup>—*Thirty-Sixth Annual Report of the Director of Education*, Bureau of Printing, Manila, 1936, p. 60. Data for 1935 from Bureau of Audits (not yet published) is 21.71%. —*Philippine Magazine*

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# What Will Come?

## • *World Economy Is Based on Preparedness*

Though the Philippines are preparing to prevent war, still one day they may have it. Since Russia and Japan have long been preparing for war, it is certain that some untoward spark will fire war's flames in both countries—whether it pits them against each other or not. Since China too gives major attention to preparations for war, China is on her way to war. All this is equally true of the United States, of Germany and France, England, Belgium and Holland, and of course of Italy, who not only prepares for war but makes war and thus obliges herself to make renewed preparations.

Discussing Philippine progress during the American period, in this issue, such facts of current moment have to be given consideration because Philippine economy rests primarily on the Islands' overseas trade, their sale of surplus products, and this business has for years been favorably affected by the worldwide preparations for war, while it will be intensely affected, favorably and unfavorably, by the advent of war on the world scale for which the martial spirit everywhere is now setting the stage.

But *everywhere* is a slight exaggeration. The Oslo group embracing chiefly the Scandinavian countries are not engaged in any remarkable preparations for war; the factor enters therefore very little into their various national economies, and they are not in danger of provoking war or having war thrust upon them. If during war, transportation for their supplies is maintained, as for Denmark's foods and Sweden's iron and Norway's lumber, their trade will benefit during the conflict; they will share the general hardships of the slow recovery from war, but to lesser degrees than will the mad nations who do the actual fighting, so-called.

Actually, modern war is murder and starvation by attrition—blockading countries away from their sources of necessities, or from their market outlets—affecting civilians without discrimination equally with combatants.

But this discussion is not emotional, it is wholly economic. It borrows greatly from John T. Flynn's *The War Boom* leading *Harper's* gist for July. The situation is this: Getting ready for war creates work, opens new demands for supplies of all sorts, factories in which to prepare them for utensils of war, warehouses in which to store them as crude materials or as martial manufactures; and all this requires great outlays of money, sometimes impairing public credit until bond rates rise or bond prices fall, and notoriously, until moneys are impaired and their exchange worth is devalued—until in short, everyone is subjected helplessly to mild or sterner forms of robbery by the governments set up to defend their rights, governments, regardless of form—Germany's kind, or Russia's kind—that in war will demand the ultimate sacrifice.

When this process has gone as far as it has in the economies of all the great nations today, it counts so much in prices, in wage scales, in jobs to be had and commercial and financial opportunities to be seized, that no country can cease pursuing it. If England stopped arming tomorrow, day after tomorrow her economy would collapse; and before opening her stock exchange would close because its managers would not dare face the panic of selling that would accompany trading. This is equally true of the United States; it is even more true of Germany, France, and Italy, as well of course as of Japan,

and it would cause Russia such dismay as might overwhelm even her peculiar state system.

Even in the Philippines martial affairs have given no small fillip to commerce; they have founded certain industries, such as that of making the fiber campaign hats and the uniforms, and have revived at least one industry, shoe-making. They take 25% of the national budget, and dispense it largely in wages and purchases. Let this go on only a few years more, as it certainly will, and you will see that it has become a dominating factor in the Islands' economy; and since that will be the case, it will grow constantly until it brings about war; and if nothing better, then domestic war. For there comes a time in this business when not another cent can be wrung from the substance of the people as long as peace prevails. Since this is true, unless something happens to intensify popular patriotism, there will be calamitous and sudden economic recession.

Prices will fall, men will not find work, nor fortune in their business, or be able to meet their obligations. Taxes and debts will go by default.

In a war-preparations economy, you do not keep a school open or a bank solvent save with the by-products of the demands of Mars; nor do you have comfort or even sufficiency in the home. On the other hand, so long as you keep it up, you have all these good things and innumerable ones besides. Therefore, when it shows signs of failing because the people refuse to supply it any further, to avoid collapse you turn the practice of preparing for war into war itself.

That gives you new command of the situation at once. If you have set up no dictatorship heretofore, you can do so now; instead of the common rights of the people, their day in court, and their privilege to harbor and even express opinions, you can have martial law and nothing else—all those persons who will neither pay nor fight can be summarily deported or dealt with more severely. This is not specially applicable here, but everywhere—in all countries that feel war to be inevitable and make stupendous preparations for it that affect employment and price levels.

Flynn refers to that period in the World War when Germany sued for peace and peace might easily have been effected. It was December 1916, a good many months before America joined the Allies. Yet it upset everything in America, until means were found for ignoring it and keeping on with the war, for even in America, the European situation had so involved banking, production, merchandising and price levels as to make the very thought of peace a spectre of despair.

On the day the *New York Times* published the mere hint of peace, people tossed shares on the market for what they would bring. There can have been no less consternation among the Central Powers, and among their suppliers. The only force that makes preparations for war, and war itself, once begun, cease, is the circumstance of utter exhaustion. Put one way, that means the starvation of babes in their very cradles. This is precisely the extreme the Central Powers came to in the World War, Austria more particularly and tragically than Germany herself, and it has been scientifically described by American military surgeons who were unhappy

(Please turn to page 15)



# Health Conditions Then and Now

## • *Reasons for the Islands' growing population*

Nothing else stands out more prominently in Philippine progress under the Islands' moderated political association with the United States since 1898 than the matter of public health. It is practically safe to say that at the time of the American occupation of Manila in August 1898, hardly a doctor in the Islands knew how to set a bone from having studied one in place in the human skeleton. Surgery was taught at the royal university without aid of even gross dissection. Histology, microscopic anatomy, was not even a name in the curriculum, and dissection was taboo. Graduates were little better than herbalists, and the convenient practice of physicians owning drugstores above which they lived and had their offices was infinitely more notorious than it is today.

One the kindest delvers into such curious facts relating to public health is Charles B. Elliott, an early associate justice of the Philippine supreme court. The second of his two volumes *The Philippines* is a delightful and accurate review of the period up to the end of the Philippine Commission, 1901 to 1916. As late as 1892, he says, no Philippine surgeon opened the abdomen. The Islands, praised by every visitor for their cleanliness today, were then quite the reverse. Manila had no sewer system, no exception among oriental cities; swine were common scavengers—such waste as oversurfaced them, and the packs of mongrel dogs, was consigned to the city's system of 25 miles of sluggish canals, or disposed of in some other way equally crude and menacing to health.

The canals were polluted beyond description, and boats and lighters plying them kept stirring up the refuse and inviting the winds to take up the nauseating odors. Elliott finds:

"For many years the death rate in the Philippines had been so high that the population was at a standstill . . . the rate must have been at least 50 in the thousand . . . more than one-half of the children born in the Islands never lived to see the second anniversary of their birthdays."

The moats now converted into a series of gardens and playgrounds around Manila's picturesque walls, were then fetid swamplands breeding deadly mosquitoes. But the belief, even of doctors, was that malaria and kindred fevers came of the miasmatic night air; all classes slept with their houses as tightly closed at night as possible—tuberculosis and all other maladies conceivable flourished on the universal ignorance respecting their causes and cures. It is well enough to go into all this in some detail, as millions of young Filipinos born during the past thirty years know little about it. The only vaccine was for smallpox, and that so indifferently used as to give scope to perennial epidemics sweeping children away like wheat before the scythe.

Goodness knows, with the health-service budget for the entire archipelago below a million pesos, there is a long road in this direction still to be traveled. But the change during a single generation has been remarkable. Elliott tells of a wife who treated her husband for congestion of the lungs. She

used garlic poultices; first, one of three heads of garlic in appeal to the Trinity, then one of five heads as a tribute to the five wounds of Our Lord, then one of seven heads in honor of the seven pains of Our Lady, then one of twelve heads for the Apostles, and at last in sheer desperation, one of thirty-three heads in honor of the years of Our Lord on earth. When her approving confessor asked what else she had done, after all this, she admitted to him that with the garlic poultices, each with its mystic number, her conjugal care had ceased—her patient had died.

Americans filled the moat at once, and at the same time, expanded the water system and laid the sewers—an engineering job through a sprawling flat city not three feet above the bay, over much of its surface, that has always seemed to us a modern miracle. Certainly its saving of life in Manila is miraculous. Before all this was done, sanitation was general, hospitals and dispensaries had been established, and serum laboratories, the Bureau of Science, local boards of health and a general health administration—soon to be the Bureau of Health with Dr. Victor G. Heiser at its head, he busy segregating lepers from the general population, founding Culion and reorganizing San Lazaro (taken over by the government from the Franciscan monks), and laying open the way to his later career with the Rockefeller Foundation.

Manila was open to every plague from China; it is unbelievable today, but the city's larger supply of green vegetables came from Canton, with no sanitary precautions against infections. When plagues were disastrous, as they commonly were, the only possible appeal was to the saints.

Bubonic plague and cholera both appeared in the Islands early in 1902, and in Manila as well as the provinces. Bubonic was washed out with the

June rains, but the cholera was a harder fight. The people had seen how the American army went about such problems, they were now to learn how American civilians tackled them; civil government had been functioning since 1901, with Dean C. Worcester, secretary of the interior, in charge of health and personally creditable with the entire program, features of which are here barely touched. The transport Thomas had brought 650 teachers at one time, there may have been a thousand teachers in the new education department, and they were stationed throughout the provinces in the capitals and larger towns.

Fred T. Lawrence was at San Miguel de Mayumo, where he still lives, a large town in northern Bulacan, central Luzon. In his town he handled the cholera scourge single-handed. It struck hard, taking a hundred lives a day in the market district. Lawrence strapped on his service pistol, procured a corporal's guard from the constabulary, went to the market and burned everything in it; he burned bolts of cloth on the shelves even, because they were filthy with dust and kept near such foods as fresh fruits. It being left to him whether to close school, he kept

(Please turn to page 46)

### CHRONOLOGICAL

Army General Order No. 16, September 10, 1898, directs the Provost Marshal General to organize a health department for Manila and its suburbs.

September 15, 1898, the Provost Marshal General creates a Board of Health for Manila and its suburbs.

July 1, 1901, Act No. 157 of the Philippine Commission establishes a Board of Health for the Philippines.

December 2, 1901, Act No. 307 of the Philippine Commission establishes provincial boards of health. Act No. 308 establishes municipal boards of health and defines their powers and duties.

February 6, 1912, Act No. 2156 of the Philippine legislature (the Philippine Commission and the Philippine Assembly founded October 16, 1907) consolidates municipal districts into sanitary divisions at the instance of the insular health authorities.

February 5, 1915, Act No. 2468 of the Philippine legislature reorganizes the Philippine Health Service.

December 5, 1932, Act No. 4007 of the Philippine legislature (wherein, in 1916, the senate of 24 members supplanted the old-time Philippine Commission as an upper house) reorganizes the government departments, bureaus, etc., and changes somewhat the set-up of the health service.

—Courtesy of Dr. Jose Bantug,  
Philippine Health Service.

# The Philippine Mail Man

## • Mud Sleds to Clippers, He Pushes Through

He is redeemed from oblivion who receives a bit of mail. The missive handed him from the posts endows him citizen. Indeed, he shares the blessings of a king's fortune. The finest of engraving plants has embossed the stamp, which, mayhap, great rulers would gladly place in their collections. To fetch the letter faster, continents have been spanned by steel, oceans by the swiftest liners, and now, both continents and seas by winged ships navigating the air at two hundred miles an hour; and scientists in laboratories evolve better alloys of metals for stronger and lighter trains and airplanes, and better ships to hasten Juan's or John's letter along to him. Forests are turned into paper for the letter, and the newspaper, and millions of capital are employed in the making of the pen and the ink with which it is written and the distant address inscribed.

A ship may be filled with freight below decks and crowded with passengers above, but will often turn no profit unless a great government allots it a subsidy for the mails.

Back of all man's progress with transportation lies the urgent responsibility of putting through the mails during the least possible lapsed time. In his social struggles, employer vs. employee, man encounters a taboo—*Beware! Don't delay the mails!* Juan's and John's letters, thin and seemingly unimportant, are sacrosanct wherever democracy prevails; and a mailbag could well symbolize the regnancy of constitutional law. The child in arms loves the mail man, as the gods loved winged Mercury, their timely and tireless messenger—and the child's parents add respect to their appreciation of the hazards the man runs to bring letters to their door.

Above all this, laws—the most implacable that governments can devise, concerning whose enforcement there is no division of opinion: the laws of crime that guard the mails so well that none but the fool defies them, and he not with a moment's impunity. Break a law relative to the mails, steal something from an envelope or packet in transit through the posts, and never, until you are caught and summarily punished, will the shrewdest sleuths in the world cease dogging you. Nor will they hesitate, if the provocation is much, to kill you; and should they intercept you in the act, they will if necessary, kill you before you complete the theft. Killers often ride with the mails, with the universal approval of society. The courier service that preceded in the United States the transcontinental railway mail service, had behind it the protection of 40,000 troops; indeed, in final analysis, the complete resources of the nation.

Strangely, this has all come about, and become worldwide, since the founding of the United States. For them, Franklin devised the public postal system; prior to the Revolution, he had been King George's courier to whom the business of

the mails was farmed out. Cheap and regular and safe mails were an initial victory of democracy. So much were they taken for granted in America when she took hold in the Philippines, that she made it a primary obligation of hers to establish them here.

As our readers know, the man chosen to do this was Charles M. Cotterman, later to be one of the founders of the Chamber of Commerce and remaining today in the highest leadership of the community. No bureau of the government was more ably organized than the Bureau of Posts, and no other bureau was managed with equal economy. This set remarkable precedents, one of them illustrated by the fact that during

last year alone employees of the bureau rendered overtime service that, had it been paid for, would have cost the Commonwealth nearly P200,000.

We think it time to commence paying for this overtime, since the bureau nets the government material income every year; but in the early years when total government revenue might be \$7,000,000 to \$8,000,000 a year only, and never reached \$13,000,000, this could not be done. Cotterman himself, of course, set the example of the personal sacrifice entailed in quick dispatch of the mails without regard to hours of service involved.

The foundation that Director Cotterman had with which to commence the postal service of the civil government was the signal corps service of the army coordinated with the old postal service taken over from the Spanish administration.

Roads were few over which to transport mails; the one railroad, the Manila, was short, shutting up to Dapagan, Pangasinan, only. Sleds drawn by carabaos were often used for the mails, and probably this makeshift has not yet been entirely abandoned. If the sled is at the bottom of all means of transporting the mails in the Philippines, airplanes including Pan American clippers taking mails to and from the United States, are at the top. In between come railroads in Luzon, Panay, and Cebu, commercial trucklines over the extensive road systems throughout the provinces, interislanders among which the faster ones make the Manila-Iloilo run in eighteen hours, and much further down the scale, serving irregularly a few very remote communities, and without cost, small coastal sailing vessels of the dugout type.

The insular telegraph system was combined with the mail service from the beginning, and provided with radio instruments about thirty years ago, at the time the postal savings bank was added. The money order service dates from the beginning and has long been worldwide and liberally patronized. When Director Cotterman left the public service in 1913 to engage in private business, he was succeeded by José Topacio, whom Juan Ruiz superseded a few years ago. The

(Please turn to page 15)

### BUREAU OF POSTS

#### INCOME

Year	Total	Postal Service	Telegraph Service	Money Order and Telegraph Transfer
1936.....	P4,230,172.09	P2,692,037.91	P1,177,889.63	P360,244.55
1935.....	3,833,534.82	2,408,314.01	1,088,141.50	337,079.31
Increase.....	396,637.27	283,723.90	89,748.13	23,165.24
Decrease.....	.....	.....	.....	.....
Per cent.....	10.34	11.78	8.24	6.87

#### EXPENSES

1936.....	P3,018,676.90	P1,738,060.78	P1,045,700.65	P234,915.47
1935.....	2,784,533.73	1,577,251.41	988,777.30	218,505.02
Increase.....	234,143.17	160,809.37	56,923.35	16,404.45
Decrease.....	.....	.....	.....	.....
Per cent.....	8.40	10.19	5.75	7.51

#### PROFIT (OR LOSS)

1936.....	P1,211,495.19	P953,977.13	P132,188.98	P125,329.08
1935.....	1,049,001.09	831,062.60	99,364.20	118,574.29
Increase.....	162,494.10	122,914.53	32,824.78	6,754.79
Decrease.....	.....	.....	.....	.....
Per cent.....	15.49	14.79	33.03	5.69



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the United States. It doesn't get America out of the Philippines, now that she is here, and has long been here making the best of a national responsibility she never desired; of which it would seem that no more than three men in her public life had foreknowledge when Dewey went to Hongkong and coaled at Mirs bay in readiness to come to Manila—and President McKinley was not one of these three.

But on one shore of the Philippines beats the Pacific, touching the West. On the other shore beats the China sea, now crossed by airplane in a matter of hours, Macao, Canton nearby, and Hongkong on Victoria island; and on that shore is touched the profound, reawakening civilization of the extreme East. Here in the Philippines the two civilizations meet physically, as throughout the world they encounter one another less tangibly; and they clash, being opposing forces, and only time and the evolution of universal civilization can possibly reconcile their acerbities. If one is made extremely strong, it will not desire compromises and reconciliations. It will push on and destroy.

The Philippines while benefiting from the sovereignty of the United States (that really costs so little to maintain, in comparison to the costs of war) are a buffer between the East and the West that neither of them need be permitted ever to thrust aside until the purpose of so doing is for common understandings and the permanent accords of realism in international relations. But should America let the Islands go, her withdrawal would at once round out eastern empire of overpowering resources—quite enough to set that empire on the march, disdainful of meeting other nations on half-way terms, taking a little and giving a little and thus extending the universality of mankind's common interests, disdainful of everything, indeed, save sowing fields with dragons' teeth and implanting her own peculiar culture far and wide.

This would be harmful all round. It would be borne universally, and as soon as it was opposed, civilization would begin to be set back leagues at a time; and the cost of the whole wretched business, which conceivably could turn out unsuccessfully for the West, would be as much higher than the very small cost of prolonging sovereignty over the Philippines as the Empire State Tower is higher than a sailors' hangout on Water street.

As soon as America really thinks of abandoning the Philippines, common-sense diplomacy at Washington will put all these facts before her very cogently. When this is done, and she thinks a second time, her better judgment will tell her that world balance largely depends on her retention of the Islands, and that a dangerous condition of utter want of balance would be precipitated by her mere decision that her flag over Manila must come permanently down.

This is why we say, with regret if she wishes very much to do otherwise, since her exchequer will never be enriched here, that she will always find separation from the Philippines impracticable.

As to the Islands, rightly considered least in this matter of great national and still greater international import where in the fortune of fifteen million people is as nothing to the unmeasured advantage of the world at large, they can't prepare economically for withdrawal from the United States. They will go on right to the last day buying and selling predominantly with the United States, their better market, and looking for nothing else. If this is not believed, put it to the test. Empower the Philippine assembly to curtail by fixed gradation year by year, sales of major products into the United States—for that would be preparation. Do this, and see what comes of it.

And now, since actual separation of the Philippines and the United States does not comport with the better opinion of mankind, nor really serve any conceivable purpose of either country, let the MacMurray commission please begin foundations for another policy in the Islands reconciling what the Philippine people want and ought to have, with what America should consent to in realistic fairness to herself and the civilization her institutions represent. This is the most that can be done, and because the circumstances of the existing unsatisfactory situation are imperative, it is likewise the least that should be done—and by all means

## INSEPARABILITY

It was February 12, 1932, and the occasion of House committee hearings on the Hare-Hawes bill out which finally came the Tydings-McDuffie act. Congressman Buller B. Hare was presiding.

"Mr. Lozier. May I ask a question, Mr. Chairman?"  
"The Chairman. Let me make this observation, that the committee has studiously avoided admitting testimony that will in any way deal with international relationships."

In our view, the Philippine question can not be put on any material basis. It is not one limited to the interests of the Islands and those of the United States. Much more is involved.

A case may be made out that the Islands do not pay the United States as a government. This is not germane. It might as well be argued that a coast defense safeguarding San Francisco, Boston, or New York does not pay. The Philippines, properly viewed, are more than all the coast defenses in the western world. Moreover, the imperial motive does not actuate the United States in the Islands. It animated briefly the minds of the men primarily responsible for the acquisition of the Islands, but not McKinley's and Root's, and immediately lost its potency. Certain persons known to the records had fed for long on the exhortations of Kipling, now for long a thoroughly dated inspiration; they had developed an imperious gastritis that only empire would relieve, but time took care of them long ago.

Neither is it meet to urge, or to consider, practical considerations from the Philippine viewpoint. Their very life is the American market, but even this is not the point. Realism is the thing, from both sides, but broad-gauge realism. Even if the Islands could make out a *prima facie* case for going it alone, this has no real bearing on the question before

without delay. No country's future can be clarified absolutely, but every one's should be kept as clear as possible. Dubieties easily avoidable, intruded into the basic Philippine situation of late, sum up amajoralamity.

With our bow to the MacMurray commission, we submit these earnest suggestions. Our summary is, the

question is wholly international. It is not a dilemma, America has but one choice. What is wanting, and would go so far toward reestablishing international stability, is America's courageous acceptance of that choice. She has eight years in which to work around to this ultimate attitude, a time none too long.

### Popular Education in...

(Continued from page 6)

Certainly the schools have long been the faithful handmaiden of all other effort in the Islands. Office seekers woo their good opinion, and once in office, cater to their wishes. They sell the shoes a factory makes, the hose a merchant imports, also all manner of cotton stuffs making up into clothing. They recruit the professions in which men rise into a middle class buying music instruments, a good deal of jewelry, motor cars and other things—luxuries of today, necessities of tomorrow. Their votaries man the forum, the bench, and as surgeons, wield the scalpel. They surely gave the people the franchise, now forfeited, temporarily at least; men they have made eloquent, selected by their fellows, show themselves grandiloquently resourceful through annual law-making sessions enduring a hundred days on end, and out of session, argue pro and con whether democracy is here in substance or in form only.

The lower schools were crowned with a state university as early as 1909, an institution with by no means an independent life in groves sacred to the arts alone, yet with some seven thousand undergraduates: an institution so much distressed by such a burden, and wanting an endowment of any sort, has necessarily to go begging yearly in its hallowed robes, to the executive and the legislature, for handouts to keep it barely in existence.



Yet this school honestly boasts a coterie of able instructors. Feeble as its light may be, it is the fairest and most promising in all Malaysia; and in Malaysia it is only here in the Philippines that Freedom, often rebuffed and humiliated, dares persist with her claims to public esteem and democratic recognition.

Granted, this, granted infinitely more that the most casual observer must see derives from the Philippine public schools, it must still be admitted that the system is but measurably successful. Nearly sixty-five per cent of the cost of the schools falls upon the general government; the communities actually served by the schools have never been taught to support them, and have never learned to do so independently of having to be taught such a primary duty. Illiteracy, such as consists of inability to read anything in any idiom with understanding, seems still to envelope fully half the population; though the Commonwealth constitution assures every child schooling through the primary grades, this is not provided, has never been provided, would cost at least P35,000,000 and impose an impossible burden on the national budget.

Besides that, primary schooling through four grades approaching the fifth grade where intermediate instruction begins, and some effective use of references and libraries, would not insure general literacy.

Popular education in the Philippines, therefore, up to now, runs the gamut between graceful achievement and awkward failure. Not yet are the people getting what they fought for basically in 1896 and 1898, satisfactory schooling for their children; worse yet, a system looking to the practicability of this goal has never been devised, though all teachers are overworked and nearly all are poorly paid. In Manila, ideal when compared with the provinces, there is dismal

(Please turn to page 13)

## HEADACHE



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# Coast & Geodetic Work in Philippine Progress

The Philippine coastline is many times that of the United States. With most of their interprovincial traffic, their commodity commerce especially, carried by sea, and their comprehensive ocean commerce, the work of the U. S. Coast & Geodetic Survey service has been of the most vital importance to their progress. Begun in September 1900, about 87% of the first survey of the waters of the Islands has been completed, and a triangulation control system has been executed to cover the entire archipelago. Associated with the following notes from Captain Maher, at present the bureau's director, the reader is provided a small but very accurate map of the islands.

The Philippine Archipelago consists of 7083 islands and rocks above water. Of this number 466 are islands with areas of one square mile or more. Thirty of these have areas of over one hundred square miles. The greatest length, north to south of the Archipelago is 1,150 statute miles and the greatest breadth is 660 miles. The approximate land area of the Islands is 114,400 square miles, 94% of which is contained within the eleven largest islands of the group.

The Philippine Commonwealth is an island nation. Its interisland waterways are its great arteries of commerce. Railroads and roadways are only feeders. Its magnificent marine highways—lanes of commerce, cost nothing to build and nothing to maintain. The only cost is that of mapping and marking them. The wealth and progress of the Islands depend on the ease and facility with which its natural resources can become parts of the commerce of the world, and these depend entirely on the adequacy of the means of transportation and communication.

The commerce which creates the wealth of the Islands is water borne. Hemp, tobacco, sugar, minerals, all must be shipped. All must pass over some ports of waterways before they become the credits which represent the wealth of the Commonwealth.

The actual and potential wealth of the Islands, lies in the developed and undeveloped natural resources, but the greatest asset is the system of interisland waterways, the connecting links which join the hundreds of islands of the Commonwealth with the markets of the world, the marine highways which afford the only means for unlimited unrestricted transportation and communication. Highways free from fog, ice and many dangers which restrict navigation elsewhere.

The actual contribution of this great asset to the prosperity of the Commonwealth is difficult to estimate in pesos. A realization of its great value can only be grasped, inadequately after a consideration of the expense incurred elsewhere in constructing substitutes. Where such natural highways do not exist, man has had to construct more roads than would otherwise be necessary.

Are these great marine highways safe for navigation? Have they always been safe?

A table of statistics lists seventy-four vessels of over 1000 tons as having been wrecked in Philippine waters from 1904 to 1914. To-day we seldom hear of a vessel going aground on an uncharted rock. What has been done to make these waters safe? Over two hundred and eighty thousand square miles of water area have been surveyed; over 8,000,000

• *Commercial and scientific interests share with those who use the seas the benefits of a service that in 37 years has cost less than ₱20,000,000—the Islands contributing 40%, Uncle Sam the remaining 60%.*

soundings have been taken; 165 charts have been published. Five survey ships were kept in operation, under Federal direction for over thirty years, surveying these waters. The cost from 1901 to June 30, 1937 has been \$9,817,780.00 of which \$5,619,524.00 has been contributed by the Federal government and \$4,198,256 by the Insular and Commonwealth governments. The maximum expenditures in any one year were in 1928 when the Federal government contributed \$209,139 and the Insular government \$144,509.

Expenditures during 1936 were—Federal, \$48,135; Commonwealth, \$74,021; 1937—Federal, \$52,918; Commonwealth, \$105,056.

Territorial limits need to be accurately defined so as to permit adequate patrolling to prevent smuggling of aliens, drugs and other contraband. Also, international complications may be more easily avoided and territorial neutrality maintained when the limits of jurisdiction are accurately determined.

The question which will naturally be asked by any one interested in this subject is—Will the surveys of the waters of the Commonwealth be completed when the remaining 13% are charted? The answer is no. Deep draft vessels are displacing shallow draft interisland craft. Deep draft, ocean going ships are calling direct for cargo at places formerly visited, if at all, by small craft. This practice will increase rather than diminish.

During the first ten years of the operation of this Bureau, to meet the demands of shipping, surveys had to be made at such a rate, that with the methods then in use, they do not fully meet the standards demanded by modern shipping.

The most important waters were surveyed first. These waters have not lost their commercial importance. It is evident that revision of charts will be necessary for many years.

A revision of the Coast Pilot is now in progress, under the direction of an officer detailed from Washington. One third of the work has been completed. The results will be published in two volumes, superseding the issue of 1930. The Coast Pilot is a publication giving sailing directions, data regarding tides and currents, details regarding the security of anchorages, harbor regulations, availability of supplies and other information required by the navigator, but of such character that it cannot be given on the charts.

In other words, these volumes supplement the charts. The work is being done on a cooperative basis, the Commonwealth furnishing a seagoing launch and crew for transportation.

Plans have been under consideration for the training of young men to take over the work performed by and under the direction of Federal officials. The training of field men offers a more serious problem than the direction of office activities. Provision was made for the appointment of three cadets, but facilities for training them are lacking. With only one small ship in operation, the Steamer *Fathomer*, federal survey officers would have to be removed to provide quarters for the students and it is doubtful, at the present time, if a further curtailment of surveys is warranted, even for such a worthy purpose. The officials of the Commonwealth are considering means to remedy this difficulty.

The plant of the Manila Office of the Coast and Geodetic Survey is a fully equipped unit for converting the work of its field parties into the finished charts, and maps used by the



## Popular Education...

(Continued from page 11)

failure every year to keep facilities up with the growth of population; thousands of tots apply for enrollment, only to be turned away, though the age of entrance is seven, when they should be in their second readers if not the third.

One remedy of these circumstances that has been hit upon, which is not a remedy at all, but a gross imposition on the helpless teachers, is to have one set of pupils attend schools of mornings, another set of afternoons, each teacher thus doing double work, the important business of the playground and vocational pursuits being quite neglected.

In the provinces the schools present a more abysmal picture of defeat. The Islands can show some very creditable schools, the University of the Philippines, the Philippine School of Arts and Trades, and good highschools in Manila and the provinces attended by some 200,000 students. But the general exhibit is wretched and provocative of much discontent.

Yet the purse, for schools, seems to have been emptied some time since; within a very short time, the per capita outlay for public education has dropped from about ₱25 a year to about ₱20 a year, from \$12.50 to \$10, and for the 250,000 new children coming on each year, the minimum natural augmentation of the population yearly, little if anything is provided. Expedients are the sole resort, attesting defeat by an insoluble problem. The intermediate course, for example, embraces grades five to seven; as a preparatory course for further study in highschool or craft schools, or even for the sheer obliteration of illiteracy, it is inadequate. Yet such is the situation that a good educational commission headed by Dr. Rafael Palma, a commission President Quezon created, talks of shortening the course and getting children into highschool a year earlier. The Palma commission (Dr. Palma was formerly the eminent head of the University) also advises starting children into school when they are six years old.

This reveals the inadequacy of kindergarten work.

The typical school for the masses in the thousands of villages and hamlets throughout the islands is a two-grade school in a one-room building of cheap materials. To go higher, a child must be sent away from home, so few go any higher. But in these two grades at home, if a child is lucky enough to be enrolled, language studies are in English. The children are bright, and pitifully eager to learn, and their parents are anxious to have them taught, while the teachers are patient and self-sacrificing. But during two grades the basis of literacy in no language can be laid, not even the native one. Leaving school, children have acquired a little English nomenclature. They have learned some ephering and the Roman alphabet, but to converse and make sentences in the new exotic language, English, is beyond them, of course—it would be beyond any children in the world who did not imbibe the speech with their mothers' milk.

So goes the larger part of the money laid out for public education in the Islands, missing the point almost entirely. Adult education is not taken up effectively, village schools are not used of evenings; and for the people's great dependence on grants from Manila for their schools, the principle of the centralization of all authority at Manila is directly to blame.

The village schools have yet to be vitalized as the lodestone of village life, the end for which every family makes supreme sacrifice by voting levies in town meeting and taxing themselves for the schools their children require. On the other hand, with this responsibility which the executive authority at Manila has insisted upon shouldering alone, or at least in the main, that authority is failing now, has always failed, and has naught but continued failure in prospect.

Up to this point discussion has referred to children enjoying use of all their faculties. For the less fortunate, the blind and the deaf mutes, nothing is done beyond the capacity of a single school in Manila where the enrollment seems to be below two hundred. Even this school is inadequately maintained. To sum up shortly, though public education has been basic in Philippine progress under the United States, its plight does not improve; besides the facts cited here, few among the many that might be assembled, the recent suppression of the teachers' pensions and dissipation of the foundation, ₱21,000,000 or more than \$10,000,000 attests the Commonwealth's inability, for want of revenue enough, to found and maintain for all the people of the Islands a thorough-going system of primary education such as that contemplated by Congress in the Tydings-McDuffie act and guaranteed the Filipino in his country's constitution.

This is the situation now, to become worse, of course, as new burdens reach the general budget and demand shares in the revenues. To become worse, also, with the rapid growth of the population dealt with in another paper in this issue of the *Journal*. Now if you will but turn back and glance at Elliott's words: *The higher education of a select few will never save a democracy. . . . Education of the masses is essential for a self-governing people.* Both the American teacher and the Filipino teacher have always done what they could. *It has never been half enough. With loss of revenue entailed by loss of American markets for surplus commodities incident to political separation from*

*the United States, it must inevitably be less. This note will entail either complete reestablishment of the thralldom of the Philippine masses, or social upheaval inviting in an enemy from the outside.*

## The Philippine Mail Man

(Continued from page 9)

*Journal* has some valuable notes from the assistant director, Francisco Cuaderno. He writes that prior to the close of this year the few towns left without these services will have them—all municipalities in the Islands will have postoffices with money-order and savings-bank departments.

Under the Commonwealth, the National Loan & Investment Board handles the funds of the bank, concerning which the presupposition has always been that they would earn the cost of administration together with the interest guaranteed. The deposits were above ₱33 per account last year, a total of more than ₱10,000,000. But in a few more months, the ₱100 deposit for a firearms permit will fall to ₱40, with nothing at all required from members of recognized gun clubs. Savings-bank deposits may then stand still, or recede somewhat. Yet the bank will remain important to the poor, which is its purpose.

It is important to note that the first class letter rate Director Cottenman inaugurated, 1 cent (2 centavos) in the Islands, proved sound from the outset. Of late the bureau has profited considerably from issues of commemorative stamps.

It goes without saying, since the bureau manages the telegraph service, that telegraphic transfers of funds are important in its day's work. This accommodation to commerce and industry is still vital at many points, there being few towns in the Islands served by banks.

The bureau has 4,142 employees. A summary of its fiscal position appears in the box matter set into this narrative. Manila received 74,017 dispatches of provincial mail last year, sent out 124,749. Of insured parcels and letters accepted during the year, the value was ₱534,-

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467. C. O. D. acceptances were 73,425, the value ₱737,168.

Following are some indications of the high mortality rate among Philippine publications:

Thirty-seven second-class mailing permits lapsed last year, and sixty-four new ones were granted. At the end of the year, 284 publications remained entered as second-class mail, 175 in Manila; and of the total, 123 were in English, 21 in Spanish, 48 in the vernaculars, 4 in Chinese, 1 in Japanese (at Davao), 62 bilingual, 21 trilingual. The approximate number of copies of all these publications mailed was 74,268,144 for the year. Periodicals directed at the masses in the Philippines do not go very far.

Steamship mails from the United States numbered 240 last year, and to the United States, 124. Valuable to commerce is the parcel mail from the United States, 60,059 parcels last year. In foreign mails arriving were 19,783 international parcels. Foreign steamship mails dispatched summed 570, and received, 632. The Islands sent 5,561 ordinary and 2,494 registered parcels by way of foreign mails during the year. All this indicates convenient service, to the business community particularly. Air service to Europe via Singapore has been effective since September 16, 1933; on May 16, last year, Manila began routing such mail to Hongkong for more frequent dispatch and better connections.

Chinese who persist with their guilds naturally resort to economy by mailing many letters in one big envelope, the recipient attending to their distribution. The bureau has a rule against it, and collects the right postage when it intercepts the ruse but always below ₱1,000 a year.

Pan American clipper mail and express service between Manila and Alameda was inaugurated commercially in March last year. Business men dovetail this in with radio and cable conveniences, resort to codes, and make material savings in the cost of placing and confirming orders. It is remarkable in the history of transportation that this new weekly mail-express and passenger service across the Pacific will never be discontinued; challenging as it is, it is destined to become as commonplace as a wheelbarrow in a garden; these wings, to the United States, and those out of the Indies to Europe, all borne along by the impelling force of the mails, are an interesting complement to international transportation.

March to December last year, Pan American clippers carried 1,171 letters to Guam from Manila, 4,138 to Honolulu, 79,996 to the United States; the full weight was 1,171,001 kilograms, and the postage bill ₱161,620. At first you paid ₱1.50 for a minimum weight letter from Manila to the United States, but more will be gained, no doubt, from the new peso rate; there certainly will be more overweight letters, with ₱2 charged instead of ₱1.50.

Pieces of airmail to foreign countries numbered 20,895 last year, weighed 399.28 kilograms, and required postage summing ₱25,300.02. Of the total, 3,098 were registered. Airmail from foreign countries came to the Islands by steamer. Pan American's *Hongkong Clipper* service between Manila, Macao, and Hongkong adds further convenience to these rapid mails.

Four airmail routes are established in the Islands. Philippine Aerial Taxi maintains daily

(Please turn to page 42)

## LETTERS

Ernest H. Oesch

—Manager, East Mindanao Estates, Inc., and oldtime friend and neighbor of the late Percy A. Hill.

"News of Hill's brutal murder is the greatest shock I've ever had. Not having a radio, I heard nothing about it until I went to Davao on July 27. I'll venture to say that in the last act of his life's drama he was the least frightened man present. Let me know if I can serve or help in any way. I have now received the *Bulletin* of July 26, containing your masterful report of Hill's death. I wish you would have copies sent to the addresses attached, and copies of the *Journal* for August too, since I take it for granted it will contain a write-up of Hill. In the *Bulletin* you have written so much better than I could possibly do in letters." (Friend Oesch's justifiable emotion accounts for the fatness of his words; and they are undeserved, as a matter of fact. When Ford Wilkins called up late Sunday afternoon asking for a feature on Hill for next morning's paper, eight pages of rough draft had been typed for the *Journal*. The story was to be signed, of course, for Wilkins, but the last two days had been more wearing than we had thought: when the first draft had to be rewritten, a son had to pinch-hit while Dad took a rest, so in the *Bulletin* story we sailed in part under false colors.)

George H. Fairchild

—Head of Welch, Fairchild, Ltd., Executive-Secretary of the Philippine Sugar Association.

"The last (July) issue of the American Chamber of Commerce *Journal* is the best of a number of good issues that I have read for some time. If you would like to scotch another misconception I can give you a story on the prospects of finding a market in China for Philippine sugar that would be illuminating—on the supposition advanced in certain quarters that a teaspoonful of sugar to each cup of Chinese tea would solve the world sugar problem." (Grateful indeed would we be were Senator Fairchild to find time once more for his monthly reviews of the sugar industry, that until recently appeared in our commodity-reviews section, as well as an occasional special contribution.—Ed.)

Dr. José P. Bantug

—Young Philippine scholar and statistician and utility man at the health service.

"As one of the students of our early history, I suppose you were quite sur-

prised to learn that a letter written in the ancient Tagalog characters and addressed to Major General Paulino Santos by Dr. P. R. Verzosa, knocked nearly a month before they could find anybody able to make the transcription in Latin characters. The real author of the transcription was Mr. Guillermo Santiago-Cuino, who was not even mentioned in the various write-ups that appeared in *La Vanguardia*, the *Tribune*, and other local newspapers.

"Will you be good enough to convey to Mrs. Percy A. Hill my heartfelt sympathy for the death of her husband. I have been waiting for a chance to convey my condolences in person, but I am unknown to her personally. Mr. Hill was one of the most considerate persons I have ever known, sympathetic with the lot of the common man, and I can not understand how he was murdered in cold blood. I owe him a debt of gratitude. When in 1930 my name, without intervention on my part, was mentioned for the Museum post, then vacant on account of the death of Don Manuel De Iriarte, Mr. Hill sent me a very nice letter wishing that I might be favored with the appointment. I did nothing, however, to engage the attention of the higher-ups, preferring to let the job for the man." (Dr. Bantug is a painstaking scholar worthy of more recognition as such than he has received in the past. His Tagalog name is that of Hill's village, though the Bantugs hail from San Isidro, the southern part of Nueva Ecija. The word means *famous*. We are often indebted to Dr. Bantug for bits of information, either historical or relating to public health. It was not for us to be amused by the consternation Dr. Verzosa's letter provoked. In general, the little regard the Philippine people evince for their past indicates that they are aggressively tackling their future.—Ed.)

James C. Kennedy

—Experienced American mining man at Oaxaca, Mexico.

"While I am not a subscriber to your publication, I have had the opportunity of reading several of your later issues which the American Chamber of Commerce in Mexico City was kind enough to loan me, and I must say that I found your magazine to contain articles of the highest interest and that I enjoyed reading it very much." (Mr. Kennedy adds that the mining field in the Islands interests him, and readers will find his proposition in a classified ad elsewhere in this issue of the *Journal*.)



### What Will Come?

(Continued from page 7)

eye witnesses of it after the Armistice. But up to a point somewhat approaching this, under a war-preparations and ready-for-war economy everyone gains.

If little by little many find themselves gaining less and less, yet they do not fall away from the plan: they perceive that such gains as they still have come directly from it. For the past two years, or a period of about that time, no one has felt he was staining his hands in any sanguinary competition because his hemp was selling so high, or his copra, or his sugar; yet war and preparations for war have been the basic reasons for it. More ships, more use of hemp; more explosives, more demand for glycerine from coconut oil expressed from copra; more factory employment of every sort, on account of a myriad supplies wanted for war, more indulgence of a sweet tooth, more consumption of sugar. But these are the mildest advantages, bolder ones are in use of capital, its risks in securities at prices rising constantly because of business in war stuffs.

Contrary to the old saw, the war road has no turning. If preparations were a matter of spending only, all would be well. If before actual clashes come, and these necessarily begin among the great rival financiers who see situations in detail as well as a whole, spillways into great peace programs could be opened to relieve the rising force of belligerency; war-preparations economies would be as sensible as any; they constantly redistribute wealth and stimulate considerable creation of it, and they raise wage scales and earn dividends. They do much more. All this is good at the time, but bad in the end because it culminates in disasters questioning the very survival of civilization.

You do not believe? Oh, but you must. These Philip-pines of ours are far too perilously located geographically for it to be wise to ignore the commercial dilemma that wide-spread war may place them in at any time. Already, while naval boards and general staffs revel in supplies of funds

poured to them from the popular purse as from the treasury of Croesus, exchequer managers are ruefully observing that the game can't be stopped. Since 1933 America has had a president who, no lover of war, loves the mimicry of war and the tools with which actual war is made. Many critics think it the vulnerable weakness of his administration, that to them, in other respects, is altogether admirable. He would, it is common knowledge, like to do something practical to assure world peace; but he has done so much that is highly practical in the promotion of war that his chance to do something for peace has passed. He could get no one to heed him, and would not dare heed himself. The navy is his darling, of course, but he has been equally generous to the army; and not with funds merely, but with legislation stiffening its authority. He is solicitous for the welfare of Labor, and it might be assumed that Labor does not favor war, but this would not be correct: Labor favors its wages, and war and a war-preparations economy make wages good and employment steady.

Roosevelt would not now be heard should he speak for world peace? Certainly not, Heaven itself would not. Then what must American do? Why, what she is doing: build bigger navies, recruit larger armies, fall into line, catch step, march endlessly on to meet the enemy—of whose identity, of course, at the moment, she has not the least inkling. Yet this is all she can do, even in her isolated position; you can therefore imagine how little any country in Europe can do, or Japan, or China out this way, in the direction of peace. Not one of these countries can do anything in that direction. Moreover, they know they can't. It is not a question with China whether she will fight, but when. As this is written, she seems to think now is the time; if so, Japan has long been ready.

Precisely in the situation of these two countries, all the other great countries are involved; however they may rail at what Japan does, each of them too, to turn aside economic collapse and avoid an embarrassing home problem, will cross a convenient border or two and fight at the drop of a hat. And so will America, let us admit honestly, though her nearby neighbors are not in danger; but America, we know, makes



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war now, by means of her neutrality act, a weird obsession of Senator Gerald P. Nye's, just as under John Adams she helped England and harmed France with her embargo act and alien-and-sedition laws. It is an irony that Nye is a tribune of peace, a sincere one, and the futility of what he does in behalf of peace—at least, of keeping America out of war—enforces the argument of this discussion.

The martial movement has gone so far that ruling statesman no longer desire peace; that is to say, they desire it, of course, being less than monsters, but can not tolerate the thought of the economic disasters it would entail, by leading to disarmament.

"All the leading countries," says Flynn, a clear-visioned student of economics, "now find themselves in a position in which the abandonment of war preparations would be an economic disaster second only to war itself."

That is why the road to war has no turning. To turn off it, is second only to war itself; so the countries keep on along it, postponing perhaps the day they must choose to fight, but not avoiding it. If you are a premier and voluntarily abandon an economy in which the fortunes of the people are interwoven inextricably, you effect no reform save your own summary dismissal from office. But if you keep on with that economy till it leads you to war, you stay right on in office, where you are an invincible hero either for defending your country or attacking its enemy, whom you have perhaps invited to give it some mortal offense. Today's position of Japan's premier is precisely in point, though not thought of

(Please turn to page 18)

## Coast & Geodetic.....

(Continued from page 12)

navigator, aviator, engineer and the public in general. It is a duplicate of the Washington office of the Bureau, but on a smaller scale, being furnished with the necessary instruments, cameras and presses. It prints and publishes 165 charts for the mariner, 3 maps for the aviator and 19 topographic and outline maps.

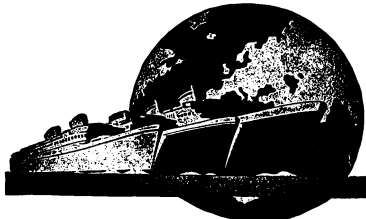
During the past year it compiled and printed 37,000 maps for other Bureaus of the Commonwealth, some of these maps having as many as twenty-one colors. During the same period the photographic section handled ninety-four jobs for other bureaus. The number of charts printed in 1936 was 27,286, an increase of 11,300 over the number printed in 1922. The number of maps issued in 1936 was 3,047 only 696 having been issued in 1922. These figures are not only indices of the increase in shipping but of the commercial development of the country, as the maps go to those interested in inland or interior projects, mining, agriculture or engineering.

It will be seen that activities which have been dormant for many years are coming to life. That demands by other entities are rapidly making the plant the map printing bureau of the Commonwealth, thereby fully utilizing a skilled personnel and avoiding the duplication of equipment.

The formation of the islands is such that the triangulation which forms the backbone of the marine surveys, can be readily used as the basic control for such systems of land surveys as agriculture and mineral development will make necessary. This will result in a savings of at least one half million pesos on the cost of such control.

The tidal and current observations of the organization are not only of value to mariners but to the Bureau of Science in making investigations of the migration of fish and in other studies, for which purpose the great number of salinity and water temperature observations taken by field parties are of great use. The records on file in the archives of the Bureau are in constant use by mariners and engineers and in legal actions. Much of the mineral wealth now being developed is coming from areas known in Spanish times. In fact old records on file in the Manila Office of the Coast and Geodetic Survey have been in such demand, that for their preservation against wear, it has been necessary to reproduce them in the form of an atlas.

The bureau is an important source of information to marine, commercial and scientific interests and provides worth while returns on the small expenditures required for its maintenance.



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## Rise of the Philippine National Bank

The Philippine National Bank organized in 1916 to broaden credit to the people of the Philippines and fill a place long open to such a bank, has grown into a great banking institution with total assets of ₱141,955,211 on December 31 last year. It began with ₱10,000,000 capital, and during the experimental period became uncomfortably involved from having made large loans to Philippine corporations as capital in the shares of these companies rather than capital in short-term loans with which to carry on business. Later, this became an advantage to the bank, as it remains.

It was necessary to reorganize and recapitalize in 1923. General Leonard Wood, then governor, effected this by aid of the legislature and by sale of bonds from which the proceeds went to the bank; and the government carried the bank along, as the bank carried along the new companies, especially the companies engaged in the manufacture of sugar. The general loans gave the bank the business of crop loans automatically; interest was paid on all loans, and the bank had the advantage of handling the sugar from all the mills in its debt as well as the sugar of the planters concerned.

Out of folly came salvation, since Philippine sugar flourished in the duty-free American market. It may be said, practically, that Philippine sugar has made the bank; and at some later day it may be equally true, that failure of the Philip-

pine sugar industry by loss of the American market has once more hurt the bank. But that day has not dawned, and may be avoided.

Meantime the Commonwealth owning the bank has placed at its head a man of long financial experience, Vicente Carmona, whose civil service career was in the finance department. José Yulo, secretary of justice, is chairman of the bank board; Eulogio Rodriguez, secretary of agriculture and commerce, is a board member; also Jorge B. Vargas, President Quezon's secretary, Collector of Customs Guillermo Gomez, Manager Salvador Lagdamac of the National Loan & Investment Board, Manager Victor Buencamino of the Rice & Corn Corporation of the Philippines, and Mayor Juan Posadas of Manila, with Santos Martinez the bank's secretary. Dalmacio Pekson has long been in charge of loans.

The bank has ten branches, forty-six agencies in offices of provincial treasurers. It is far short yet of the maximum service it should render the country, but under Manager Carmona will proceed conservatively. The latest innovation is loans at 7% to planters in central Luzon, more specifically, in Nueva Ecija, where about ₱100,000 has been loaned. This is aimed at breaking up the usury to which tenants on rice estates are subjected. The new tenancy act forbids this usury, fixes the interest on advances to tenants at 10% a year. Because landlords explained that money cost even them about that much, the bank conceded the rate of 7%. It is now up to the public defenders under the labor department to keep themselves advised as to what goes on in their districts where these accommodations exist.

The bank does not feel it can loan directly to tenants. But the purpose of its loans to landlords is to see that tenants get their small accommodations between harvests at no more than 10% a year.

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Manila

## What Will . . .

(Continued from page 16)

as a specific illustration until this paragraph was written.

The present régime in the Philippines, by the way, can perpetuate itself in office indefinitely, even if it permits resumption of popular elections, now indefinitely suspended throughout the Islands. It has only to keep preparing the country against an outside enemy, or practicing at intervals, until this enemy accommodatingly makes his appearance, by incursions upon Mohammedan lands in Mindanao; this, and the martial spending that makes thriving business, will make it as consistently victorious as the G. O. P. was in the United States from 1861 to 1912. Only twice, during that time, was the sectional flag waved in vain. Appomattox was repeated in every election, Cleveland's excepted. This sort

of thing, a cunning attribute of a war-preparations economy that far outlasts the war itself, influences European countries today, and will be a pronounced factor in the next American presidential election: it gives Italy Mussolini, Germany Hitler, England Neville Chamberlain. But this is too much, only the allusion to the Philippines had been intended.

How the martial philosophy catches up a country appears in the fact that in three years America has given preparedness a billion dollars in excess of the total it received from President Hoover. Flynn remarks this to be twice the worth of the yearly wheat crop, which supports a million farmers; he gives other comparisons, but this is enough—anything directly supporting two million families in a country, any country, will not only not be eliminated from the national economy, it will not be curtailed. And the other countries, as has already been said,

are in even deeper bondage to war-preparedness than is America.

France, as usual, is frank. Flynn says a conference of today's premiers asked to approve disarmament, would know it was being asked to approve a measure meaning the collapse of every country. "The French premier recognizes this and has admitted it frankly. 'It would be impossible to restrict the armament race without promoting the danger of a great crisis.' . . . All talk of peace by diplomacy becomes a prim jest."

If this discussion closes with some of Flynn's own ciphering about the budgets, the reader will dismiss the last hope that another gargantuan banquet of Mars on the substance of the world is inevitable, humanly unavoidable. The necessary crisis must come, apparently soon.

The immense effort which is going on in the world to-day may be seen at a glance in the following simple table. It reveals the *defense expenditures* of six major nations in 1931 and 1936.

	1931	1936
Great Britain . . . . .	\$449,000,000	\$846,000,000
France . . . . .	695,000,000	715,000,000
Italy . . . . .	272,000,000	871,000,000
Germany . . . . .	247,000,000	2,600,000,000
Russia . . . . .	281,000,000	2,965,000,000
Japan . . . . .	132,000,000	307,000,000

"The leading nations of the world, excluding the United States and South and Central America, spent \$4,232,000,000 in 1931 on 'national defense.' Last year they spent \$9,552,000,000.

"Here is an increase of over five billion dollars. This is nearly twice the amount spent by this country on recovery and relief in a year. So that while we have been clambering back to recovery on government monies spent on various WPA, CCC, PWA and other recovery projects, the rest of the world has been climbing back on expenditures for war.

"But this year the outlays will be far greater. For now France and England have joined the warrior nations on a large scale. M. Blum's government has laid out an armament program to cost 19,000,000,000 francs (\$890,000,000) over the next four years. This is for military roads, the extension of the Maginot Line of fortresses along the Belgian and Swiss frontier, and for industrial mobilization. It is in addition to a similar sum of 19 million francs in the regular budget for defense purposes this year. So that France proposes war expenditures this year in excess of a billion dollars.

"Great Britain has decided to spend \$7,500,000,000, spread over the next five years, on armament construction. This is in addition of course to her large outlays upon her ordinary military and naval establishment. The ministry has laid plans to spend a billion, five hundred million dollars a year on battleships, naval and air bases, armament factories, and the modernization of her military and aerial establishments. Mr. Neville Chamberlain has been authorized to borrow up to two billion dollars for this purpose. He has already offered a loan of £100,000,000 as the first step in this warlike program to buttress England's threatened empire on land and sea and, incidentally, has suffered the humiliation of seeing it tardily subscribed.

(Continued on page 44)

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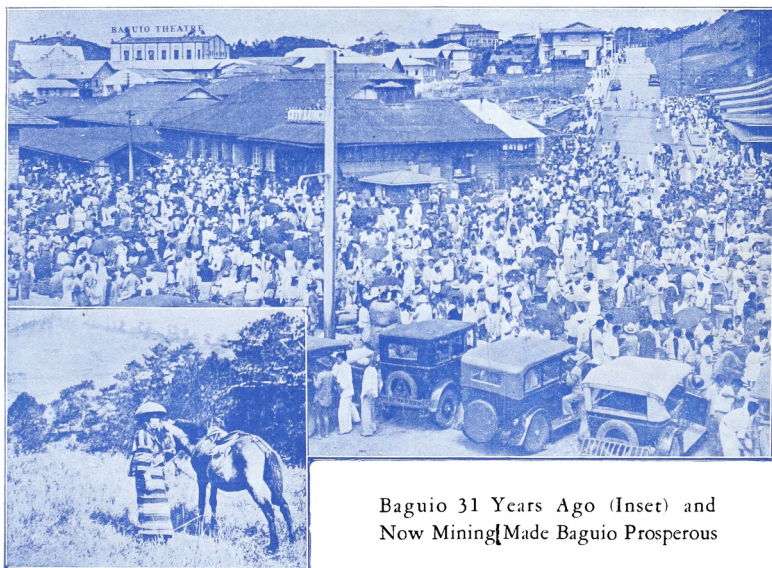
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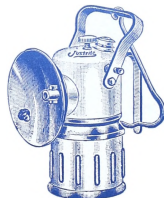
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Machinery and Supply Department

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# Gold Standard Exchange

## • *Pesos as Good as Dollars or Sterling*

The era of sharp banking practices victimizing the Philippine government and the people by means of the avaricious necromancy of the currency-exchange expert was destined to be shortlived under an American flag sent to Manila by the McKinley administration that had just won its spurs by defeat of the free-silver heresy and taken a knightly oath to espouse the stability of gold. It was not long until the peso was tied to the good gold dollar that Hanna of Ohio thought a vehicle fit enough to roll a president into the White House on; and in that desirable propinquity with a gold currency everywhere acceptable, the Philippine peso has remained ever since.

Recent suggestions that this golden wedding is yet, because of the Tydings-McDuffie act, to end in divorce have shocked the general confidence in Philippine currency and conjured visions of the old erratic times during which no one could tell, until a banker or exchange speculator informed him, just what, on that particular day, a peso was worth, or just what it was. Such has been the consternation, that President Quezon of the Commonwealth has felt constrained to say that he has put aside his tentative plans for tampering with the peso; he has consulted experts and concluded that his administration existing arrangements are best.

But open suggestions that a tie-up such as that of the dollar with the peso will be broken, or may be broken, give rumor opportunity to sabotage the peso. Further, they evoke genuine uneasiness. For the second time, something very unfortunate has happened to the peso. The first occasion years ago involved fact, rather than proposals and rumors - the fact of the depletion of the exchange reserve the Islands keep in the United States to maintain parity of the peso with the dollar at two for one, and a bond issue for a new fund of this sort, was required in order to put things to rights.

The exchange fund is now far above minimum requirements. The peso is as sound as can be, but is nevertheless affected by the possibility that tampering with it may begin at any time. Countries devoted to sound currencies throw safeguards around them. A great deal of informed public opinion is the chief of these. Before legislation affecting the dollar passes in the United States, a veritable avalanche of opinion must either be overcome or placated; the process of change moves slowly, and adjustments to it are made before it comes into legal effect. In England, what the Bank of England approves seems to go, relative to sterling, but the preliminary discussions are endless. But in some countries, at least in Switzerland, specific popular approval is required for any legislation materially affecting the Swiss franc.

The Philippines have no parallel to these typical safeguards against experimentation with the currency. Their bank is the government's own, their president votes its shares. Industry, which accumulates capital and a sense of its place in commerce, is feeble; as opposed to agriculture, which runs along in debt year after year and makes no pretense to financial acumen. The balance that a thrift-class offers in France, in Switzerland, in Scotland, is wanting here. Therefore, if the Tydings-McDuffie act makes it possible that the peso become separated from the dollar, this is a defect of law that ought to be corrected without delay.

The dictum of respect for property rights is not worth the words in which it is couched in the Commonwealth constitution, if the measure by which the worth of property is determinable is subject to arbitrary change. In the Philippines, any change would necessarily be arbitrary, there being no public opinion to be consulted. Time has not developed such opinion, nor prosperity in industry created the capital that would cause such opinion to be self-interested.

Observe that currently in the United States, under President



Roosevelt, who gives \$35 an ounce for gold because England gives about that much in sterling for it, there is no little discord extant between employers who are capitalists and laborers who are wage-earners. But the dollar never comes into this, both sides are intensely interested in the dollar's validity, and if anything, labor more than capital. The administration can't move respecting the dollar, without the sanction of all this opinion; there will be dissenters always, but the majority must be won over to a proposal before anything is done.

Nothing of the sort exists here, for which reason the peso requires anchorage outside the islands. Its virtue is in its character as the bride of the dollar. Their divorce would be more than a scandal on the rialto. It should not be possible.

Currency was a muddle when America took hold here. Spain had established a mint in 1861, but for years it had not functioned. (The Bureau of Education building housed it). At one time, considerable gold was minted, but a change in the law in 1874 whisked all this gold out of the country—exchange dealers seized the chance to trade silver for it. China had become the medium of commerce, some of it from China,

more from Mexico. It was bulky, large sums were trundled about in carabao carts; men sometimes went to the cockpits with a cartful of silver, mostly Mex. There is a ramp over at the foundation of the oldtime governor's house on the bay side of Plaza de McKinley, formerly Plaza Real. The insular treasury was here, no doubt the ramp accommodated the silver carts.

The value of all this currency changed with the bullion price of silver. Demands for silver in China had immediate effect. Speculation in currency was rife, both at the banks and on the street. Itinerant brokers, some of whom had favorite corners on the Escolta and calle Rosario for loitering to meet their victims, changed one money for another at ruinous discounts: the money you required was always the cheaper, that day. Opposite the postoffice a skilled old Chinese operated. Exceptionally, his calculations were all mental; he knew every currency in the world, and had good stocks of most of them, and, at high charges, of course, accommodated all comers.

As the American military started in, it got the banks to agree to accept American money at the ratio of 1 dollar for 2 dollars (pesos) Mex. For a time, this favored the banks, silver was not worth so much. Then the Boxer affair shot silver up, the banks all neglected their agreement with General Otis; in a territory where the dollar was sovereign, they sent it to discount. This is one of the reasons why the Schurman commission advocated American banks for the Philippines,

(Please turn to page 31)



# Iron, Copper and Rearmament

*John T. Flynn: Harper's for July*

England has reduced her tariff duty on steel fifty per cent and has wiped out her duties on pig iron. There is a general impression that domestic steel orders are going to taper off a bit and that when this happens the American producers will be glad to have this foreign business. The *Iron Age* recognizes this: "If steel were available," it said editorially April 9th. "American producers could easily book a large volume of export business at prices higher than domestic business. Much of this

demand cannot be satisfied by European mills and will be a cushion for American mills if it should be still available when domestic demand has ceased."

This, however, is merely by way of preface. Thus far Europe has confined her purchases largely to iron to be converted into steel in her own furnaces. And she, as well as Japan, has been buying scrap iron. If, as you have motorized along the highway, you have overtaken an old truck piled high with rusted bed springs,

car fenders, old stoves, corroded iron pipes and other metal junk, held fast to its creaking carrier with wire, you have in all probability passed within arm's length of a far distant outpost of the world's war effort. For the first commodity to feel the thrill of this war prosperity has been the scrap iron and steel business. Thus war begins its work where it ends—with the scrap heap.

You must not look with scorn upon scrap iron. It plays a most important part in the making of steel. It is known as the surface iron mine, and these great junk mines frequently supply more iron to the steel blast furnaces than the underground mines do ore. It is not unusual for steel makers to use 60 per cent of scrap and only 40 per cent of pig iron in the conversion of metal into steel.

This scrap iron and steel export business began to feel the touch of life when Japan became serious about her great mission and Hitler raised the sword again in Germany. This was in 1933. In 1931 we shipped 136,000 tons of scrap abroad. The greatest year up to then was 1929, when we sent over half a million tons. But in 1933, when the world set about beating its plowshares into swords, exports increased rapidly. Last year they were around two million tons. This year they will be perhaps not less than three million. For the month of March the total was 360,000 tons—an all-time record—three times as much as in the whole year 1931. In fact this year we shall undoubtedly send abroad more scrap than in the eleven years between 1923 and 1933 combined.

Of course the price has soared. It was \$8 a ton in 1933—the low point. It averaged about \$15 a ton in 1935. It averaged about \$20 a ton in 1936. It has gone as high as \$25 a ton. It is around \$20 as I write.

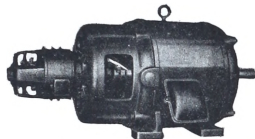
How important this is you will gather from these simple facts. There are about 250,000 people, I am told by the savants of the Scrap Iron Institute, making a living out of this business—small enterprisers at the very bottom of the industrial heap. Yet, as the output of the so-called "purchased" scrap industry this year will be around fifteen million tons, you will see that at current prices we are talking about a 300-million-dollars-a-year industry—as big as our lumber products industry or the silk and rayon industries.

The bulk of our shipments have gone to Japan, England, and Italy. Scrap shipments have so clogged up freight trackage in certain places that railroads had to impose temporary embargoes. Near Philadelphia a thousand cars loaded with scrap were tied up for lack of ships.

In case you have forgotten it, it was thus the war business got under way in 1915—that is, in remote areas of industry. And if you think the scrap men don't think well of this business, just talk to one of them about it. You might learn that they are prepared to send up a mighty protest if any attempt is made to prevent them from cashing in on this handsome opportunity to make the world safe for scrap iron.

The business has, by the way, started up our first little war-trade row. Of course the rise in the price of scrap has hit the makers of steel in this country. And of course the steel makers don't like that. So they are sponsoring a bill

*"They Keep a-Running"*



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## PRODUCTS

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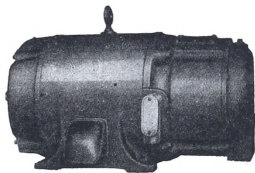
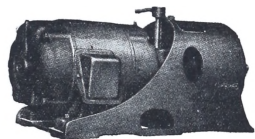
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in Washington to put an end to scrap export save under presidential license. Since they have not gone very industriously after this war trade themselves, it is worth recording that the steel producers' association has warned the scrap dealers in a burst of pacific hysteria that they would do well to remember that some of this junk they are selling may come back to this country as shells to kill some of our brave boys. Fine Americans, those steel men!

Into this war trade, as was inevitable, has stepped the speculator with his little bag of tricks. London, rather than New York, has been the scene of the adventures of the 1937 speculator in the materials of war. But all of these raw products, which are so innocent in themselves but which become so vital when the sabers are rattled, have come in for sensational increases in price. There is a whole host of such materials—aluminum and tungsten and antimony and manganese and quicksilver and zinc and lead and tin and ammonium nitrate, jute, cotton linters, leather, and a number of other things.

There is tungsten, to take a modest commodity. A critical scarcity has developed. It is important in the making of tool steels, but it is also an essential war commodity. And the scramble for the meager supplies has driven the world price up 100 per cent.

Leather prices have risen 25 per cent in the past six months. This is due chiefly to the frantic demand in Europe for skins for manufacturing gas masks.

A good example of the indirect effect of the European war trade on our own business is found in commodities like glycerine and copper. A year ago glycerine was selling at 14½ cents a pound. Now it is fetching 34 cents. The chief reason is that imports of glycerine have fallen very low, and this in turn is due to the fact that European producers are holding their supplies for war production.

In the case of copper the sensational rise in price from 9 cents a year ago to a high of 17 cents before the recent break was the result of war demand. We do not, it is true, send much copper to Europe, and the copper producers did not make their money out of sales to the war builders. But the price of copper, for some mysterious reason, is fixed in London, and copper prices soared in Europe because of the armament demand there. Our own went up with them. This brought a handsome sum to the copper smelters. This difference in price between 9 and 15 cents meant an increased return of around 75 million dollars to the copper producers.

Of course the aviation industry has been one of the great beneficiaries. It has been seeking orders in Europe not only for planes but for parts. Following the assassination of Alexander of Yugoslavia in 1935, advices to our government revealed that instantly American airplane and parts-makers sent their representatives rushing to Germany and that in less than 60 days they sold enough for over a thousand planes. The plane plants are working, like the arms plants in New England, three shifts a day.

As a matter of fact, our whole export trade has been deeply affected by this war trade. Even though actual exports in 1936 and 1935 do not show a preponderance of war materials,

the rise in our exports in 1936 was due principally to Europe's increased purchasing power, and this in turn was due to the recovery produced by war expenditures. Moreover, in 1936 there was a serious rise in prices of European goods needed here, much faster and higher than the price rises in our own goods. This price boost, due to the war buying, tended to increase Europe's buying power, and the effect has been seen in every section of our export trade.

Samuel Leitman, German mining and metallurgical engineer, is the latest addition to the technical department of Santos Investments, Inc. He arrived in Manila on August 10 aboard the liner *Gneisenau* from Germany. He has served

in positions of high technical responsibility for large mining and smelting firms, ore dealers and steel manufacturers in Germany, Russia, Czechoslovakia, Yugoslavia and other Balkan states, the company says. His experience includes surface and underground work.

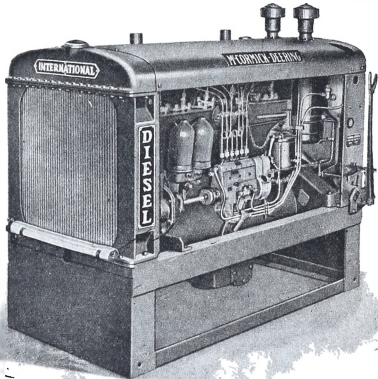
John Lea heads Santos Investments technical staff. He and Henry D. Clark, also a mining engineer, were engaged by the firm on three-year contracts. The other members of the staff are Federico R. Aguinaldo, mining engineer, Faustino Lozada, mechanical and civil engineer, and Jose M. Ripoll, civil engineer. The company supervises the development work on the properties of Philippine Amalgamated Mines, Tiya-ga Mining Co., and Gayang Mining Co.

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**AIR COMPRESSOR**—Operates compressor with maximum displacement of 450 cubic feet per minute when operating against 80 pounds gauge pressure.

**GENERATOR**—Operates a 50 kilowatt generator.

**HOIST or WINCH**—Supplies drum with 12-1 7/8 tons of line pull at a line speed of 100 feet a minute.

**WATER PUMP**—Enables pump with 25-foot dynamic head to deliver 6,500 gallons a minute.

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Dr. Arno Carl Fieldner of the U. S. Bureau of Mines raised the old gabagoo about the imminent exhaustion of oil and gas. There was enough coal, he said, to last 2,100 years. But the known reserves of natural gas were 30 to 40 trillion cu. ft., of oil 13 billion barrels. At the present rate of consumption the petroleum would be gone in 13 years—but Dr. Fieldner predicted that discoveries of new pools and more efficient production techniques would stretch out the supply for a century. Unless "greater social control" was forthcoming, known supplies of gas would vanish in 20 years.

\* \* \*

One impressively successful technique

for hiking oil production is treatment with acid. In certain limestone formations, acid treatment not only "brings in" or increases production on new wells but rejuvenates old ones. Object of pumping in acid is to eat out new channels in the limestone. Hydrochloric acid is used, chemically inhibited so that it will not attack steel casing or tubing. The acid doctor pulls out the tubing and pumping equipment, runs the tubing back with a packer 15 ft. above the bottom so acid will not run up the hole, squirts in 1,400 to 3,000 gal. of HCl. Rushing through a two-inch tubing, the acid eats into the limestone so fast that it creates a partial vacuum at the top of the line.

The only acid doctor doing a brisk business in the eastern U. S. is James G. Vandergrift, 30, grandson of old "Captain" J. J. Vandergrift, a onetime river boatman who accumulated a large fortune in oil, land and steel, had a Pennsylvania town named for him. Energetic young James Vandergrift is the son-in-law of William T. Mossman, Jones & Laughlin Steel Corp. executive who made news copy in the last Presidential campaign because he is an uncle of Alfred Mossman Landon. Young James went to Ohio State, studied chemistry and geology, taught swimming, worked in the oil fields of Texas, California, Pennsylvania, New York, South America. In Michigan he saw some experiments with acid, decided to move east and hang out his own shingle as a well doctor.

First attempts in sandstone failed. When experiments in limestone began to look promising, Vandergrift decided to confine his practice to the limestone formations of West Virginia, moved to Spencer, arriving there in 1934 with a few gallons of acid, a few dollars, no orders, much confidence. Now he has dozens of admiring customers, including subsidiaries of Standard Oil of New Jersey, South Penn Oil Co., Columbia Gas & Electric, Carnegie Steel, Chesebrough Manufacturing Co. Some Vandergrift results:

A well in Roane County was yielding a dribble of twelve barrels per month. Acid treatment boosted production to 628 bbl. per month. The company gained \$12,000 for a treatment costing \$400.

Another well in Roane County was giving 52 bbl. per year. After Vandergrifting, it leaped to 2,336 bbl. per year.

In Clay County, 1,450 gal. of acid was driven into a well and rammed home with 165 bbl. of crude. The acid fanned out in a 90° arc, increased the yield of six adjoining wells in addition to the one treated. In ten months production was up by 10,000 bbl.

Mr. Vandergrift has had even better luck with gas wells than with oil. It is not unusual for a Vandergrifted gas formation to increase its yield by 1,000% to 7,000%. Few weeks ago a gas well in Boone County jumped after treatment from 800,000 cu. ft. daily to 3,600,000 cu. ft. Last month Vandergrift branched out into Ohio and Kentucky, did the biggest month's business since he started. Because he knows his trade from the ground down and is willing to go out on a case at any hour, in any season, over any sort of roads, James Vandergrift has the eastern field to himself. Dow Chemical Co. is having comparable success with acid treatment in Oklahoma, a Chemical Process Co. in Texas.—*Time*, 7-12-37.

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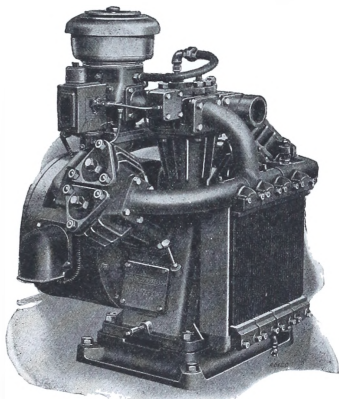
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The MOTORCOMPRESSOR is a two-stage, air-cooled, stationary unit with air-cooled inter-cooler. It is very compact and requires no heavy foundation; it operates quietly, efficiently, and without vibration. Design and assembly of the machine are such that it can be very easily disassembled into small pieces for transportation to remote mining or construction projects.

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## Mining Statistics in the Philippines

Number of Mining Corporations Registered and the Total Amount Invested in Them as of March 31, 1937

Kind of Mineral	No. of Corporations	Capital Invested
Gold.....	332	₱80,444,357
Chromite.....	26	7,071,427
Manganese.....	20	1,701,340
Copper.....	14	864,500
Iron.....	7	2,848,019
Miscellaneous.....	6	259,901
<b>TOTAL.....</b>	<b>405</b>	<b>₱93,189,544</b>

Mining Associations Organized as of March 31, 1937

Number	Capital Invested
130.....	₱ 5,500,000

Investment, Management, Operation, Etc., Corporations Registered and the Total Amount Invested in Them as of March 31, 1937

Number	Capital Invested
47.....	₱ 9,770,697
No. Laborers Employed 1936: 44,291.	Wages Paid 1936: ₱11,795,866.
No. Employees and Officers 1936: 1,602.	Salaries Paid 1936: ₱3,294,148.
Taxes Paid 1936: ₱2,303,723.	Machineries, Equipment, Materials, Etc., Bought in 1936: ₱21,124,199.

## Comparative Statistical Data by Nationality of Domestic Mining Corporations Registered From 1929 to 1936

Year	Nationality	No.	Authorized	Capital Stock Subscribed	Paid
1929	Filipino...	1	₱ 50,000.00	₱ 50,000.00	₱ 27,150.00
	American...	3	461,000.00	97,350.00	24,679.00
	<b>Total.....</b>	<b>4</b>	<b>₱ 511,000.00</b>	<b>₱ 147,350.00</b>	<b>₱ 51,829.00</b>
1930	Filipino...	2	₱ 2,450,000.00	₱ 502,450.00	₱ 12,662.50
	American...	2	2,450,000.00	502,450.00	12,662.50
	<b>Total.....</b>	<b>2</b>	<b>₱ 2,450,000.00</b>	<b>₱ 502,450.00</b>	<b>₱ 12,662.50</b>
1931	Filipino...	5	₱ 1,830,350.00	₱ 1,178,350.00	₱ 1,168,712.50
	American...	3	1,710,000.00	602,000.00	490,777.50
	<b>Total.....</b>	<b>8</b>	<b>₱ 3,540,350.00</b>	<b>₱ 1,780,350.00</b>	<b>₱ 1,659,490.00</b>
1932	Filipino...	4	₱ 1,080,000.00	₱ 415,170.00	₱ 403,792.50
	American...	5	2,580,000.00	1,540,504.00	1,282,201.00
	<b>Total.....</b>	<b>9</b>	<b>₱ 3,660,000.00</b>	<b>₱ 1,955,674.00</b>	<b>₱ 1,685,993.50</b>
1933	Filipino...	24	₱ 3,804,000.00	₱ 1,869,061.60	₱ 520,496.20
	American...	32	12,123,400.00	6,562,658.00	4,371,995.00
	<b>Total.....</b>	<b>56</b>	<b>₱ 15,927,400.00</b>	<b>₱ 8,431,719.60</b>	<b>₱ 4,892,491.20</b>
1934	Filipino...	48	₱ 8,731,200.00	₱ 3,923,370.00	₱ 1,607,997.50
	American...	18	4,982,000.00	1,587,569.00	695,533.50
	Spaniard...	2	640,000.00	301,600.00	37,300.00
	Belgian...	1	100,000.00	20,000.00	5,000.40
<b>Total.....</b>	<b>69</b>	<b>₱ 14,453,200.00</b>	<b>₱ 5,832,539.00</b>	<b>₱ 2,345,831.40</b>	
1935	Filipino...	47	₱ 13,631,000.00	₱ 4,136,347.49	₱ 2,891,495.57
	American...	34	9,405,000.00	4,115,281.00	3,629,656.00
	Belgian...	2	1,501,000.00	301,000.00	76,000.00
	All Others.....	—	—	—	—
<b>Total.....</b>	<b>83</b>	<b>₱ 24,537,000.00</b>	<b>₱ 8,552,628.49</b>	<b>₱ 6,597,151.57</b>	
1936	Filipino...	159	₱ 84,250,700.00	₱ 23,721,084.00	₱ 7,600,218.00
	American...	21	8,861,000.00	5,388,100.00	2,757,808.00
	All Others.....	1	600,000.00	158,400.00	80,900.00
<b>Total.....</b>	<b>181</b>	<b>₱ 93,711,700.00</b>	<b>₱ 29,267,584.00</b>	<b>₱ 10,438,926.00</b>	
Recapitulation:—					
Filipino...	288	₱113,377,250.00	₱ 35,293,363.09	₱ 14,219,862.27	
American...	118	42,572,400.00	20,395,912.00	13,265,312.50	
to Spaniard...	2	640,000.00	301,600.00	37,300.00	
1936... Belgian...	3	1,601,000.00	321,000.00	81,000.40	
All Others.....	1	600,000.00	158,400.00	80,900.00	
<b>TOTAL.....</b>	<b>412</b>	<b>₱158,790,650.00</b>	<b>₱ 56,470,295.09</b>	<b>₱ 27,684,375.17</b>	

Producing Mines

Gold.....	23
Iron.....	1
Chromite.....	2
Manganese.....	1
Coal.....	1
<b>TOTAL.....</b>	<b>28</b>

Estimated Production Base Metals for 1937

Metal	Tons	Value
Iron.....	725,000	₱ 3,100,000
Chromite.....	90,000	1,832,500
Manganese...	10,000	200,000
Copper.....	1,000	250,000
(Concentrates)		

Gold Production in the Philippines from 1927 to 1937

1927.....	₱ 3,372,461
1928.....	3,808,124
1929.....	6,740,781
1930.....	7,409,598
1931.....	7,524,867
1932.....	10,200,167
1933.....	16,190,795
1934.....	23,823,365
1935.....	31,979,030
1936.....	44,402,653
1937.....	50,000,000
(Estimated)	

Gold Production from January to April, 1937: ₱15,929,217.

Base Metals Exported from the Philippines in 1936

	Kilos	Value
Chromite...	11,890,602	₱ 307,518
Copper.....	6,054	1,704
Iron.....	654,455,921	2,868,427
Manganees...	254,972	6,020
<b>TOTAL.....</b>	<b>666,607,549</b>	<b>₱ 3,183,669</b>

Cash Dividends Paid by Mining Companies in 1935 and 1936

1935.....	₱12,489,108
1936.....	17,358,488

Taxes Paid by Mining Companies from 1933 to 1936

1933.....	₱ 874,060
1934.....	1,193,100
1935.....	1,433,846

(Please turn to page 42)

# LIST OF NEW *Active Mining Companies in the Philippines*

The following information is compiled from the records of the Chamber of Mines of the Philippines, as of February 28, 1937 to July 31, 1937. Such omissions as may occur are due to incomplete records, and will be corrected in subsequent issues. Each month, new companies registered will be listed, the object being to make file copies of the "Journal's" Mining Review a complete reference on mining companies in these Islands.

Names of Mining Companies	Date of Registration	Authorized Capital	Subscribed Capital	Capital Paid to Date	Par Value	Main Office Address	Location of Property
Ag-Sayo Mining and Dev.	6-23-37	16,000 Shares	40,000	10,000	No	Moncada, Tarlac	
Abra Cons. Mines G. Apacible, Pres.; J. Zulueta, Vice-Pres.	5-27-37	200,000	40,000	10,000	.01	Kneeder Bldg.	Lacub, Abra
Agusan Tublay M. S. Ramirez y Loosin, Pres.	3-3-37	500,000	100,000	25,000	.01	c/o Phil. Mining Promotion—Lack & Davis Bldg.	Agusan, Mindanao
Allied Mining S. F. Wittouek, Pres.; Col. A. Garfinkle, Vice-Pres.	12-1-34	350,000	350,000	350,000	.10	Cu Unjeng Bldg.	
Argonaut Mines A. K. Doe, Pres.; A. L. Esecueta, Vice-Pres.	1-8-37	1000 Shares	1,000	250	No	P.N.B. Bldg.	Hinatuan, Surigao
Atlas Gold and Copper R. Lumalan, Pres.; F. D. Miraflo, Vice-Pres.	6-4-37	1000 Shares	1,000	600	No	Regina Bldg.	San Marcelino, Zambales
Adelaida Mines R. Guerrero, Pres.; R. Catala, Vice-Pres.	5-13-37	10,000	2,600	650	.01	Paterno Bldg.	Pangasinan
Baguio Camarines Gold C. del Castillo, Pres.; J. L. Luna Vice-Pres.	3-3-37	100,000	20,000	5,000	.01	Ysmael Bldg.	Benguet, Mt. Province
Baguio Mankayan Gold T. Oppus, Pres.; Mrs. J. R. Oppus Vice-Pres.	4-14-37	5,000,000	100,000	25,000	.01	Ysmael Bldg.	Mankayan, Mt. Prov.
Batangas Mineral Roy C. Tuggle, Pres.-Treas.; O. Fraundorff, Vice-Pres.	9-21-36	250,000	51,000	12,750	.10	335 Crystal Arcade	Batangas
Burgos Copper Mines	10-13-36	50,000	12,000	5,000	.10	173 Real	Burgos, Pangasinan

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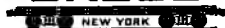
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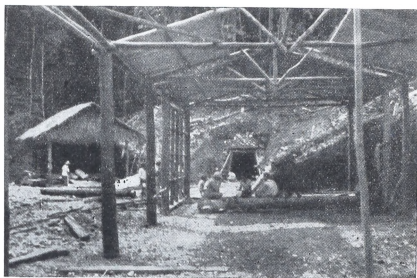
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## Still Another Surigao Discovery?

*Navago's Main Tunnel*

Premier Pili is a Cebu mining corporation engaged as one of its activities in the development of mining projects in Surigao. Dr. Emilio Osmeña heads the company. He writes with enthusiasm about the company's Navago property in Surigao, doubting if he will ever find another property as interesting. He says seven parallel veins have turned up, "average mining width of 7 ft. 4 in. and average value \$12. Most of our drifts along the ore bodies are already over 500 ft. and ore bodies still persisting. As soon as we have available power from our compressor, we will also start sinking shafts on the other veins. Our location is almost ideal."

Two Pertinent Manila Newspaper  
Editorials

## VITAL TESTIMONY

In its memorandum to the joint committee of experts, the Los Angeles Chamber of Commerce takes a significant stand on the future trade relations between the Philippines and the United States. It says:

"Naturally, the Pacific Coast of the United States is closely affiliated commercially with the Philippines and is intensely interested in all economic and commercial developments having a bearing on their trade. With the development of the resources of the Philippines, much American capital has been invested therein. . . .

"All leading Pacific coast cities have a common interest in the importation of Philippine products. Oil mills, cordage plants, soap factories, furniture plants and other concerns using hardwood, and a host of lesser industries have been created to use products coming from the Philippine Islands.

"All this development has taken place largely as a result of preferential trade arrangements which have been in existence between the Philippines and the United States. Under these arrangements the Philippines have developed rapidly and, as already pointed out, their people have advanced to a higher standard of living than most of their neighbors.

"The creation of new wealth thus made possible has opened new markets and created new demands for the products of the Pacific coast, as well as sources of raw materials for our factories, both of which in turn have increased employment. A disturbance of these relations therefore might be very serious, not only for the people of the Philippine Islands, but also, in a degree, for the United States as well."

A more cogent presentation of the factors involved in any plan to readjust the future trade relations between the Philippines and the United States would be hard to find. The

testimony is of vital importance particularly because it comes from a sector of American economic life that has every reason in the world to insist upon the further development rather than upon the liquidation of the trade between the Philippines and the United States.

The argument is not, of course, new. It has been advanced, time and again, in behalf of the economic interests of the Philippines officially through innumerable memoranda to the United States government as well as by local private groups whose future welfare is intimately affected.

Opinion on the final disposition of the Philippine question is divided in the Philippines as in the United States. In both countries there are groups favoring independence regardless of whether any prior arrangements are made to insure a stable basis for the future trade relations of the two countries.

The stand taken by the Los Angeles Chamber of Commerce is the middle view, and coincides with that of the more reasonable elements in the Philippines. The committee of experts will not err in making use of it as the cornerstone of their recommendations.—*Philippines Herald*.

#### THE RULES AND THE MARKET

The securities and exchange commission has published its new regulations for stock trading, and now, it would seem, everything has been done to insure a speedy return of the local stock market to its former boom stage.

There is no doubt that the regulations were prepared with something more than a casual regard for the present emergency in the market. But it is altogether too much to assume that they will act as a complete and thorough cure for the ailment of malnutrition from which the market is suffering.

Entirely apart from the fact that it will take a staff of more than ordinarily expert accountants and a battery of Philadelphia lawyers to determine exactly what the new regulations mean, the market cannot be restored to its former vigor unless and until three important things are done.

The first of these is the achievement of a completely new orientation on the part of those who in the last analysis are capable of assuring the fluidity of the market, the steady flow of buying and selling. The members of the stock exchanges must do their part in restoring the confidence of the traders, a confidence that has been weakened by well-known instances of manipulation, by baseless rumors spread by manipulators. Insofar as the SEC regulations will tend to check the activities of manipulators they will prove of immense value to the trading and investing public.

But this is only one of the necessary factors, and not the most important. Of greater import are, first, the removal of the uncertainty surrounding the political situation, and, second, the clarification of the Commonwealth's attitude to private investment in Philippine mines.

The first, there is every reason to hope, will be accomplished when the joint preparatory committee completes its work and makes its recommendations.

The second is the nub of the whole matter. The development of the Philippine mining industry, and with it the stability of the security market, depends on the readiness of private capital to enter the field. Foreign or local, this capital will not enter the field until it is assured of complete protection. Does such protection, in the specific instance of the mining industry exist today? That is a question that yet remains to be answered. It is not enough for individuals, even the most prominent, to say that the Philippines welcomes private capital. Those who have money to invest will investigate carefully to see exactly how the laws of the Philippines second this invitation.

When it is proved to the satisfaction of private capital, local or foreign, that there is protection for it, money will pour into all industries here, particularly into the mining industry, and the market will have nothing to worry about.

—*Manila Tribune*.

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Names of Mining Companies	Date of Registration	Authorized Capital	Subscribed Capital	Capital Paid to Date	Par Value	Main Office Address	Location of Property
Batangas Mineral Dev. Roy Ruggie, Pres.; S. Feldman Treas.	9-15-37	200 Shares	1,000	1,000	No	P.N.B. Bldg.	Batangas
Bemacuas Mining N. E. Mullen, Pres.; C. P. Cruz Vice-Pres.	5-8-37	10,000	10,000	2,500	.10	609 Escolta	La Union, Ilocos Sur
Benguet Itogon Walter Robb, Pres.	3-17-37	1,000 Shares	2,750	2,750	No	China Bank Bldg.	Itogon, Mt. Prov.
Binutong Mining S. Zaragoza, Pres.; F. Garriz Vice-Pres.-Treas.	4-8-37	400,000	80,000	20,000	.10	931 R. Hidalgo	Surigao
Botolan Mineral R. C. Tuggie, Pres.; C. H. Von Hoven, Vice-Pres.	4-7-37	500,000	100,000	25,000	.10	335 Crystal Arcade	Zambales
Balneik Mining Manuel Lim, Pres.	3-29-37	2,450 Shares	480 Shares	600	No	Cu Unjengi Bldg.	Busuanga, Palawan
Baler Syndicate	4-28-37	10,000	2,100	2,100	1.00		
Basa Mines E. Ong Lateo, Treas.	10-20-36	250,000	51,210	12,960		Iloilo City	
Base Metal Mines	7-29-37	1,000 Shares	1,000	1,000	No		
Bicol Iron and Metal	7-26-37	180,000	180,000	45,000	.10	101 Echague	
Cayan Mt. Gold	7-27-37	10,000 Shares	2,000 Shares	2,500	No	335 Ronquillo	
Calabornay Gold	7-15-37	50,000	10,000	2,500	.01		
Crystal Gypsum Mines	7-7-37	150,000	30,000	7,500	.01		
Community	3-24-37	20,000 Shares	20,000	7,500	No	Cu Unjengi Bldg.	
Camarines Cons. Mines T. Certeza, Pres.; M. Peña, Vice-Pres.	3-2-37	400,000	80,000	20,000	.01	China Bank Bldg.	Cam. Norte & Sorsogon
Camarines Sur Gold Nugget E. Navoa, Pres.; J. Fuentesbela, Vice-Pres.	3-22-37	6,000 Shares	30,000	7,500	No	Brias Roxas Bldg.	Tinambac, Camarines Sur
Camp Four Cons.		1,000,000	200,000	130,000	.10	N.C.H. Bldg.	Baguio
Carino-Ansagan Goldfield M. Roxas, Pres.; B. S. Aquino, Vice-Pres.	4-16-37	1,000,000	607,000	151,750	.10	Brias Roxas Bldg.	Tuba, Mt. Prov.
Catanduanes Corp. F. B. Fairchild, Pres.	4-8-37	1,000,000	200,000	50,000	.10	321 Regina Bldg.	
Continental Mining & Dev. G. A. Montinola, Pres.; S. Abrera, Vice-Pres.	3-10-37	500,000	100,000	25,000	.01	Cu Unjengi Bldg.	Tuba, Benguet
Camarines Iron Mines W. Q. Vinzons, Pres.; J. M. Sombrillo Vice-Pres.	3-18-37	250,000	50,000	12,500	.10	Cu Unjengi Bldg.	Capalonga, Cam. Norte
Central Batangas Galena and Gypsum Mines J. C. Jacinto, Pres.; D. Jacinto, Vice-Pres.	6-16-37	400,000	80,000	20,000	.01	Peoples Bank Bldg.	Mabini, Batangas,
Compañia Minera de Filipinas R. F. Roces, Pres.; N. Reyes, Vice-Pres.	4-7-37	200,000	40,500	40,500	.10	901 Dagupan	No property
Corona Manganese S. Capule Cruz, Pres.	3-24-37	40,000	8,000	2,000	.01	Fernandez Bldg.	Corona, Palawan

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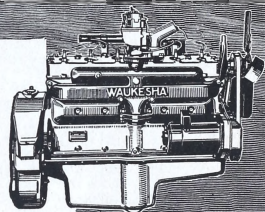
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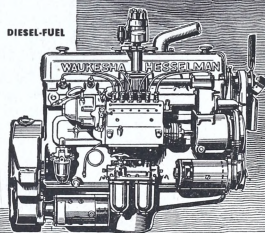
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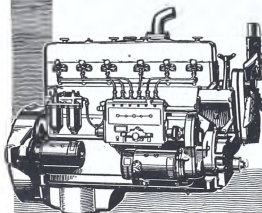
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Names of Mining Companies	Date of Registration	Authorized Capital	Subscribed Capital	Capital Paid to Date	Par Value	Main Office Address	Location of Property
Danawin Mining M. Pujalte, Pres.; J. del Gallego, Vice-Pres.	4-16-37	100,000	100,000	25,000	.10	3 Plaza Moraga	Cam. Norte, Cam. Sur
Divine Mining & Dredging A. Kauffman, Pres.		300,000	210,000	52,500	.10	Burke Bldg.	Sison, Pangasinan
Dinagat Chromite	5-28-37	250,000	50,000	12,745	.01	Wise Bldg.	Dinagat, Surigao
East Surigao Goldfields I. Gabaldon, Pres.; J. D. Cortez, Vice-Pres.	6-1-37	450,000	90,000	25,000	.01	443 S. Vicente	Himatuana, Surigao
Esmay Goldfields L. F. Nantz, pres.; R. Clark, Vice-Pres.	6-9-37	500 Shares	1,200	1,200	No	414 N.C.B. Bldg.	Bontoc
Feliza Copper Mines M. M. Gonzales, Pres.; R. F. Campos, Vice-Pres.	3-17-37	100,000	20,000	5,000	.01	3-F Ysmael Bldg.	Mangatarem, Pangasinan
Gayan Mining R. Abriol, Pres.; M. O. de los Santos, Vice-Pres.	2-5-37	1,500,000	300,000	75,000	.01	P. O. Box 1292	Mt. Prov. Cam. Sur Surigao
Gen. Expl. & Dev. L. Hidrosollo, Pres.; C. de Luzuriaga, Vice-Pres.	7-35-36	100,000	20,000	20,000	.10	443 S. Vicente	Surigao, Mt. Prov. N. Vizcaya
Golden Atok J. M. Delgado, Pres.; R. Abriol, Vice-Pres.	3-30-37	480,000	96,000	24,000	.01	3-F. Ysmael Bldg.	Atok Mt. Prov.
Gabon Int. Chromite B. Velasquez, Pres.; E. Gallaher, Vice-Pres.	3-3-37	500,000	100,000	25,000	.01	440 Estero Cogado	Sta. Cruz Mambulao
Hawaiian Western Mines F. Aquino, Pres.; J. D. Cortez, Vice-Pres.	3-13-37	50,000 Shares	50,000	12,500	No	320 Hencock Bldg.	Itogon, Mt. Prov.
Heleas Oil Co.	3-3-37	100,000	20,000	5,000	.10		
Itogon Bokod Gold	3-30-37	250,000	50,000	12,500	.01	443 S. Vicente	Itogon, Mt. Prov.
Itogon de Oro R. Baluyot, Pres.	4-7-37	400,000	80,000	20,000	.10	3 F. Peoples Bank Bldg.	Benguet, Mt. Prov.
Itogon Goldfields	6-5-37	1,000,000	56,900	26,900	.01	402 Wise Bldg.	Itogon, Mt. Prov.
Iba Chromite Mines A. F. Gutierrez, Pres.; F. D. Mirafior, Vice-Pres.	6-19-37	1,000 Shares	1,000	250	No	205 Regina Bldg.	Zambales
Kabanglasan Minerals F. Quimpo, Pres.	4-21-37	50,000	50,000	12,500	.10	331 Crystal Arcade	Pingkian, Mt. Viscaya
Kabayan Central Mines V. Lopez, Pres.; J. V. Bagtas, Vice-Pres.	12-21-36	2,000 Shares	400	400	1000	3 F Yutivo Bldg.	Benguet, Mt. Prov.
Kabayan Free Gold J. V. Bagtas, Pres.; F. A. Delgado, Vice-Pres.		10,000 Shares	2,000 Shares	2,510	No	Yutivo Bldg.	Benguet, Mt. Prov.
Kalinga Goldfields E. J. C. Montilla, Pres.	1-30-37	1,000,000	600,000	317,100	.01	101 Escolta	Benguet, Mt. Prov.

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Names of Mining Companies	Date of Registration	Authorized Capital	Subscribed Capital	Capital Paid to Date	Par Value	Main Office Address	Location of Property
Kalinga Payao Goldfields J. M. Delgado, Pres.; E. Barcelona, Vice-Pres.	12-21-36	100,000	20,000	5,000	.01	310 Rizal Ave.	Kalinga, Mt. Prov.
Kiangnan Ventures	3-30-37	2,500 Shares	15,000	15,000	No	227 David	Hugao, Mt. Prov.
Kibungan Cons. M. Kraut, Pres.; M. Bengson, Vice-Pres.	3-17-37	200,000	40,000	10,365	.01	502 Estero Cagado	Kibungan, Mt. Prov.
Labo Gold Mining T. J. Brechan, Pres.; A. Trepp, Vice-Pres.	5-14-36	500,000	200,000	50,000	.10	102 P.N.B. Bldg.	Labo, Cam. Norte
Mahayaga Mines	2-27-37	1,000 Shares	1,000 Shares	5,000	No	118 T. Pinpin	J. Pangasinan Cam. Norte
Mazla Goldfields M. Alzate, Pres.; M. Tansengco, Vice-Pres.	3-3-37	6,000 Shares	30,000	7,300		203 Regina Bldg.	Benguet, Mt. Prov.
Nacuartelton Mining S. Araneta, Pres.; V. Valera, Vice-Pres.	6-4-37	100,000	20,000	5,000	.01	9 Plaza Moraga	Lacub Abra
North Atok M. Lim, Pres.; A. G. Wienecke, Vice-Pres.	2-24-37	400,000	100,000	20,000	No	3-F Laek & Davis Bldg.	Atok Mt. Prov.
Northern Equitable Gold Mines	5-6-37	100,000	20,000	5,525	.01	3-F Ysmael Bldg.	Benguet Mt. Prov.
Oriental Manganese W. Q. Vinzon, Pres.; D. F. Joaquin, Vice-Pres.	3-13-37	250,000	50,000	12,500	.10	304 Cu Unjieng	Mayantoc, Tarlac
Oriental Iron J. Salgado, Pres.; A. Rivera, Vice-Pres.	3-1-37	100,000	100,000	25,000	.10	227 David	Sanar & Masbate
Padual Mines Paeife San Mauricio J. Enriquez, Pres.	7-26-33 3-12-37	100,000 500,000	100,000	80,000 25,000	1.00 .01	Soriano Bldg. 25 Arguelles Bldg.	Mt. Prov. Cam. Norte & Masbate
Paracale Mapalad Rev. D. Asis, Pres.; C. Sollomo, Vice-Pres.	3-11-37	100,000	20,000	5,000	.01	Monte de Piedad Bldg.	San Vicente Cam. Norte
Paracale National Gold J. K. Reed, Pres.; C. Roesholm, Vice-Pres.	6-4-37	1,000,000	200,000	88,529	.10	124 T. Pinpin	Mambulao, Cam. Norte
Paracale Union Gold Mines	5-22-37	400,000	80,000	20,000	.01	702 Heacock Bldg.	Labo, Cam. Norte
Parasan Mines Inc. M. Urquien, Pres.; M. Cuaderno, Vice-Pres.	4-28-37	1,050,000	210,000	138,000	.01	301 Crystal Arcade	Paracale, Cam. Norte
Phil. Industry & Mining T. Mendoza, Pres.; A. M. Reyes, Vice-Pres.	3-8-37	100,000	20,000	5,000	.01	Knoedler Bldg.	Owens no Property
Phil. Mines Syndicate M. Camus, Pres.	6-22-33	1,000,000	676,000	100,000	1.00	734 Hogar Filipino Bldg.	Itogon, Mt. Prov.

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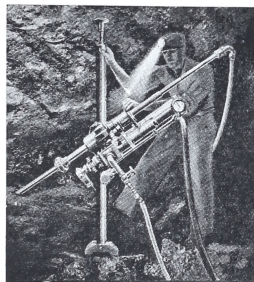
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Names of Mining Companies	Date of Registration	Authorized Capital	Subscribed Capital	Capital Paid to Date	Par Value	Main Office Address	Location of Property
Palawan Manganese Pedro Siochi, Vice-Pres.-Treas.	3-29-37	100,000	20,000	20,000	.10	109 J. Luna	Palawan
Pangasinan Copper W. Q. Vinzons, Pres.; D. F. Joaquin, Vice-Pres.	3-17-37	250,000	50,000	12,500	.10	24 Cu Unjieng Bldg.	Mangatarem, Pangasinan
P. I. Ores Corp. R. R. Santos, Pres.; M. Mnnalo, Vice-Pres.	4-7-37	200 Shares	5,400	5,400	No	102 Regidor	Busuanga, Palawan
Royal Paracale Mines S. J. Wilson, Pres.; B. H. Silen, Vice-Pres.	4-8-37	1,500,000	300,000	150,000	.10	6 F Wilson Bldg.	Cam. Norte, Masbate
San Antonio de Sagod Gold A. Escato, Pres.	6-9-37	100,000	20,000	5,000	.01	Cebu, Cebu	Malitbog, Leyte
San Mauricio-Pitisan Santo Rosario Surigao Mines J. D. Cortes, Pres.; F. Silvosa, Vice-Pres.	6-4-37 4-7-37	500,000 700,000	100,000 140,000	25,000 35,000	.01 .10	300 Padilla Bldg. 16 Escolta	Paracale, Cam. Norte Surigao
St. Expedito P. Mapa, Pres.; R. A. Arenas, Vice-Pres. and Gen. Mgr.	3-29-37	500,000	350,000	87,500	.01	209 Regina Bldg.	Itogon, Mt. Prov.
Sogod Gold Mines J. Corona, Pres.	6-4-37	100,000	20,000	5,000	.01	17 Escolta	Malitbog, Leyte
South Benguet Itogon Gold N. Roque, Pres.; S. Libby, Vice-Pres.	6-4-37	150,000	30,000	9,250	.01	32 Crystal Arcade	Itogon, Mt. Prov.
Surigao Taguinan D. B. Ambrosio, Pres.; M. G. Vasquez, Vice-Pres.	4-2-37	100,000	20,000	5,000	.01	315 C. Arcade	Surigao
Samar Mining Sta. Cruz Chromite V. S. Afable, Pres.; R. J. Ongsiako, Vice-Pres.	2-25-37 4-21-37	1,000,000 500,000	502,000 100,000	125,500 25,000	.10 .01	Flizalde Bldg. 201 Cu Unjieng Bldg.	Sta. Cruz, Zambales
Sta. Magdalena Tagobomar Dev. J. Martinez, Pres.; E. Taylor, Vice-Pres.	6-25-37 4-10-36	500,000 2,000,000	100,000 400,000	25,040 110,000	.01 .01	348 Echague Cebu City	Botolan, Zambales Dinagat, Surigao
Tres Estrellas Expl. A. L. Escueta, Pres.; R. E. Northrop, Vice-Pres.	2-19-37	500 Shares	100 Shares	1,000	No	507 P.N.B. Bldg.	Labo, Cam. Norte
United Itogon United Mindanao Mining & Dev. A. M. Opisso, Pres.; R. F. Campos, Vice-Pres.	5-22-37 4-23-37	10,000 Shares 400,000	10,000 80,000	2,500 20,000	No .10	443 S. Vicente 3 F Wilson Bldg.	Lumber, Or. Misamis
United Catanduanes P. Vera Pres.; E. A. Picazo, Vice-Pres.	4-16-37	450,000	90,000	22,000	.01	140 Solana	Catanduanes
Vigan Cons. Mines Zambales Asbestos Mrs. L. Gonzales, Pres.; J. Sombrito, Vice-Pres.	5-27-37 3-16-37	100,000 150,000	21,000 30,000	5,600 7,300	.01 .10	107 Solis 304 Cu Unjieng Bldg.	S. Nicolas, Pangasinan Botolan, Zambales



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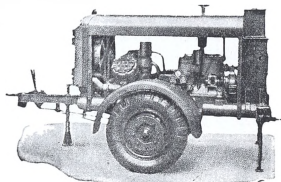
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# Industrial Metals Prices Current

(By the United Press)

NEW YORK, Aug. 16.—Improved consumption figures have benefited metal prices on all markets during the past month and interest in futures has developed, the magazine Metal and Mineral Markets reports in its August issue.

Domestic copper remained unchanged but the export demand was much better this month and the New York export price advanced in line with gains registered abroad. Although copper production has been sharply increased the increase has been well absorbed, leaving the basic situation in good condition for steady prices throughout the remainder of the year.

The lead market followed much the same trend as copper during July with domestic prices holding firm at the same levels of June. Sharp bidding from

various European sources boosted lead prices as much as three cents on the London market. Zinc also was in good demand on London and the metal made good advances when a tight situation in immediate deliveries appeared likely.

After sagging for two months, the tin market spurted again last month and prices were sharply higher on all markets. The New York price on Straits tin averaged more than three cents a pound higher during July. Several factors have combined to aid tin. Production in Bolivia and Malaya is reported below expectations. At the same time, consumption has been at a record rate for several months and American tin consumers are understood to face a shortage of stocks. Recent heavy buying by American users had the effect of bringing forth prompt increases.

In many quarters it was regarded likely

the International Tin Committee will meet soon to revise the quotas in view of Bolivia's obvious inability to fill her quota this year.

An increase in both lead and zinc prices may be expected soon, according to the magazine. With Spanish lead mines not producing normal tonnages, production this year has barely kept ahead of production. Zinc deliveries have not reached the anticipated peak because of a buyers' strike but the supply situation remains fairly tight and a resumption of buying cannot help but benefit prices.

Silver prices eased slightly during July because of the government's lack of interest in the market. At the same time, production of foreign silver has steadily increased.

The market for the lesser metals was erratic. Quicksilver declined sharply. Platinum also encountered a slack market and this precious metal dropped \$2.885 an ounce for the month. Cadmium had more buyers than sellers and the sudden spurt brought prices up 11-1/2 cents.

## AVERAGE METAL PRICES FOR JULY, 1937

(By United Press)

		Gains or Loss from June
<i>Copper</i>		
Electrolytic, Domestic, refinery....	13.775	Unchanged
Electrolytic, Export, refinery.....	13.817	+ 0.325

London, Standard spot.....	56.412	+ 0.716
London, Electrolytic, bid.....	62.807	+ 1.398

### Lead

New York.....	6.000	Unchanged
St. Louis.....	5.850	Unchanged
London, Spot.....	23.932	+ 1.054
London, Forward.....	23.703	+ 0.944

### Silver and Sterling Exchange

Silver, New York, per oz.....	44.750	— 0.068
Silver, London, pence per oz.....	19.986	— 0.036
Sterling Exchange, "checks".....	496.582	+ 3.178

### Zinc

St. Louis.....	6.923	+ 0.173
London, Spot.....	22.568	+ 1.159
London, Forward.....	22.693	+ 1.165

### Tin

New York, Straits.....	59.245	+ 3.394
London, Standard spot.....	263.540	+ 13.688

### Other Metals

Gold, per oz., U. S. price.....	\$35.000	Unchanged
Quicksilver, per flask.....	\$93.904	— 2.750
Antimony, domestic.....	14.803	+ 0.101
Antimony, Chinese.....	16.000	Unchanged
Platinum, refined, per oz.....	\$50.115	— 2.885
Cadmium.....	142.500	+ 11.538
Aluminum, 99+ per cent.....	20.000	Unchanged

### Chromium

Chromium, 97% per pound.....	85.000	Unchanged
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### Manganese Ore

52 to 55%, c.i.f. Atlantic ports....	40.000	Unchanged
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(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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### Coco Grove On New Basis

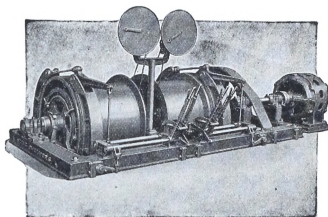
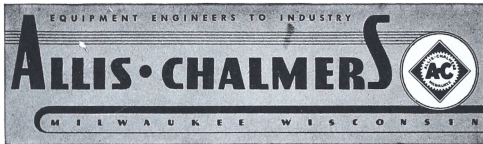
Stockholders of Coco Grove, Inc., at a special meeting unanimously approved the action of their Board of Directors in accepting an offer made by Marsman and Company, Inc., to take over the unissued capital, consisting of 5,625,000 shares (par value ten centavos) at a price of fifty centavos per share, on behalf of itself or its nominees. This will bring in a total of P2,812,500 to Coco Grove, a sum which will approximately liquidate the liabilities of the company, and save large interest charges. With the liabilities liquidated, the payment of dividends soon after the two new dredges recently purchased and now being assembled go into operation will be possible.

Marsman and Company will permit shareholders of Coco Grove, Inc., of record on August 16th, 1937, to take up stock at fifty centavos per share, in the proportion of six shares for every ten shares held. The first new Bucyrus-Erie dredge is now being assembled in the Port Area, will be launched in the very near future, and is expected to go into operation during November. Shareholders will be notified when the launching is to take place, officials of the company announced yesterday. The second dredge will be launched about six weeks after the first one. Each dredge has a capacity of 225,000 cubic yards per month.

Exhaustive test work done at Coco Grove during the past two years has proven the existence of more gold than was first anticipated in the placer deposits. With the economical operation that the new dredges will effect, the project is expected to pay sizeable returns soon after dredging is under way.

The Coco Grove deposits were worked for

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, 4a Calle de Guerrero No. 27, Oaxaca, Oaxaca, Mexico.



ALLIS-CHALMERS ELECTRIC MINE HOISTS ARE BUILT FOR SMALL AS WELL AS LARGE PROPERTIES. THEY ARE OPERATING ON INCLINES AND VERTICAL SHAFTS, SOME OF THE LATTER MORE THAN A MILE DEEP.

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a few months in 1936 by leased suction dredges. It was discovered that the principal dredge which bore the gold saving apparatus was in such poor mechanical condition that operations were finally discontinued and the two new bucket dredges ordered. These dredges are of the very latest design, and have been proven successful in similar deposits the world over.

## Gold Standard Exchange

(Continued from page 19)

a step that when taken led naturally to the Philippine National Bank whose charter, drawn up by Vice Governor Henderson Martin, dates from 1916.

But the foreign banks were not to blame, silver was a commodity and they traded in it as such. Nominally, in certain forms, it was a commodity called money in the Philippines. But every bookkeeper chose his own unit in which to keep his accounts: tuels for some, pesos for others, pesetas for others, while some chose maravedis. Reminiscent of this, on the local market Manila hemp is still quoted in reales. Such practices made confusion worse confounded.

Dr. Charles A. Conant was called as physician for this malady. Shortly the Philippine Commission adopted the currency law, prepared from Dr. Conant's report, and began minting Philippine pesos, pesetas, half-pesos and ten-centavo pieces that, with some intervening changes in weight, are the subsidiary coins we have now. This money exchanges for the dollar at the rate of two for one; the Commonwealth treasury sells exchange freely on New York at nominal rates, therefore banks do too.

On the other hand, America sells exchange on Manila at various banking agencies of the Commonwealth government, at like rates. Consistently the Islands surplus products are taken in the American market, so dollars are always on hand for any demand there may be for pesos.

For the worth of other currencies in Manila, where bills are cleared at banks for points throughout the world, multiply current dollar rates by two. Sterling's worth in dollars is double that in pesos. The peso is as good as the dollar,

(Please turn to page 48)

## July 1937 Gold Production

	July 1937		July 1936	
	Tons Milled	Value	Tons Milled	Value
Antamok Goldfields	21,362	461,432.90	20,541	P 514,295.28
Raguio Gold	5,930	110,154.22	5,167	97,896.26
Balatoe	37,897	1,121,831.58	37,851	1,050,542.06
Benguet Cons.	24,922	836,182.16	25,262	773,742.34
Benguet Expl.	3,310	21,707.00	2,644	26,709.20
Big Wedge	3,004	137,022.92	2,754	85,809.74
Cal Horr	3,438	99,880.22	5,004	78,842.10
Coco Grove				88,301.22
Demonstration Gold	7,202	129,202.37	6,765	112,252.96
East Mindanao	2,441.20	40,898.36		
Gold Creek			1,152	17,239.72
Ipo Gold	5,154	50,690.54	4,673	44,222.04
Itogon	14,798	188,736.02	15,019	253,131.60
I.N.L.-Argos			137	12,500.28
I.N.L.-Mining	7,203	186,058.63	5,579	100,085.00
Masbate Cons.	61,829	248,502.66	38,304	213,861.00
Northern Mining	82	1,573.04	486	5,942.80
Royal Paracale		26,667.89		
Salacot	4,860	27,753.76	4,322	33,626.00
San Mauricio	6,607	125,068.53	5,230	171,465.07
Suyo Cons.	6,271	120,201.50	4,944	67,671.94
Tambis			33,703 yds.	9,058.00
United Paracale	10,523	183,643.23	9,772	109,881.56
Total		4,119,267.53		P3,867,076.17

# When To Stop Advertising

When every man has become so thoroughly a creature of habit that he will certainly buy this year the same products he bought last.

When younger, and fresher and spankier concerns in your line cease starting up and using the newspapers in telling the people how much better they can do for them than you can.

When nobody else thinks "it pays to advertise."

When population ceases to multiply and the generations that crowd on after you, and never heard of you, come on.

When you have convinced everybody whose life will touch yours, that you have better goods and lower prices than they can ever get anywhere outside of your store.

When you perceive it to be the rule that men who never do and never did advertise are outstripping their neighbors in the same line of business.

When men stop making fortunes right in your sight, solely through the discreet use of this mighty agent.

When you can forget the words of the shrewdest and most successful men concerning the main cause of their prosperity.

When you would rather have your own way and fail than take advice and win.

When you want to go out of business with a stock on hand.

When you want to get rid of the trouble of waiting on customers.

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# Manila Daily Bulletin

ADVERTISING SERVICE DEPARTMENT

# COMMERCIAL REVIEWS



AMERICAN CHAMBER

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Planting Rice In Central Luzon

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# The Status of Commercial Fishing in the Philippines

By Hilario A. Roxas,

Chief, Fish and Game Administration  
Bureau of Science, Manila



After the Haul

The Philippines is well-known for its about 7,083 islands, big and small which, when taken together have an aggregate area of 140,400 square statute miles. We have here a total coast line of about 11,444 statute miles or 18,417 kilometers which is more than twice that of the United States. The territorial waters of the Philippines is about six times as much as our total land area and our seas are capable of supporting fish and other aquatic life from the bottom to the surface. Thus, it can readily be realized that greater wealth is available from our waters when compared with our land, only the surface of which is available for agriculture, grazing and forestal purposes. This vast expanse and depth of water is inhabited by over 2,000 kinds of fish, the majority of which are procurable in industrial and commercial quantities.

In the early days, fishing for the most part, was confined to the shallow waters next to our shores where traps and nets were operated. Even to this date, we find men using their bare hands in the capture of fish. Fish corals, bamboo fish traps, shore seines (pukot) and cast nets (dala) necessitating only the investment of very small capital are still in vogue among small scale native fishermen. With fish gradually falling into the hands of the capitalists, however, native fishermen are now beginning to use long lines (trot lines and trawling), to construct deep-water fish corrals and to employ nets that are operated some distance from the shore requiring the employment of more men and greater amount of investment. Foremost among the nets are the purse seine, the round haul seine and the gill net.

From the year 1927, fishing in the Philippines under the influence of the Japanese fishermen, made a forward stride in the introduction of more scientific and more effective gear and in the use of spacious motor-propelled craft that can stay out for sometime in the sea without returning to land. Common among these are the Japanese beam trawl (*Utase*) for bottom or ground species in offshore waters and the *muro-ami* net for coral reef fishes along the rocky shores. In the year 1935, 150 boats were engaged in the *utase* and *muro-ami* fishing with about ₱1,300,000 as a total capitalization. Of these, 41 are of Japanese ownership, 25 belong to corporations, 61% of which are Filipino or American capital and 85 are Filipino owned. These boats reported a total catch of 10,700,000 kilos of fish worth approximately ₱1,500,000 in the year 1935.

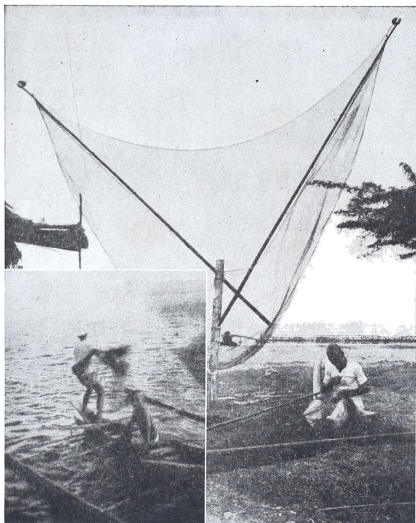
The Philippine Packing Corporation, situated at Bogo, Oriental Misamis, and a subsidiary of the Del Monte interest of California, as early as 1930, went into tuna fishing, using the pole-and-hook method with live sardines as bait. From a cause not known to the writer, the company stopped tuna fishing and packing in 1935. The year 1937 saw the birth of two big fishing corporations, the Sea-Food Corporation of Zamboanga, with the catching and packing of tuna as the major enterprise, and the Eastern Deep-Sea Corporation of Manila with the *utase* and the *muro-ami* fishing as the main

occupation. It is still early to tell how these new companies will fare, but judging from their present activities and result of their work, the future seems to hold good promise for them.

While fishing in the Philippines has shown signs of life and activity during the past years, it is one of the industries in the Philippines which has not kept abreast with progress.

The question of producing cheap fish supply within the buying power of the poor should be the main issue in determining policies affecting fisheries. Next in importance is the proper conservation of our fisheries and the protection of our various fishing banks. While the present generation should take advantage and make use of our fishery resources as much as possible, our fishing areas should not be depleted unnecessarily or completely destroyed. Enough should be left for the coming generations.

(Please turn to page 37)



A scissors-net (*utase*) being dried. Inset, *Dala* or cast net in operation

# Philippine Highways

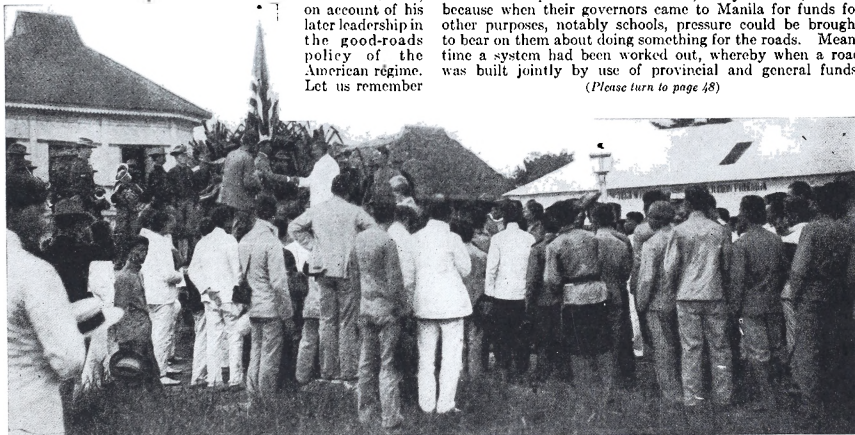


Some Journal Friend's Old Photo

General Juan Cailles of Laguna, center, marching into Sta. Cruz, his capital, to meet the Americans under General Sumner and call it a day.

Two purposes lie back of the illustrations accompanying this paper on Philippine roads. The illustrations pertain to the formal surrender, thirty-seven years ago, at Sta. Cruz, Laguna, of General Juan Cailles. He yields his sword to General Sumner. One of our purposes in printing pictures, very rare, of the event, is to commemorate the advent of the American flag in the Islands and give an inkling of the struggle that grew out of the misunderstandings that ensued. Our other purpose is to print something interesting about

General Cailles, on account of his later leadership in the good-roads policy of the American régime. Let us remember



JUAN CAILLES TURNS IN HIS SWORD

Some Journal Friend's Old Photo

In his capital, Sta. Cruz, Laguna, General Juan Cailles (left) shakes hands with General Sumner, Aguinaldo having invited his supporters to join him in peace with the Americans, 1900. In the foreground are Cailles's men, American troops and band at the left. Most of the time since, General Cailles has been the governor of this province, Laguna, where Governor Forbes first experimented with a good modern road for the lowlands of Luzon.

## • Mindanao Is Road Builder's Next Objective

the soldiers, and more so the prolonged peace that has followed their adventure.

Cailles was a vigorous campaigner on the side of Aguinaldo's republic. After the fighting was over, he kept up his interest in politics—as he still does. Most of the time since he ceased soldiering, he has been the governor of his province, as he is now; his popularity never seems to wane, its endurance during thirty years and more marks him an unusually strong character, as his ability in the field marked him as soldier.

Thirty years ago, when W. Cameron Forbes as secretary of commerce and police in Governor James F. Smith's administration was formulating his good-roads policy, he needed the support of strong Filipinos and turned at once to General Juan Cailles as one the strongest. For good roads a special tax was needed; for this, the poll tax of one peso a year for schools could be made two pesos; the tax is known as the *cedula* tax; to double it, an act of a provincial board was required; and to get a governor popularly elected to back such a tax, an example had to be set.

If it proved worth while for one province to double the poll tax, others would follow suit, reasoned Forbes, and he struck a bargain in good Yankee fashion with General Cailles in Laguna. Out in Laguna, a few kilometers of modern highway were built. General Cailles was convinced that such roads were what his province and the country generally needed most of all—he became an advocate of the two-peso *cedula*, half of which would be for roads and bridges, and put the act through his provincial board. The Philippine Commission had just authorized this procedure, if provincial boards wished to do it.

Soon other provinces fell into line; many of them, in fact, because when their governors came to Manila for funds for other purposes, notably schools, pressure could be brought to bear on them about doing something for the roads. Meantime a system had been worked out, whereby when a road was built jointly by use of provincial and general funds,

(Please turn to page 48)

## The Status of Commercial . . .

(Continued from page 35)

In spite of our extensive fishing grounds, the Philippines has only about one-third of the fish production of Japan. The Filipino fisherman, able and willing as he is, fishes in the very shallow waters where his little craft may be safely used. Because of the inefficient gear that he uses he may sometimes resort to the illegal practice of employing fish poison and explosives in his desire to catch more fish. The great majority of our fishermen are totally ignorant of matters affecting the conservation of our fish resources and totally indifferent towards rules and regulations that prevent the complete destruction or depletion of our fishing banks. Proper rules and regulations requiring many years of study and research, when promulgated and applied, meet the opposition of the fishermen themselves and the indifference and lack of cooperation on the part of the provincial and municipal officials.

Even some members of our law-making bodies, instead of looking at the Philippine fisheries problems as national in scope are wont to temporize and view them from the narrow interest of the municipalities whose major interest in fishery is to tax the fishermen and obtain as much revenue as possible.

Japan in 1932, produced five and a half million pounds of fish valued at almost \$126,000,000. So that the Philippines may sometime approach this fish production we should encourage the investment of more capital in the industry. Japan had a total investment of almost \$25,000,000 for fishing gear and fishing boats in 1931. The total investment for fishing boats and fishing appliances in the Philippines, in our estimate, does not even reach the value of \$1,000,000.

In the same year, Japan had approximately 361,000 fishing boats capable of operating in inland waters and the open seas. The Philippines at present, has only 150 of such boats, the rest of our fishing crafts being frail bancas and barotos not only inefficient and time consuming but extremely dangerous to life. Increased fish production may only be accomplished in the Philippines by encouraging more people and more capital to go into the fishing industry.

Discussing the same point, the Honorable, the Secretary of Agriculture and Commerce, Eulogio Rodriguez, in a message to the Filipino fishermen said: "But fishermen must help themselves if they wish to carry on extensive commercial fishing activities, especially in deep waters. Sufficient capital is necessary to purchase effective gear and tackles as well as sea-worthy boats. No single Filipino fishermen can hope to acquire these within a short period of time. Filipino fishermen then, instead of trying to drive each other out of business, should organize among themselves and should establish cooperative undertakings so that they can go into fishing on a bigger scale.

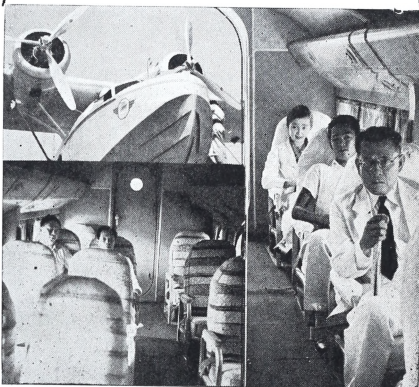
"Properly organized thus, they can stand the competition of foreign fishermen as well as attract the attention and capital of our bankers and businessmen and that of the insular government. Filipino fishermen can acquire refrigeration and transportation facilities or make arrangements with

(Please turn to page 52)

Read the—

**American Chamber  
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## Philippine Economic Conditions

Exports appear to have fallen off somewhat in June, in most lines, although ships continue to obtain full cargoes. Sugar shipments were lower than in May and continue to run substantially behind last year. Copra exports were a little better than in May, but continue much below last year. Coconut oil shipments fell off in June, but copra cake and meal were exported in good quantity and desiccated coconut shipments reached record levels. Abaca exports improved and are well ahead of last year. Leaf tobacco shipments were reduced, following the heavy May shipments. Log and lumber exports were also apparently reduced. Sugar

prices were firm, but copra, coconut oil and abaca prices were easy.

The export sugar market was improved, with fairly active business at prices which were firm during most of the month, receding a little at the end. Shipments were high but sales on the New York market were active. The market for domestic consumption sugar continues easy, with ample stocks and active demand. There were some moderate shipments of reserve sugar to Hong Kong, but this was stopped when it became clear that it was contrary to the protocol conditions of the London Sugar Agreement.

Copra arrivals increased substantially, although still somewhat below expectations. Prices continued to decline throughout the month, due to a declining oil market in the United States, the fact that oil purchasers have apparently pretty well covered their requirements for the next few months and the expectation of increased copra production. The oil market was also weak throughout the month. Exports of copra were slightly better than in May but still running substantially behind last year. They are going entirely to the United States. Oil exports were considerably lower than in May but continue well ahead of last year. Copra cake and meal were exported in good volume, with the United States getting the major portion. Desiccated coconut exports were larger than in any previous month on record.

The abaca market was weak, due to lack of demand from abroad and in spite of reduced production. Only a few weak holders sold at the lower prices, however, and a reaction upward appears probable at the end of the month. Exports continued to run well ahead of last year to all markets, excepting to Continental Europe.

The tobacco market continued firm but quiet. Buying of the new crop is well under way in the Ilocos Provinces and is starting in the Cagayan Valley. Leaf tobacco exports fell off in June, following the heavy May shipments, but cigar exports were exceptionally good.

The rice market was a little firmer during June. Arrivals continue steady and stocks so far appear adequate. Some imports will probably be necessary this year, but it is expected that revised estimates will show a considerable increase over the preliminary estimate of the 1936-37 crop.

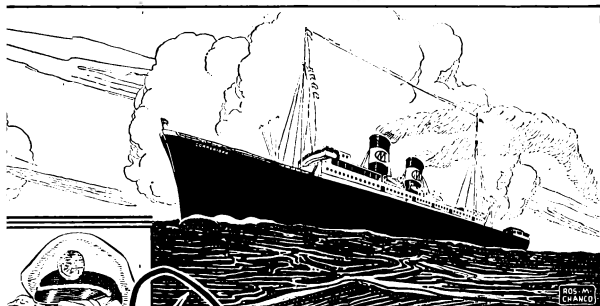
Lumber mills continue to operate at capacity, although exports were apparently a little lower than in May. Demand continues excellent both in export and domestic markets.

Gold production continued to increase, although it still fell a little behind the record set in December, 1936. Exports of base metals to the United States fell off in June but should increase from now on, with the shipping situation easier. Base metal shipments to Japan increased in June, the usual 60,000 tons of iron ore being supplemented by about 5,000 tons of manganese and copper.

The value of import collections was 12 percent greater than in May and 23 percent greater than in June, 1936. The value of commercial letters of credit opened in June was five percent lower than in May and 16 percent lower than in June, 1936. Import collections continue excellent.

Imported goods continue in generally good demand, although a seasonal recession was evident in most lines. Demand for cotton textiles was generally quiet, although there was some indent business done in the first half of the month. Prices were a little easier. Arrivals of both American and Japanese goods were heavy and stocks are large.

Flour imports were heavy and came to the extent of about 60 percent from the United States. Imports from Japan were also above normal. Demand continues very light, possibly due to the relatively moderate price of rice. Very little American canned fish arrived in June but there is an ample supply of Japanese fish. Prices are firmer. Imports of condensed milk



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were fairly good, but arrivals of evaporated milk were below normal, due to ample stocks and the approach of the rainy season. The Netherlands continues to get the major part of the canned milk business, but the American position is improving.

Imports of automobiles and trucks were heavy in June. Stocks now appear to be generally adequate, although some dealers are still short. Sales continue very good, considering the fact that the rainy season has started. The parts business continues excellent. Tire sales fell off seasonally in June but continue good.

Ordering of iron and steel products continues light, in spite of construction activity. Stocks on hand and shipments en route, at prices considerably under present replacement prices, appear to be ample. Japan is offering competition on light galvanized sheets and cast iron pipe and Holland on nails.

The leather market was seasonally quiet, with prices easy.

Export cargoes apparently fell off a little in May, but ships are able to obtain capacity loads. Railroad carloadings improved moderately over May and continued to run somewhat ahead of last year.

Consolidated bank figures show a substantial increase in cash and demand deposits for the six weeks ended July 3, 1937, due entirely to the payment of P9,000,000 by the Government to the National Development Company. Without that payment, it appears that cash and demand deposits would have declined. Circulation increased, also due to the P9,000,000 payment. Debits to individual accounts increased steadily throughout the month, due mainly to tax payments and partly, it may be assumed, to payments into weakened margin accounts as a result of the stock market decline. The dollar was easy on the exchange market, apparently due to the unsettling effect of the volume of sugar bills still to be offered. There were no very heavy actual offerings of sugar bills.

Government revenue was exceptionally good, due mainly to very heavy income tax collections. Collections by the Bureau of Internal Revenue were nearly 150 percent greater than in June last year, while collections by the Bureau of Customs were up about 15 percent. For the first half of 1937, collections by the Bureau of Customs and Internal Revenue exceed those for the same period last year by 23.6 percent.

Power production totaled 11,419,195 KWH in June, an increase over the May figure, in spite of the shorter month. It represents an increase of about 13 percent over production for June, 1936. For the first half of this year, electric power production totaled 66,907,853 KWH, or about eight percent over the 61,996,088 KWH for the same period last year.

Real estate sales registered in June totaled P2,691,087, exceeding the figure for June, 1936, by about 150 percent, but falling substantially behind the record May figure of P4,125,498. Interest in real estate continues active, sales for the first six months of this year totaling P14,986,796, exceeding the figure for the first half of 1936 by nearly 130 percent and substantially exceeding any six months figure on record. New building permits in Manila fell off in June and were not much better than half as great as in June, 1936. For the first six months of this year, they are 24 percent below the same period

last year, in which, however, construction activity was unusually great. Permits for repairs were just half as great as in June last year and for the six months period not much better. There appears nevertheless to be a fair degree of interest in building. The two domestic cement companies are finding it difficult to keep up with demand for cement and a small amount of cement was imported from Japan in June, despite the fact that its duty-paid cost somewhat exceeds the wholesale price of domestic cement. A company has been organized to build a large emporium or arcade. Construction activity has been based to a considerable extent on stock market profits, however, and is likely to be impeded by the very severe decline in share quotations. Permits for June and for the first six months of 1936 and 1937 are as follows:

New construction.	June		Total 6 months	
	1936	1937	1936	1937
Repairs...	787,300	426,780	3,836,980	2,903,950
Total...	50,430	25,000	268,270	148,170
Total...	837,730	451,840	4,105,250	3,052,120

There were 538 new radio receiving sets registered in May and 90 cancellations. In May last year, there were 383 registrations and 119 cancellations. For the first five months of this year and last year, registrations and cancellations were as follows:

	Total 5 months	
	1936	1937
Registrations.....	1,933	2,452
Cancellations.....	544	451

FOREIGN TRADE (MAY)  
Total Philippine foreign trade for the month  
(Please turn to page 44)

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# Two Decades in Manila Real Estate

By C. M. Hoskins

(Of C. M. Hoskins & Co., Real Estate Brokers)

It is only twenty years ago that when the driver of a caromata referred to "Manila" he meant the Walled City. It is only twenty-five years ago that the wife of a Filipino judge who lived in Quiapo called on the wife of an American lawyer on Nozalada street, Paco, and admired the "bravery" of the lady in living in the country.

After many years of civil disorder, banditry, and revolution, the medieval instinct to live in the closely populated districts for mutual protection was still a strong one.

Fifteen years of peace and order had begun to weaken this instinct by 1916, and the development of Manila's suburbs became a marked feature of the real estate market. The Pasay Estate had begun to sell, San Juan Heights was started, followed by San Juan Heights Addition, Manila Heights, and San Francisco del Monte.

The suburban development kept up fairly well until about 1930, although as larger and larger tracts were placed on the market there was not a sufficient population growth to absorb a substantial portion of the available areas. By 1931 the general economic situation became acute, and suburban properties fell off in demand to the vanishing point. Installment purchasers could not meet payments, and family incomes were reduced to a point where transportation expense became a big item. This stagnation continued until the latter part of 1936, when returning prosperity enabled families once more to satisfy their craving for the larger lots obtainable in the suburbs.

During the period of suburban expansion Manila real estate remained firm. The suburban movement prevented a boom in city real estate, since part of the normal population growth was shifted to the suburbs. But when the outlying subdivisions fell off during

the depression, Manila real estate values were well sustained. From 1932 to the middle of 1936 transactions in city properties fell off almost to the vanishing point. Yet values did not slump disastrously. Forced sales were relatively few, due to the forbearance of mortgage holders.

In 1936 a definite revival in realty

sales got under way. Office buildings and residential sites were much in demand.

During the past year or so, Taft Avenue Extension in Pasay had the most spectacular recovery. Pasay's development had been such that it ceased to be classed as suburban and in all except government had become a part of Manila. The depression started too soon after the opening of Taft Avenue through Pasay to Parañaque for the new highway to enjoy an immediate development. Prices slumped, with no buyers. But in 1936, led by the sugar people of Negros provinces, most of the vacant lots on Taft Avenue were bought up at attractive prices and mansion after mansion was erected along this new boulevard. Approximately ₱2,000,000 has gone into the construction of sumptuous houses on Taft Avenue in the past year and a half and activity there is still strong.

A building boom in other parts of Manila got under way in 1936, but with the sudden increase in building material prices early this year the incipient building boom slowed down. A stabilization of building costs and a gradual return to normal rental schedules will doubtless re-animate the building boom within the next twelve months.

The past twenty years have seen the real estate market in Manila and its environs pass through a war boom, emerge from the postwar depression, gain remarkable strength, suffer from the worst depression in fifty years, and recover from that depression with flying colors. Even during the darkest days of 1932-1935, owners of unencumbered real estate were probably the most fortunate class of investors in the Philippines with the exception of the sugar interests. Once again real estate proved the claim that it is the safest of all investments.



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## SHIPPING REVIEW

By H. M. CAVENDER

General Agent, The Robert Dollar Co.



During the first six months of the current year the export trade had its trials and tribulations, water front strikes with tie-up of vessels brought on a distinct shortage of tonnage, necessitating a search for "tramps" to handle the major part of the sugar shipments. The total movement for the six months

figures as 1,389,220 tons or 154,543 tons less than for the same period in 1936. Perhaps we should feel pleased that it was not less.

June figures are 243,139 tons or 19,028 tons less than May figures. The sugar shipments to the Atlantic Coast amounted to 66,171 tons all centrifugal, to the Pacific Coast only 91 tons of centrifugal and 6,231 tons of refined to a total of 72,493 tons. An effort was made to relieve the sugar situation by dumping on to the Hongkong Market, this was declared in contravention of the London pact and forbidden after 3,344 had been shipped in June bring the total sugar shipments up to the figure 75,837 tons for the month.

The figure 9,815 tons of desiccated coconut is the greatest in the history of this trade. There was no "tanker" movement of coconut oil

To	Tons	With Mtn sailings	of which American bottoms	Were carried in American bottoms with sailing
China-Japan.....	93,414	50	2,964	7
Pacific Coast—Local.....	36,612	17	23,346	10
Pacific Coast—Overland.....	1,214	10	989	8
Pacific Coast—Intercoastal.....	685	4	633	3
Atlantic and Gulf Coast.....	93,871	28	24,384	11
European Ports.....	13,056	17	35	2
All Other Ports.....	4,287	31	623	8
<b>Total</b> .....	<b>243,139</b>	<b>101</b>	<b>52,874</b>	<b>15</b>

A Grand Total of 243,139 tons with a total of 101 sailings (average 2,407 tons per vessel) of which 52,874 tons were carried in American bottoms with 15 sailings (average 3,525 tons per vessel.)

during the month but the berth lines forwarded 10,886 tons all to the U.S. 12,690 tons of copra went forward to the Pacific Coast and 250 tons to Istanbul. Several round lots for Pacific Coast delivery could not find space and must stand for a delay. The U.S. took 6,295 tons of copra cake meal and Europe 3,675 tons, a total of 9,970 tons.

The hemp movement 121,049 bales is practically the same as for May. The distribution is decidedly different as the U.S. took only 17,002 bales, Japan upped her purchases to 55,372 bales and Europe upped her purchases to 46,562 and the remainder was, as usual, widely distributed. This particular product has the widest distribution of all Philippine products. Rope shipments show up very well with 772 tons to all markets.

The shipments of logs and lumber figure

as over 11 million board feet. Japan took 5-1/2 million, the Pacific Coast upped their purchases to over 3 million, Europe took over 1 million and so. Africa took 943 thousand, a record for them. The Atlantic trade was 883 thousand. The jump in European trade perhaps was to anticipate an increase in rates which may also account for the South Africa increase. Tonnage for lumber was offered in larger quantities than for several months.

Ore and mineral shipments amounted to 91,374 tons. Japan took 62,172 tons of iron ore, 2,703 tons of copper, 500 tons chromite and a 2/03 tons sample. The Atlantic Coast took one round lot 5,900 tons of chromite and 78 tons of copper-sold concentrates were sent to the Tacoma smelters for refining. A small lot 19 tons of rock asphalt went to the Straits

(Please turn to page 50)

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## Philippine Mail . . .

(Continued from page 13)

service throughout the year between Manila and Baguio, and the Baguio postmaster times dispatches by truck-and-rail to Manila to catch clippers taking off for Alameda and the airmails leaving Manila for Iloilo and Cebu. Philippine Aerial Taxi also maintains a triweekly mail service between Manila and Legaspi via Paraale. Iloilo-Negros Air Express maintains a triweekly service between Manila and Iloilo, biweekly between Manila and Iloilo and Cebu, and daily service Sunday excepted between Iloilo and Occidental Negros.

Airmail letters from Manila reach Baguio in an hour, Paraale in an hour and 15 minutes, Naga in an hour and 35 minutes, Legaspi in two hours and 25 minutes, Iloilo in two hours, Cebu in three hours, while the ferry time by air between Iloilo and Bacolod is about 15 minutes.

There are many contrasts between the postal service of the Philippines and that of the United States.

In the Islands the franking system is out, officials and bureaus stamp their mail as citizens are required to do. This may eliminate some abuses, it at least wins budgetarial approval. But while it remains in effect, there should be data furnished the bureau from all the other governmental entities, summing up their postage bills in order to determine what the service makes, or actually costs. Something could be said for franking, perhaps, if it were coupled with a privilege to the bureau to retain its annual profits and expend them, perhaps under approval of some executive board, exclusively to benefit the service. If newspapers were as apt in rendering human nature as they pride themselves on

being, they would all leg for good postoffice buildings in the provinces—commencing of course with the capital towns, scores of which ought to be chartered as cities and made more independent of support from the central government.

To a presentable postoffice building, men go for their mail, including their newspaper, a daily if it can be afforded, several copies of which, received at one time, make them a respectable bundle to carry away under their arm. Other men soon observe this mark of distinction in their neighbors, and soon resolve to share it. They borrow a paper, look up its address, and remit a subscription. This makes them as good as their neighbor, at least at the postoffice—and they can prove it. Besides, their families like it; the children love running for the mail, and, through the newspaper subscription, being sure of getting some. Here is something profound that the Philippines have given too little thought.

In town meeting, a rich man may put himself forward and a poor man may stay well back with nothing to say, but not at the postoffice.

If there is a postoffice, within its portals equality prevails. It is nothing short of astonishing how the certainty of receiving mail dignifies the personality. There are towns in Kansas, and even in Iowa and Pennsylvania, where, at the postoffice, even Democrats meet Republicans on terms of absolute brotherhood, often daring to address these Republicans by their first names: men who are of course their creditors, and at the bank or the store must be bowed to as Mr. Smith or Mr. Jones, sir; but who here, in the tobacco-festooned lobby of a Federal postoffice, beyond which, in the mystery of the intramural space encreased by the boxes,

the mails are guarded as obsequiously as the Vestals at Rome guarded the sacred fire, are just Fred, not Mr. Smith, and Joe, not Mr. Jones at all.

"Hello, Fred," says a Democrat, sure of receiving his Baltimore *Sun*, his St. Louis *Post-Dispatch*, or the palladium of his party out in Kansas, "come to get your mail?"

"Yes, Harry, I have, thank you," returns Smith jovially, adding perhaps, "It's a fine day, don't you think?" On this opening, if Smith has an extra stogie, or the Democrat a good plug of Star, the two may chat full fifteen minutes, and on parting, go to work in a glow of spiritual expansiveness. Each is of course discreet enough not to open his newspaper in sight of the other.

If you shift the scene southward, where color matters, it doesn't ever matter at the postoffice—the one place of all where the atmosphere is such that it is never thought of. Sirs, the village postoffice, built by the Central government (in the United States, the Federal government) with its awful power, is a veritable Gibraltar of liberty and equality—infinity surpassing the village schoolhouse itself in these virtues. And the cock on its rusty weather vane keeps clamoring, "Get your newspaper! Step in and send a subscription for a newspaper! So you can have some mail every day!"

The United States never has revolutions. It gets as hot as can be, but it never quite boils over, spattering out fascists and popular-fronters. The reason is, the ubiquity of the postoffice. Can you conceal arms at a church? Perhaps. Could you even secrete some at the school house? Maybe. But at the postoffice, *Try it! Just try it!* Federals will chase you 10 million miles!

The Philippines wholly lack postoffices. It is a bad lack.

The service netted ₱1,250,000 last year, earnings every year revert to the general funds of the government.

All the mail that made all this money, outside Manila, was handled much as if it might be contraband, certainly not anything very respectable, nothing for a man to go and get for himself, much less a woman: it was all handled in little rented nooks, dingy and redolent of no special authority, where landlords make no repairs and the government allots no money for them. Which is no way to do. That it had to be done at first, is no excuse to keep it up. *Mails are sacred*, the modern sacred fire. The postoffices in which they ought to be handled are not offices at all; they are nothing so lowly as an office—they are nothing short of temples, hallowed precincts of democracy, of freedom.

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C. E. STEWART, *Manager,*  
Manila

## Statistics . . .

(Continued from page 24)

1936 . . . . . 2,203,723

Shares Traded in the Manila and International Stock Exchanges Manila Stock, Exchange

Year	No. of shares traded	Approximate Value
1934 . . . . .	71,742,319	₱28,253,820
1935 . . . . .	183,524,358	45,539,516
1936 . . . . .	978,879,647	422,506,986

### International Stock Exchange

Year	No. of shares traded	Approximate Value
1936 . . . . .	95,988,643	₱22,615,880



## COPRA AND ITS PRODUCTS

By KENNETH B. DAY  
AND LEO SCHNURMACHER

KENNETH B. DAY

In July we saw a little reaction from the constant decline of copra and oil prices which commenced in April. This reaction was largely due to a firmer European market which caused sellers to hesitate before committing themselves further, and resulted in the scarcity of offerings of oil in the United States at a time when oil should have been offering freely. The oil market firmed up accordingly and remained firm until it became evident that copra deliveries were going to be heavy, when the market again commenced to decline, and at the end of the month stood slightly lower than at the beginning of the month.

COPRA—July arrivals were very good indeed, showing a seasonal increase of 11.5% in Manila and 2% in Cebu as contrasted with the previous month, and 13-1 2% in Manila and 9% in Cebu as contrasted with the previous July. All indications have been pointing to heavy copra arrivals throughout the Islands for the period commencing July, and when the copra began to roll in along toward the middle of the month it was nothing more than what had been expected, and in a measure discounted in advance.

What had been unexpected, however, was the lack of selling interest accompanying increasing arrivals. Dealers both in Manila and Cebu were adequately covered with higher-priced contracts made earlier, and were nursing these contracts along as a backlog to be covered at their leisure in July and August. A combination of a substantially sustained increase in European copra prices plus the necessity of shipping copra to the States in July and August to beat the new freight rate effective September 1st caused dealers to cover up these contracts more rapidly than expected and in preference to additional selling at the lower market prices. This caused the peculiar situation wherein copra was coming in to market freely against old contracts, but very little, if any of it was for sale, and prices in provincial points were consistently higher than any market in the world justified.

The month opened with copra buyers offering P10.75 and sellers asking for P11.00, and very little business being done. Gradually the market strengthened and about the 20th of the month sellers met buyers' ideas at P11.25, at which price a large quantity of copra was sold both in Manila and Cebu. These prices continued for the best part of a week, but gradually eased off until the end of the month when copra was available at P10.75 with buyers' ideas P10.50. Throughout this period buyers strongly resisted advancing prices with the full knowledge that within a few weeks prices must be lower rather than higher.

Pacific Coast quotations for copra increased gradually from 2.85 cents to a high of 3.20 cents, with, however, only one distressed parcel sold at the top, and most of the business done at around 3 cents. Buyers were willing to sell to the Coast for July-August shipment, but space difficulties prevented any very large amount of business, although toward the end of the month it was reported that very fair quantities were sold in a more or less confidential manner.



LEO SCHNURMACHER

As stated previously, the European market took a decidedly upward turn, and from a low of £15.00 advanced to a point where bids for sundried copra were made at as high as £16/2.0d with F.M.Q. 5.0d to 7.6d lower. These offers were attractive, but up to the end of July only a few scattering lots were sold to Europe, although every indication pointed to substantial selling in August, with only the possibility of freight shortage looming as a deterrent to a good volume of business.

Export shipments of copra were very heavy indeed, over 31,000 tons being shipped to the Pacific Coast of the United States alone. 3,800 tons went to the Gulf, and no copra whatsoever to Europe. These heavy shipments of copra were the result of an accumulation of steamers loading in Cebu and the outports in July and cleaning up stocks, some of which had been in storage for several months.

Statistics for the month follow:

Arrivals—	Sacks
Manila	365,419
Cebu	395,243
Shipments—	Metric Tons
Pacific Coast	31,502
Gulf Ports	3,808
Other Countries	155
	35,465
Stocks on hand—	Tons
Beginning of Month	
Manila	15,707
Cebu	28,739

End of Month

Manila	20,873
Cebu	24,955

COCONUT OIL—The story of coconut oil prices more or less parallels that of copra. At the beginning of July oil was selling at 5 cents c.i.f. New York with a weaker tendency in evidence and business actually done at as low as 4-3/4 cents early in the month. With the general all-around strength of the copra market, however, oil went back to 5 cents before the week was out and maintained that figure until about the 20th of the month when some little business was done at 5-1/4 cents. After that the market eased off again, and at the end of the month it is doubtful if oil could have been sold at more than 4-3/4 cents with buyers gradually backing away. On the Pacific Coast oil jumped from 4-3/4 cents to as high as 5-1/4 cents for preferred positions and then dropped at the end of the month to as low as 4-5/8 cents. As far as the East Coast was concerned, oil demand was largely for shipment the latter part of the year with early positions at a discount. On the West Coast oil was sold at a premium for spot delivery, but the best demand was from refiners for shipment over the period September, 1937 to June, 1938, all of which must carry the increased freight rate of \$2.00. In the East Coast trade large buyers were in the market, and fully three-fourths of the business probably emanated from soapers.

Shipments of coconut oil for the month were almost identical in volume with those made in June, totalling slightly over 11,000 tons.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast	3,075
Atlantic Coast	6,939
Gulf Ports	1,025
China and Japan	6
Other Countries	32
	11,077
Beginning of Month	
Stocks on hand in	Metric Tons
Manila and Cebu	11,341
End of Month	
Manila and Cebu	10,861

COPRA CAKE AND MEAL—The cake market was very quiet throughout July, the market opening with bids from north Europe of \$35.25

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for September-December shipment. The market remained steady with some business done at as high as \$35.50, but on the whole a slender amount of trade. Local sellers were able to dispose of some cake at P49.00 f.o.b.

As far as copra meal is concerned, there was very little business done and interest from Pacific Coast was extremely small. A few transactions

were put through at prices ranging from \$30.00 down to \$28.50 c.i.f., but in general buyers held back, counting on heavy forage crops in the United States and prospects of an extremely large cottonseed crop later in the year. Together with this, of course, the \$2 additional freight rate effective September 1st brought down the selling equivalent of Coast meal in the Manila market by just that much. At the end of the month it looked as though the copra meal business on the Coast for the balance of this year will be slender indeed.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast.....	4,561
Atlantic Coast.....	446
Europe.....	3,099
	8,106

#### Beginning of Month

Stocks on hand in	Metric Tons
Manila and Cebu.....	3,290

#### End of Month

Manila and Cebu.....	3,304
----------------------	-------

**DESICATED COCONUT**—Desicated factories in the Philippines were running full blast in July with plenty of nuts available at what mills considered fair prices. The base price for desicated of 9-1/4 cents in the New York market was unchanged, but it was apparent that temporarily supplies were in excess of demand, and in order to sell substantially it was often necessary to allow liberal discounts to wholesalers. The desicated business has now advanced to a point where Philippine production can look after the entire consumptive demand of the United States, and is easily influenced by any increase or decrease in public consumption.

Desicated exports for July totalled 4,316 tons.

**GENERAL**—At the beginning of August the outlook for copra and coconut oil was very dark indeed. All indications pointed to a bumper copra year in the Islands, particularly in the Southern parts. Conversely, for the first time in three years American crops gave promise of being ample, and with large consumers of co-

conut oil fairly well bought up for the second half year, not only with coconut oil but with palm oil and palm kernel oil as well, everything pointed to a substantial drop both in oil and copra markets. Mills whose stocks were rather slender at the end of June were confident that they would be able to buy the copra they might want within the next month or so, and although purchasing quite freely, were careful not to overcommit themselves on what they were sure would be a falling oil market.

Pre-estimates of the cotton crop indicated a 25% increase over 1936, amounting to 15,600,000 bales, and estimates of soya bean and peanut production were also high.

The excise tax money amounting to nearly one hundred million pesos accruing to the Philippines as a result of the 1934 Law, was finally assured to the Philippine Islands to be distributed by the President and the Assembly as in their judgment seems best, but with the provision that none of it shall accrue in any way to the copra or coconut oil industry.

## What Will . . .

(Continued from page 18)

"Italy has just increased the war budget 727,000,000 lire over last year's, while Germany's outlays are lost under such a maze of strategic financial devices that no one can tell to what new limits they have gone.

"These are vast sums. But they are supplemented by other large grants by almost every nation, great and small, to expand their arsenals and multiply their armaments. France has loaned Poland \$121,000,000 for this purpose. The little Netherlands is spending 43,000,000 guilders to strengthen her East Indian defense. Czechoslovakia has floated a loan of 120,000,000 to strengthen her armies and protect her frontiers. What the whole amount to be spent by the world, outside of the United States and South America, will be no one can say. But it is safe to say it will be not less than twelve billion dollars."

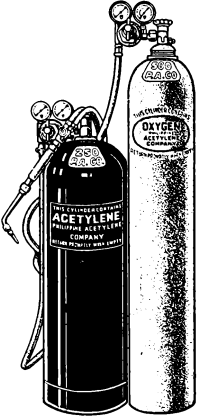
"There is a bear whose tail can't be let go of. Any nation that tried letting go would go careening into chaos. It is only those that have never taken hold that remain safe. We never miss what we've never had.

"The one reprieve for the countries that have rearmend would be an agreement among them to disarm by degrees, by very moderate degrees giving opportunity for employing for other purposes the energy diverted from the business of rearming. The alternative of this desperate hope is war, such brutishly perceable combat as the strife in Spain gives sanguinary warning of; and afterward, it is doubtful if civilization could be reconstructed and made to serve, in any condition at all, the ends for which our better nature has devised it. The MacMurray commission should not isolate its Philippine studies from this general world situation, and in reality will be unable to do so.—W. R.

## Philippine Economic . . .


(Continued from page 39)

of May was about 11 percent less than in April and nine percent under the figure for May last year, according to the Bureau of Customs. The decrease was chiefly notable in imports, which were 19 percent under April, and with exports only slightly down, the favorable visible balance of trade increased to P10,961,096, compared with P8,810,441 in April and P18-



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362,750 in May last year. Compared with May last year, imports were up P1,586,342, while exports declined by P5,815,312.

A favorable visible balance of P12,928,958 in trade with the Continental United States in May, plus P67,664 with American territories, was partly offset by an adverse balance of P2,035,526 with the rest of the world. The adverse balance with Oriental countries amounted to P1,859,173, of which P661,942 was due to trade with Japan. Trade with Europe, generally favorable, showed a balance against the Philippines of P137,178 in June. Trade with Canada showed an unfavorable balance of P135,727, while trade with "Other Countries", including Africa and South America, resulted in a favorable balance of P96,552.

In the first five months of this year, exports totaled P133,899,705 and imports P89,563,569, leaving the Philippines with a favorable visible balance of P44,336,136, compared with P55,342,176 in the same period of 1936. A favorable visible balance of P56,072,366 in trade with the Continental United States, plus P374,354 with American territories, was reduced by an adverse balance of P12,110,584 with the rest of the world. The adverse balance with Oriental countries amounted to P13,322,733, of which only P3,542,169 was due to trade with Japan. The favorable balance of trade with Europe has been reduced to P942,129 due to adverse balances in the past two months. Trade with Canada shows a negative balance of P624,271, while trade with "Other Countries", including Africa and South America, resulted in a favorable balance of P894,291.

Import and export figures in the first five months of 1937 are as follows:

	Imports	Exports	Balance
January.....	P13,631,298	P23,495,490	P 9,864,192
February.....	18,875,544	25,821,951	11,946,407
March.....	25,807,287	28,564,287	2,757,000
April.....	20,035,395	28,846,036	8,810,641
May.....	16,210,845	27,171,941	10,961,096
Jan-May, 1937.	P89,563,569	P133,899,705	P 48,336,136
Jan-May, 1936.	P78,698,774	P134,028,950	P 55,342,176

The above import and export statistics do not include gold and silver, which were exported to the United States in May as follows:

	May	
	1936	1937
Bullion, ounces.....	70,277	97,666
Approx. value in pesos.....	2,534,341	3,514,677
Gold ore, kilos.....	227,693	44,989
Approx. value in pesos.....	147,115	67,081
Total 3 months		
	1936	1937
Bullion, ounces.....	347,941	469,337
Approx. value in pesos.....	12,945,516	16,715,756
Gold ore, kilos.....	1,261,769	2,337,890
Approx. value in pesos.....	899,671	1,709,236

This bullion averages 52 to 53 percent gold and 43 to 45 percent silver.

#### IMPORT TRADE

Philippine imports declined in May, being valued at P16,210,845, a decrease of 19 percent from the previous month but 11 percent over

the figure for May last year. Compared with May last year, the heaviest increases were apparent in automobile tires, vegetable fibers and manufactures, cotton manufactures (except cloth), machinery and parts and iron and steel goods. There were also moderate increases in chemicals and drugs, electrical machinery and apparatus, fish products, leather goods and unprinted paper. The heaviest decreases were in tobacco products and mineral oils.

Imports for the first five months of 1937 were nearly 14 percent greater than in the same period of last year. Omitting rice, which was actually imported in the latter part of 1936, the increase is only 10 percent. It is due mainly to machinery, iron and steel goods, electrical machinery and

equipment, automobile tires and vegetable fibers, with more moderate increases in motor vehicles, cotton cloth, other cotton goods, leather goods and unprinted paper. In many cases, these increases were due more to higher prices than to greater volume. Imports in several important classifications, notably artificial silk, fertilizers, chemicals and drugs, fruits, nuts and vegetables, petroleum and dairy products are running behind last year's, for various reasons. In the case of dairy products, however, volume of imports is considerably ahead of last year and prices at least as high, indicating that the reduction is due simply to delay in checking entries.

—American Trade Commissioner.

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MANILA

## Health Conditions And . . .

(Continued from page 8)

the schools open by pledging the teachers to boil their drinking water, cleanse their hands and all utensils in boiling water, and to get their pupils to do likewise in their homes.

Lawrence drove cholera out of San Miguel in forty-eight hours, besides teaching the inhabitants how to protect themselves from later exposures; they learned at once what the source of the disease was, and therefore how to avoid it. But in doing so he himself became infected. Alone in his house, all but helpless from the frequent attacks, he had the houseboy dose him with a cholera remedy he thinks the French developed in northern Africa; and he kept his pistol by him so the boy would not abandon his duty. Eventually the crisis passed, but Lawrence was still in momentary danger of death when he noted the preliminaries of a neighborhood procession in invocation of San Roque. Everybody was falling in, for the solemn march by candlelight through the main streets and to the central market.

Ill as he was, Lawrence disbanded that procession. Some ardent young cavaliers would have killed him for it, but he had his pistol and kept them in front of him so they dared not attack. In this way he harangued the people, explaining the unlawfulness and foolhardiness of their purpose; so they began to fall away in groups, and to go to their homes and buy supplies of drinking water in accordance with the example set them by their sons and daughters who were teachers or pupils in the schools.

Such was an episode in the conquest of a mortality rate in the Philippines of the revolu-

tionary period that kept pace with the birthrate and made the population one of old folk, its growth arrested by death, tragically among children.

Lessons in hygiene began in the schools, and tracts in the vernacular languages went broadcast from the health service. Serology evolved vaccines against cholera, dysentery, and typhoid, and injections were effected in the schools where sanitation came to be a part of education to be taken home and given immediate trial. The psychology of the people toward disease was completely reformed, creating the promising conditions of public health visible today. Nothing was more important in this maneuver than the thousands of artesian wells that were bored in towns and villages everywhere in the Islands—a Worcester health hobby. From these wells the people got potable water without boiling it; more than that, the overflow gave them bathing pools, and pails of free water to take home for bathing purposes.

The babies of carefully bathed and neatly dressed children that are an inspiring sight on Philippine streets during the ten months of the school year, contrast with the children of a generation gone almost as night with day. Yet the people are no richer than their mothers and fathers were thirty years ago; they merely have a new viewpoint, and adhere to it at all sacrifice.

And reader, this counts. Since 1898 it has doubled the population.

Filipinos have become one of the world's most prolific peoples, their net growth yearly per 1000 inhabitants outdistancing even Japan's.

Japan's birthrate is 31.6 per 1000, her deathrate 16.8 per 1000; net growth of her population is 14.8 per 1000 yearly, or below 1-1/2%. That

the Philippines do better than this may surprise you. The health bureau says their 1936 population was 13,206,702; births that year 485,126, deaths 239,107. Their birthrate for the latest calendar year is therefore 36.5, their deathrate 18, and net growth 18.5 per 1000 population, or 1-85/100%, topping Japan by a material margin.

The new census administration differs from the health service and believes the insular population to be 14,500,000 in round numbers, increasing at an average rate over the Islands of 1-75/100% a year; for 1936, let us say, a net increase of 253,750 instead of the health bureau's record of 246,019. Japan's infant mortality rate still shocks her, and ours should shock us. However, there you are—a city's population 2/3 that of Manila added every year, the most basic business and social factor in the Islands. Actually, per capita, the masses may be growing poorer, but business grows better because the population as a total grows so rapidly; between the well-to-do and the poor a class of retail suppliers rises that is even able to indulge itself in a few things other than necessities.

Manila's birthrate is 65.98 per 1000, quite overshadowing Japan's. The city's deathrate is 25.14 per 1000, leaving a net growth yearly in Manila of 40.84 per 1000; here is a natural, yearly increase of the city's population summing at least 12,000 persons, and no wonder is it that business in such a metropolis is good, and tends to expand. General health data for the Islands appear in an accompanying table from the 1936 annual report of the inadequately financed public health service; with about seven centavos per capita per year, or less than a million pesos, so much is done—a fact eloquently proclaiming the new viewpoint of the people toward the

ESTIMATED POPULATION, MARRIAGES, BIRTHS, DEATHS, INFANT MORTALITY AND THEIR CORRESPONDING RATES PER 1,000, BY PROVINCES INCLUDING THE CITY OF MANILA, IN THE PHILIPPINES, DURING THE YEAR 1936

Provinces	Estimated Christian population, as of July 1st.	Estimated Christian and non-Christian population, as of July 1st.	Marriages		Births		Deaths		Infant mortality				
			Number	Rate per 1,000	Number	Rate per 1,000	Number	Rate per 1,000	Number	Rate per 1,000			
				Christian		Christian and non-Christian population		Christian		Christian and non-Christian population	Christian	Christian and non-Christian population	Christian
Abra	69,309	95,802	365	10.53	7 62	2,561	36.95	26.73	1,378	19.88	14 38	258	100.74
Agusan	65,737	66,699	360	10.95	10 80	3,078	46.82	46.17	1,072	16.31	16 08	343	111.44
Albay	318,583	318,683	1,835	11.52	11.52	12,079	37.87	37.87	5,066	15.90	16 07	1,071	128.73
Antique	180,018	180,018	1 87	12 77	12 77	37 29	34 29	3,593	19.96	19 96	637	103.19	
Bataan	71,098	71,110	536	15 08	15 08	3,458	48.64	48.63	1,165	22.72	22 71	507	145.17
Batanes	8,214	8,214	44	10 71	10 71	286	34.82	34.82	112	13.64	13 64	26	90.91
Batangas	431,359	431,368	3,036	14 08	14 08	16,716	38.75	38.75	7,244	16.79	16 79	2,392	137.71
Bohol	456,334	456,334	3,655	16 00	16 00	18,406	49.28	49.28	7,714	16.88	16 88	2,291	124.47
Bukidnon	10,110	10,110	1 87	17 21	3 84	1,309	129.48	28.91	217	21.46	4 79	52	39.72
Bulacan	276,516	277,532	2,325	18 26	18 20	10,301	37.25	37.12	5,950	21.55	21 47	1,900	184.45
Cagayan	228,293	228,293	1,632	14 30	14 30	11,855	51.93	51.93	6,028	26.40	26 40	1,835	154.79
Camarines Norte	64,837	64,837	502	15 48	15 48	2,914	44.94	44.94	1,558	24.03	24 03	406	139.33
Camarines Sur	241,650	241,650	2,070	17.13	17.13	11,855	49.06	49.06	5,769	23.84	23 84	1,327	111.94
Capiz	349,533	361,126	2,467	1 045	2 467	11,024	31.57	30.55	6,129	17.84	16 92	1,532	138.84
Catanduanes	97,995	97,995	819	16 87	16 87	3,134	32.28	32.28	1,324	13.64	13 64	382	121.89
Cavite	182,290	182,307	1,370	15 03	15 03	7,387	40.52	40.52	4,351	23.87	23 87	1,509	204.28
Cebu	1,077,596	1,077,596	8,070	14.98	14.98	39,083	36.27	36.27	16,450	15.27	15 27	4,202	107.51
City of Manila	357,547	357,547	4,025	22.51	22.51	23,592	65.98	65.98	8,988	25.14	25 14	3,199	135.60
Comabato	13,408	222,929	292	42 06	2 33	1,347	100.46	6 04	553	41.39	22 90	122	90.57
Davao	89,504	155,449	902	20 16	11 61	4,169	46.38	26.82	1,781	19.90	11 46	523	125.93
Ilocos Norte	262,304	263,489	1,526	11.64	11.58	8,190	31.22	31 08	4,439	16.92	16 85	926	113.06
Ilocos Sur	253,908	253,908	1,419	11.18	11.18	7,358	28.98	28.98	3,994	15.73	15 73	902	122.59
Iloilo	397,243	695,337	4,912	16.45	16.23	22,605	37.85	37.34	10,797	18.08	17 84	2,437	107.81
Isabela	153,274	135,333	2 92	13.64	13 63	8,152	53.29	53 17	4,716	39.78	39 76	1,312	160.94
Laguna	247,411	247,429	1,936	15.65	15.65	9,922	38.77	38.77	5,554	22.45	22 45	1,638	170.77
Lanao	12,593	144,941	362	57.49	5 00	2,238	179.31	15.58	939	74.57	6 48	256	113.37
La Union	195,660	195,660	1,305	13.34	13.34	7,272	37.17	37.17	3,479	17.78	17 78	817	112.35
Leyte	828,983	828,983	3,559	13.41	13.41	32,374	39.05	39.05	13,587	16.15	16 15	3,235	99.93

problem of health and its significance in their national life.

Filipinos are an early-marrying folk who look upon a plenitude of children as a religious blessing as well as a conjugal and material one. For example, when Gregorio was a *Journal* messenger receiving P20 a month and helping his father build a home in Manila for the family, he did not marry; but when another job turned up that paid him P50 a month, he married almost at once, still helping his father and of course keeping up his studies at night school in a commercial course tending to increase his earning ability. That shows the slender hopes on which the Philippine masses found their marriages, for no other reason than the fulfillment of manhood giving life practical meaning.

Asiatic plagues originally excluded from the Philippines by the United States quarantine service, are kept out still by that same admirable agency of public wellbeing. Ships arriving at Manila go through thorough inspection outside the breakwater, suspected cases of epidemical infection are shunted off to quarantine at Mariveles, and never is a single rule relaxed. The *esprit de corps* of the service is marvelous, surgeons enlisted in it have retirement to look forward to and do their work with the detached precision of scientists. Even ships at the piers are permitted no contact with the land; to prevent rats crawling ashore from them, who might carry plague, wide metal discs are tackled to all their mooring lines.

Here is a vital service the Islands could by no means provide for themselves. An independent service, for their few ports, would lack *esprit de corps* and would be honeycombed with

envidious rivalry. From a large service such as that required by the United States, free shoulder-room eliminates these faults. Later, when the Philippines harbor 40 million inhabitants and have a score of active ocean ports, they can hope to manage quarantine problems with an efficiency comparing with that of the American service that now does them so much good and costs them so very little.

**REAL ESTATE**

By P. D. CARMAN  
Addison Hills



July sales exceeded July 1936 by P236,407 and both were far in excess of any July totals since 1931 with the exception of 1935 which was the largest monthly total in that year.  
 January to August:  
 1936..... P 7,890,964  
 1937..... 16,440,220

First half year strong-material construction City of Manila;  
 1935..... P1,491,240  
 1936..... 3,537,040  
 1937..... 2,903,950

Sales City of Manila  
 June 1937 P 484,645 P 206,181  
 Sampaloc 120,595 175,244  
 Tondo 144,107 84,775

Binondo .....	10,530	337,641
San Nicolas .....	45,522	19,444
Ermita .....	247,809	75,668
Malate .....	221,514	279,086
Paco .....	1,276,538	71,943
Sta. Ana .....	27,629	93,857
Quiapo .....	19,761	52,000
San Miguel .....	52,819	48,794
Intramuros .....	16,000	2,000
Pandacan .....	23,618	1,100
Sta. Mesa .....	—	1,700

P2,691,087 P1,453,433

**TOBACCO REVIEW**

By P. A. MEYER



**RAWLEAF:** Buying of this year's crop in Cagayan and Isabela has gradually set in but only relatively small quantities have been acquired so far. The quality is very satisfactory. The local market is quiet; exports during the month were small, viz.:

Rawleaf, Stripped Tobacco and Scraps .....	25,767
Belgium .....	32,822
China .....	

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Gibraltar	14,160
Holland	2,578
Hongkong	25,466
Italy	240,120
Straits Settlements	1,180
United States	165,377

July, 1937	507,470
June, 1937	916,235
July, 1936	1,086,381
January-July, 1937	8,953,427
January-July, 1936	8,929,790

CIGARS: Shipments to the United States compare as follows:

CIGARS	
July, 1937	15,083,666
June, 1937	18,442,409
July, 1936	12,045,129
January-July, 1937	92,693,172
January-July, 1936	93,726,623

## Philippine Highways

(Continued from page 36)

the province would maintain it. Workmen hired for this—you encounter them everywhere there is a Philippine highway—were designated *camineros*, which in English would be road-makers. The "Cameron" that is Forbes's middle name and this Spanish term "Caminero" sound slightly similar—W. "Caminero" Forbes became Forbes's popular sobriquet when he adapted this oldtime Spanish expedient to modern use in the Philippines.

At the outset, the poll tax of two pesos was renewable from year to year. A province could levy two pesos one year and go back to one peso the next. But Forbes (by this time governor) was not to be lightly hoodwinked. A joker appeared in an act of 1910 providing that once a province adopted the *double cedula* it must continue on this basis until a provincial act changing it is approved by the chief executive at Manila. It is said that the Philippine Assembly then the lower house of the legislature was not aware of this provision before approving the act, but in all probability here is something for which Speaker Sergio Osmeña (now Vice President) is to be thanked. Anyway, in this manner the poll tax of a peso a year

on males in the Philippines between the ages of eighteen and sixty years became permanent. By 1910, the example of General Cailles and Laguna had spread throughout the Islands.

Since Manila could be blamed, no doubt all the provincial governors were glad to have the tax stand.

But subsequent burdens relative to national highways have been those of the general government. For permanent bridges, many years ago a revolving fund of \$5,000,000 was created reimbursable from tolls collected on new bridges until their cost is liquidated. For more roads, needing more bridges, the gasoline tax ranks with the highest in the world, 9 cents *gallon*. The lubricating oil tax is similarly high.

These funds are released by the agriculture and commerce department. They are being used as much as possible for the new system of highways in Mindanao projected by President Quezon to effect better subjection of that region and induce its settlement by Christians from the Bisayas and Luzon. It was found long ago that settlers go readily wherever a new highway penetrates into the wilderness, but if their homesteads are not convenient to highways it is almost impossible for them to remain on the land. It was when the Manila-north road to Baguio was built through Nueva Ecija that Hokanos came into that province by thousands of families, to take up the land and convert it into rice farms. Similar migrations follow every new road.

Most of the early roads were repairs upon old Spanish mail roads. The plans did not fully anticipate the heavy duty to which motor trucks and automobiles would soon subject the roads, general rebuilding soon became necessary. Asphalt is now replacing macadam where the extra cost can be borne by the budget. The Philippines never go into debts for roads, the only transportation debt they have is for railways. Rainy season damage even to asphalted roads is very great; cement highways, already tried and proved to be of low up-keep cost, may be the eventual solution of this pro-

blem of road deterioration during heavy rains and floods. Roads are certainly many, and good ones, in General Cailles's province, the most popular of all in the Islands for pleasure touring. A reward of foresight. But countless roads urgently needed in the Islands, indeed the minor roads of nearly every province, are yet to be built.

## Gold Standard

(Continued from page 34)

while they remain associated, or as the pound sterling. This is the order that every early American legislation in Manila brought out of chaos. The pound was the thing in early export trade; your hemp or copra might be for the United States, but you *fixed* the exchange in London, and incidentally, freighted in British ships. About the time *Conant* came into circulation, the International Banking Corporation (now National City) established in Manila. With revival of the Pacific Mail, to flourish twenty years, both the dollar and U. S. shipping came into needful service.

When confidence in the peso spread over the Islands, circulation of the actual silver pieces declined in favor of the neat paper currency devised by Washington and Manila, that has since served as a model for America's own paper currency. The size is 2-5/8 inches by 6-1/4 inches, very convenient. The engraving bureau at Washington does the printing. Few silver pesos remain in active circulation, everyone preferring bills. Speculation in the country's money has entirely ceased, the *Conant* act put an end to it. From that time to now, the Philippine government has been closely advised on money matters by the best authorities in America.

The American régime paid immediate attention to banking, a problem associated with that of an adequate currency. In 1907 the Banco Español-Filipino was reorganized and rechartered, and given the name it now bears, Bank of the Philippine Islands. Its privilege to circulate its notes continued until superseded by that of the Philippine National in 1916. Its reorganization was for the purpose of financing agriculture, stagnated in the early years of the American régime; after the Payne-Aldrich tariff of 1909 gave the Islands free access to the American market, the need that arose for another bank more amply capitalized for the aid of farmers and planters, as well as for commercial banking, was met by creation of the Philippine National.

Since all banks aid agriculture, in turn agriculture aids all banks. In agriculture, sugar has taken such a lead during the past ten years as makes its continued prosperity in the American market vital to the financial solvency of the country—it figures as 65% of the value of all Philippine exports. That fact should arrest the serious attention of everyone charged with any responsibility whatever relative to future associations between the Islands and the United States. So far as the *Journal* is concerned, it finds no way around this fact. Cuba under the very wings of America can wallow in poverty and retain national integrity because everyone is forbidden to take advantage of her helplessness. This factor is not in the Philippine situation. Desperate experiments here can cost the people their country.

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## LUMBER REVIEW

By FLORENCIO JAMESIS  
Director, Bureau of Forestry



Lumber and timber exports in May reached the unprecedented figure of 29,532,448 board feet compared with 23,968,296 board feet in April, or an increase of 23%. During the month under review, shipments to Japan amounted to 21,695,656 board feet which were entirely

composed of round logs. This is, so far, the largest amount of timber ever exported to this market in any month in the past. The active exportation of round logs to this market is expected to continue, judging from the keen demand of the Japanese importers for new sources of log supply in the Islands, despite the present Sino-Japanese conflict. Shipments to China registered a considerable decrease of 81% from those of the previous month.

Lumber and timber exports to the United States during the month under review amounted to 6,116,624 board feet compared with 3,248,688 board feet in April, or an increase of 88%. The increased activity in this market has largely due to the improvement in shipping facilities which were partially paralyzed in previous months in the Pacific Coast. There is a bright prospect for Philippine woods in this market for the rest of the year as it is reported that home building in that country would be much greater this year than in the previous year. Actual consumption of the Philippine product in the United States would depend to a large extent upon shipping conditions, which it is hoped will not be materially affected by the present Sino-Japanese conflict.

Shipments to Great Britain for the month registered a decrease of 718,680 board feet, or 33% from those in the previous month. It is reasonably to be expected, nevertheless, that this country would get more of the Philippine woods this year as its condition has already gone back to the pre-economic war level. Shipments to British Africa showed slight increase of 18,656 board feet, or 8% compared with those in the previous month.

Consumption in Australia during the month under review consisted of round logs and sawn

lumber, amounting to 251,856 board feet compared with 392,624 board feet in the previous month, or a decrease of 36%.

Domestic market continued to be active during the month, although lumber production showed

## STATEMENT SHOWING LUMBER AND TIMBER EXPORTS DURING THE MONTH OF MAY, 1936 AND 1937

Destination		19 37		1936	
		Quantity in Board Feet	Customs-Declared Value	Quantity in Board Feet	Customs-Declared Value
Japan	Unsawn Timber	21,695,656	₱ 425,098	9,633,704	₱ 172,684
	Sawn Timber	—	60	—	—
United States	Unsawn Timber	74,624	5,455	45,792	6,386
	Sawn Timber	6,042,000	428,772	2,320,976	170,094
Great Britain	Unsawn Timber	—	—	—	—
	Sawn Timber	589,360	55,916	429,936	41,024
China	Unsawn Timber	—	—	1,344,928	24,936
	Sawn Timber	433,328	23,179	948,912	40,947
British Africa	Unsawn Timber	—	—	—	—
	Sawn Timber	258,640	20,844	207,336	12,646
Australia	Unsawn Timber	106,000	2,648	—	—
	Sawn Timber	145,856	9,041	89,040	8,001
Netherlands	Unsawn Timber	—	—	—	—
	Sawn Timber	61,904	6,180	5,088	650
Norway	Unsawn Timber	—	—	—	—
	Sawn Timber	40,704	5,906	—	—
Canada	Unsawn Timber	—	—	—	—
	Sawn Timber	26,712	1,595	—	—
Sweden	Unsawn Timber	—	—	—	—
	Sawn Timber	15,688	1,255	—	—
Portuguese Africa	Unsawn Timber	—	—	—	—
	Sawn Timber	13,568	690	5,088	256
Hawaii	Unsawn Timber	—	—	—	—
	Sawn Timber	3,392	946	5,512	776
Singapore	Unsawn Timber	—	—	—	—
	Sawn Timber	848	85	848	175
Hongkong	Unsawn Timber	—	—	—	—
	Sawn Timber	—	33	—	—
Finland	Unsawn Timber	—	—	—	—
	Sawn Timber	24,168	4,110	—	—
Other Br. E. Indies	Unsawn Timber	—	—	—	—
	Sawn Timber	—	—	14,416	1,175
Greece	Unsawn Timber	—	—	—	—
	Sawn Timber	—	—	12,720	1,113
Denmark	Unsawn Timber	—	—	—	—
	Sawn Timber	—	—	19,504	2,401
Spain	Unsawn Timber	—	—	—	—
	Sawn Timber	—	—	12,720	788
Total	Unsawn Timber	21,876,280	₱ 433,201	11,024,424	₱ 203,956
	Sawn Timber	7,656,168	558,612	4,072,096	280,046
GRAND TOTAL		29,532,448	₱ 991,813	15,096,520	₱ 484,002

## For 50 Mills for the Month of May

Month	Lumber Delivered from Mills		Lumber Inventory		Mill Production	
	1937	1936	1937	1936	1937	1936
May	23,795,863	21,853,867	36,664,833	33,789,320	21,681,326	21,006,704

NOTE: Board Feet should be used.

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All contributions should be sent to Mr. C. M. Cotterman, Treasurer of Red Cross, Philippine National Bank Building, Manila. The fund will be disbursed by the Red Cross and the work will be directed by the Coordinating Committee

recently appointed to prepare for the reception and care of these citizens. Proper accounting will be made of the funds contributed.

We gladly join in issuing this invitation.

Done in the City of Manila, this the eighteenth day of August, nineteen hundred and thirty-seven.

(Signed) PAUL V. McNUTT  
United States High Commissioner.

(Signed) MANUEL L. QUEZON  
President of the Philippines

## Shipping

(Continued from page 41)

Settlement. This lot of copper ore to Japan is the first movement of this particular ore made.

The movement of fresh mangoes is still good as the Chinese market took 321 tons. Cigars amounting to 907 tons went forward and the tobacco shippers forwarded 1,290 tons. Junk reached the respectable figure 1,126 tons. Increases are noted in buntal fiber, embroideries (351 tons), rattan furniture, molasses, pill and peanuts, rubber, skins and hides, margarine and cooking oils and coco shell charcoal. The cutch factory shipped 440 tons, they apparently have reduced production for several months. A falling off is noted only in gums and kapok. There was no movement in canned pineapple and only 9 tons of rice.

Passenger traffic from the Philippines was comparatively heavy for this period of the year. A feature is the marked increase in round trip tourists from the United States.

Following figures show passengers departing from the Philippines for China, Japan, and the Pacific Coast for the month of June, 1937:

	First	Inter- mediate	Third
Hongkong.....	66	124	153
Shanghai.....	22	48	23
Japan.....	12	19	18
Honolulu.....	0	5	27
Pacific Coast.....	103	57	26
Europe via America...	6	3	0
Total for June, 1937	209	256	247

### Mr. Fixit

In Reno a wife may get rid of one husband and acquire another the same day, but industries seldom undergo such swift vicissitudes. For them the process of losing one meal ticket and acquiring another is generally a matter of years. Not so the U. S. shipping industry. Last week, after only 75 days of argument, it underwent the equivalent of a Reno divorce and remarriage, with a disconcerting reduction of alimony.

Celebrated with the launching of 2,300 hastily built Wartime ships, the marriage of the U. S. merchant marine and the U. S. Treasury has, for 20 years, been going from bad to worse. During all that time the bride did little but run up bills. For a number of years she has been going through the pockets of the Treasury for \$25,000,000 to \$30,000,000 a year in mail subsidies and steadily getting more down at the heel. Today 90% of U. S. merchant ships are over 15 years old and few are able to travel as much as 12 knots. Aside from oil tankers not one seagoing merchant vessel was built in the U. S. last year, and no general cargo type ship in 15 years.

Year ago a disgraced Congress abolished the old Shipping Board and created a new U. S. Maritime Commission to wipe the slate clean and start afresh within one year. In the autumn, President Roosevelt appointed a temporary commission of two superannuated admirals and a man from the Treasury Department, but not immediately could he get the man he really wanted to do the job. After his brilliant per-

formance launching SEC, a lot of people with big business headaches wanted Joseph Patrick Kennedy to be their Mr. Fixit. Paramount Pictures, Inc., paid him \$50,000 for a drastic survey report. William Randolph Hearst got him to look over his jumbled publishing empire. Not until this spring did Franklin Roosevelt persuade his rusty-haired friend again to give up his private affairs, say goodbye to his wife and nine children in Bronxville, N. Y., and report for public service in Washington. When he gathered his commission,\* the personnel of the old Shipping Board, and a few trusted aides who had been with him in SEC, and set to work, only 75 days remained before the deadline set by Congress for expiration of the old Shipping Board setup of the U. S. merchant



JOSEPH PATRICK KENNEDY  
He cut the Government's alimony

marine.

Joe Kennedy's job included: 1) canceling the old mail subsidies and settling up between the Government and some 40 shipping lines; 2) figuring out a new type of direct subsidy on a businesslike basis and getting the shipping lines to make new contracts. The first required tireless negotiation of claims and counterclaims. The second required Mr. Kennedy to figure out what shipping routes were necessary and reasonably economic to operate so as to be worth subsidizing, and to arrange for the building of enough up-to-date ships by the operators so that they will have a chance to compete successfully for trade on those routes. All this had to be done under an awkwardly framed law, a law so imperfect that many people believed it unworkable.

Since mid-April Mr. Kennedy has worked more 16-hr. than 8-hr. days, more seven-day than six-day weeks. Last week he made his deadline, not with all loose ends tucked neatly away, but with the most pressing part of his task under control. First he had arrived at final settlements with 23 companies holding 32 of 43 mail contracts. These companies would have had \$52,000,000 in mail subsidies due them if their contracts had run to completion. They also had miscellaneous claims of \$21,000,000

against the Government. He settled the lot for \$750,000 net, after settlement of counterclaims by the Government. In accomplishing this feat he had the aid of a gun sticking into the solar plexus of the shipping industry. They could have refused settlement and sued the Government but if Mr. Kennedy did not give them a new subsidy most of them would probably soon be out of business and unless a line is prepared to make a show of earning its keep with reasonable aid, Mr. Kennedy was determined to cut it off the Government payroll. With only five lines settlements had not been reached. Three of these are important: the Munson Steamship Co., with which settlement was delayed because the company is in reorganization under the Bankruptcy Act; the Dollar Steamship Lines where settlement was delayed pending the rounding up of more data; and United Fruit Co.

Then Chairman Kennedy proceeded to make new subsidy contracts with 16 lines covering 22 ocean mail routes. These contracts run for only six months, to see how they will work out. The total six-month subsidy is \$4,600,000, calculated on the basis of the difference between U. S. and foreign costs of operation. In addition operators will be paid by the pound for carrying mail at ordinary rates, which will yield them about \$488,000 additional. Since they would have received \$8,959,000 for the same period under the old mail subsidies the Government will have a saving of \$3,000,000 in six months on these 16 companies. Any earnings the lines may have over 12% on invested capital will go to the Government until the subsidies are paid back.

From the long-range standpoint, this last was the most important of Joe Kennedy's maritime achievements. Last month he announced: "We are finding out which companies are in a position to attract the necessary private capital to co-operate in building ships. And we are going to be pretty sure they are able to go ahead with new ships before they get any operating assistance. We are through giving operating subsidies to ships so out of date that they can't possibly compete with modern foreign bottoms."—*Time* 7-12-37.

\*Rear Admiral Henry Ariosto Wiley, U. S. N., retired (head of the temporary commission); Thomas Mullen Woodward, onetime vice-president of the Shipping Board; Rear Admiral Emory Scott Land, chief of the Navy's Bureau of Construction and Repair; ex-Congressman Edward Carleton Moran, Jr., of Maine.

### A Paper Postponed

In this issue of the *Journal* it had been proposed to include an appreciation of the career of the late Captain H. L. Heath. Then came the death of Percy A. Hill, by violent murder, and then that of the venerable Captain Thomas Leonard. The proposed paper has been held over to a later issue, and when published will have something to say of each of these men and their personal contributions to the Philippines. The paper has been written under the title *Three Musketeers with Springfield*. All three men were veterans of the Occupation.

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PRINCIPAL EXPORTS

Table of Principal Exports showing Commodities, Quantity, Value, % for May 1937, May 1936, and Monthly average for 12 months previous to May, 1937.

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

PRINCIPAL IMPORTS

Table of Principal Imports showing Articles, Value, % for May 1937, May 1936, and Monthly average for 12 months previous to May, 1937.

IMPORTS

Table of Imports showing Nationality of Vessels, Value, % for May 1937, May 1936, and Monthly average for 12 months previous to May, 1937.

EXPORTS

Table of Exports showing Nationality of Vessels, Value, % for May 1937, May 1936, and Monthly average for 12 months previous to May, 1937.

TRADE WITH THE UNITED STATES AND FOREIGN COUNTRIES

Summary table of Trade with the United States and Foreign Countries showing Countries, Value, % for May 1937, May 1936, and Monthly average for 12 months previous to May, 1937.

## RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA

Traffic Manager, Manila Railroad Company



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

Rice, cavanes.....	263,365
Sugar, piculs.....	439,179
Copra, piculs.....	88,464
Desiccated Coronuts, cuses.....	39,057
Tobacco, bales.....	5,660
Lumber, board feet.....	248,416
Timber, kilos.....	1,593,000

The freight revenue car loading statistics for five weeks ending July 31, 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.....	1,233	628	16,130	7,508	575	8,622
Palmy.....	110	70	1,408	852	34	558
Sugar.....	706	62	22,346	1,945	644	20,401
Sugar Cane.....	10	8	200	234	2	20
Copra.....	618	550	4,166	3,982	68	184
Coronuts.....	53	191	930	2,722	(98)	(1,792)
Volanes.....	10	8	200	234	2	20
Hemp.....	3	—	17	—	3	17
Tobacco.....	80	44	747	480	36	267
Livestock.....	11	18	76	55	(3)	21
Mineral Products.....	291	263	3,676	3,052	26	624
Lumber and Timber.....	1,539	1,017	18,291	8,646	492	9,648
Forest Products.....	4	17	34	128	(13)	(94)
Manufactures.....	325	149	5,503	2,180	206	3,314
All others including L.C.....	2,094	2,121	21,200	19,021	381	1,279
<b>TOTAL</b> .....	<b>7,139</b>	<b>5,261</b>	<b>80,323</b>	<b>46,347</b>	<b>1,878</b>	<b>33,976</b>

## SUMMARY

Week ending July 3.....	1,353	1,052	12,884	9,242	301	3,642
Week ending July 10.....	1,270	1,056	13,331	9,999	214	3,332
Week ending July 17.....	1,539	1,017	18,291	8,646	492	9,648
Week ending July 24.....	1,562	1,083	19,112	10,096	479	9,016
Week ending July 31.....	1,415	1,023	16,702	8,364	392	8,338
<b>TOTAL</b> .....	<b>7,139</b>	<b>5,261</b>	<b>80,323</b>	<b>46,347</b>	<b>1,878</b>	<b>33,976</b>

NOTE—Figures in parenthesis indicate decrease.

## The Status of Commercial ...

(Continued from page 37)

refrigeration and transportation companies so that their catch may reach the centers of distribution for marketing in the shortest possible time and avoid disintegration and spoilage of their perishable product.

On the other hand, to provide the fundamental facts in the field of fishery and to make them available for the use of the public, should be a primary concern of the insular government.

Funds should be appropriated to carry on scientific studies, research and survey work along the line of fishery investigation upon which the formulation of an effective program and policy for the proper promotion and development of our fishery industry may be based. With the necessary facts on hand, the actual

control of our marine resources must be left in the hands of our central legislative body and executive branches of the government who through sheer force of logic should be able to replace the old hit-or-miss method with policies based upon common sense.

The national government should pave the way to concurrent development in the various lines of fishery and in the various fishing centers for the general interest and betterment of the entire country.

Such problems as planning for fish conservation, the building up of our fish supplies and the proper utilization of our fish products are problems national in their scope and should be studied and solved by the insular government. I venture to predict that so long as the great bulk of our fishery administration is left in the hands of municipal and provincial officials who

naturally are not, by training and inclination, experienced in fishery matters, commercial fishing in the Philippines will never make headway as fast as it should.

Some of the laws governing fishery in the Philippines and embodied in the existing Administrative Code are laws introduced during the Spanish régime patterned after some laws in old Spain. It is interesting to note that the same laws which have long ago been repealed in Spain where they originated and in some five South American countries where they were introduced nearly a century ago, yet they are still held as contemporary and followed in the Philippines and made use of by many of our legalists for financial as well as political ends in many parts of our country. It is now perhaps high time to clarify our fishery laws to conform with modern tendencies and practices.

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