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WAR DEPARTMENT :: OFFICE OF THE SECRETARY

EIGHTH ANNUAL
REPORT OF THE
PHILIPPINE COMMISSION
TO THE SECRETARY OF WAR

1907

(IN THREE PARTS)

PART 1



WASHINGTON
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1908

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**REPORT OF THE CHIEF OF THE BUREAU OF INSU-
LAR AFFAIRS TO THE SECRETARY OF WAR.**

11024—WAR 1907—VOL. 7—1

1

REPORT
OF THE
CHIEF OF THE BUREAU OF INSULAR AFFAIRS
TO THE
SECRETARY OF WAR.

WAR DEPARTMENT,
BUREAU OF INSULAR AFFAIRS,
Washington, October 31, 1907.

SIR: I have the honor to submit the following report of the Bureau of Insular Affairs for the past year:

**LEGISLATION ENACTED BY THE FIFTY-NINTH CONGRESS, SECOND
SESSION.**

AGRICULTURAL BANK.

One of the most urgent recommendations of the Philippine Commission, and of the Department, requiring Congressional action was that an act be passed authorizing the establishment in the islands of an agricultural bank.

The reasons for this recommendation were well set forth in the last and preceding reports of the Philippine Commission and in the several hearings before Congress. The bill as recommended, with but slight modification, was passed in the following form:

AN ACT To provide for the establishment of an agricultural bank in the Philippine Islands.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of aiding in the establishment and operation of such an agricultural bank in the Philippine Islands as the general government thereof may hereafter specifically authorize the Philippine government is empowered to guarantee an income of not exceeding four per centum per annum upon cash capital actually invested by individuals or corporations in such agricultural bank; such guaranty shall be granted by an act of the Philippine Commission which shall contain, among others, the following provisions:

First. The guaranty shall be made to a company organized under the laws of the Philippine Islands, with its principal office in Manila and with branches in such parts of the islands as may be designated by the Philippine Commission.

Second. The bank shall not grant loans except to those engaged in agriculture and with the sole purpose of assisting agriculture in the Philippine Islands.

Third. No loan exceeding in amount five thousand dollars shall be made except upon the written authorization of the secretary of finance and justice of the Philippine Islands.

Fourth. Interest charged on loans shall not exceed ten per centum per annum: *Provided*, That in no event shall the total annual contingent liability under the guaranties authorized by this Act at any time exceed two hundred thousand dollars, and no such guaranty shall continue for a longer period than twenty-five years.

For the further security of the Philippine government said government shall provide by the aforesaid act proper rules, including those for determining the cash capital actually invested in such bank and the net income actually received on said capital so invested, and shall provide for supervision by said Philippine government, through the auditing and other appropriate bureaus thereof, of the conduct of the business of the bank.

The bank shall make such reports from time to time as to its receipts and expenditures in such form and substance and sworn to by such officials as may be prescribed by the Philippine government, and its books and accounts shall be at all times open to inspection by any authorized agent of the Philippine government.

SEC. 2. That money paid by the Philippine government pursuant to the aforementioned guaranty shall be a liability of the bank to the Philippine government, and, as such, shall constitute a lien upon and be paid out of the annual net profits of the bank, subject only to the right of the stockholders to receive therefrom four per centum dividends per annum upon the bank's cash paid-up capital stock. No dividends above four per centum shall be paid, and no profits credited to the surplus fund, either during the period of the government's guaranty or subsequent thereto, until the Philippine government shall have been repaid in full all sums advanced to the bank under said guaranty.

Obligations of the bank to the Philippine government arising from advances made pursuant to the aforementioned guaranty and existing at the time when the bank shall go into liquidation shall constitute a lien on the bank's assets, subject only to the payment of the bank's legitimate debts and the repayment to the stockholders of the par value of the bank's duly authorized cash paid-up capital stock: *Provided*, That nothing in this section shall be interpreted as a guaranty on the part of the Philippine government to the stockholders of the bank of the par value of the bank's cash paid-up capital stock when the bank shall go into liquidation.

SEC. 3. That the bank shall not be permitted to hold real estate beyond that required for business premises: *Provided*, That the temporary acquisition of land as the result of foreclosure, or otherwise, on account of a debt, shall be permitted on condition that land so acquired shall be sold within ten years from the date of acquisition, and all said land not so alienated in good faith shall be forfeited to the Philippine government.

Approved, March 4, 1907, 10 a. m.

Since the approval of this act effort has been made to interest American capital in undertaking this proposition, but as yet without success, though there is little doubt that in the near future the bank will be established in accordance with the law.

RANK OF ASSISTANT TO CHIEF OF BUREAU.

By act of Congress of March 2, 1907, making appropriation for the support of the Army for the fiscal year ending June 30, 1908, the rank, pay, and allowances of a major are granted to the officer of the Army whom the Secretary of War is authorized to designate as the principal assistant to the Chief of the Bureau of Insular Affairs during such time as he is serving under that detail. Such detail has been made and the vacancy in the line caused thereby has been filled.

THE PHILIPPINE GOVERNMENT LIBRARY.

By an act of January 18, 1907, Congress provided that the Philippine government library be placed on the list of libraries where Government documents are deposited, and in consequence it is now being furnished with copies of all public documents issued by the General Government.

LEGISLATION RECOMMENDED.

The Philippine tariff bill, to which extended reference has been made in the preceding annual reports of the Bureau, failed to reach a vote in the Senate, and no action was taken on the recommendation for the further modification of the laws relating to mines and mining in the Philippines, or with reference to the recommendation for a general topographical survey of the islands to be undertaken by the United States. The cost of the quarantine service, light-house construction, and, in part, of the coast and geodetic survey in the islands continues to be borne by the insular government from island revenues, though the Commission has recommended that these expenditures be made from United States revenues, as is the case in Hawaii, Porto Rico, and other noncontiguous territory of the United States.

PHILIPPINE ASSEMBLY.

Section 7 of the act of Congress of July 1, 1902, otherwise known as the "Philippine civil government act," provides in part—

That two years after the completion and publication of the census, in case such condition of general and complete peace with recognition of the authority of the United States shall have continued in the territory of said islands not inhabited by Moros or other non-Christian tribes and such facts shall have been certified to the President by the Philippine Commission, the President, upon being satisfied thereof, shall direct said Commission to call, and the Commission shall call, a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which shall be known as the Philippine assembly. After said assembly shall have convened and organized, all the legislative power heretofore conferred on the Philippine Commission in all that part of said islands not inhabited by Moros or other non-Christian tribes shall be vested in a legislature consisting of two houses—the Philippine Commission and the Philippine assembly.

The census herein referred to was completed and published on March 27, 1905, whereupon the Secretary of War directed the governor-general of the Philippine Islands to make due proclamation of this fact and to announce that, subject to the provisions of the act of Congress referred to, a general election for the choice of delegates to a popular assembly of the people of said territory would be held two years thereafter. Proclamation was duly made as directed.

On March 28, 1907, the Philippine Commission certified to the President of the United States that for a period of two years after the completion and publication of the census a condition of general and complete peace, with recognition of the authority of the United States, had continued to exist in the islands, whereupon the President, on the same date, issued an Executive order calling a general election.

In January, 1907, the Philippine Commission passed the Philippine election law. In framing this law the election codes of Massachusetts, New York, the District of Columbia, and California were consulted and features adopted from each, modified in such a way as to meet insular conditions and to avoid the mistakes and abuses that have arisen in some provincial and municipal elections in the islands. The aim has been to provide a law sufficiently explicit and not too complicated for easy comprehension. Every effort has been made to afford the necessary safeguards and machinery to insure purity, secrecy, certainty, and expedition without causing too great a drain upon the resources of municipal and provincial governments.

The prominent features of this law as amended are the division of those provinces not inhabited by Moros or other non-Christian tribes into 78 assembly districts, each province to constitute at least one district, and the more populous being divided into more districts in the ratio of 1 to every 90,000 of population and major fraction thereof remaining. In accordance with this apportionment there will be 80 delegates, two of whom will represent the city of Manila, which is considered as a province within the meaning of the act of Congress and divided into two districts.

The first election under this law was held on July 30, 1907, and on the 16th of the present month the first Philippine assembly was opened by the Secretary of War.

It is gratifying to notice that although the Nacionalistas, the party favoring immediate independence, were victorious in the elections just held, the first measure passed by the assembly was a vote of thanks and appreciation to the American Government for its administration of the islands during the past nine years.

RAILROADS.

When the United States entered the Philippine Islands in May, 1898, there were under operation therein only 120 miles of railroad, extending from Manila northward to Dagupan. There was later constructed, under the authority of the Philippine Commission, enough additional trackage to bring the total mileage up to about 200 miles, all being in the island of Luzon. Under the enabling acts of Congress of July 1, 1902, and February 6, 1905, further concessionary grants were made by the Philippine Commission on May 28 and June 10, 1906, respectively, for 428 additional miles of railroad in Luzon and 295 miles in the islands of Panay, Cebu, and Negros. Engineers representing the concessionaires immediately left the United States to make the preliminary surveys and prepare specifications and maps to be submitted to the governor-general for approval of final routes. These final routes are to be substantially in accordance with those selected by the Government, which have been highly commended by the engineers both of the Government and of the concessionaires, one of them stating that the same mileage could not have been better selected to produce revenue or to serve the Government's ends of reaching the large interior towns and rich uncultivated lands and of furnishing an outlet for the present and prospective produce of the islands. All of the lines will run through rich country, capable of producing large quantities of hemp, rice, sugar, tobacco, cabinet woods, and minerals. The progress of the railroad construction under these last two contracts follows:

LUZON.

As the Albay route will tap the great hemp region of the Philippines and pass through or near towns with a population of 183,000 and in view of the fact that 80 per cent of the male inhabitants are land-owners, it is quite probable that the earnings of this line will be relatively larger than those of any other projected line on the island of Luzon. The extension to Camp No. 1, in the north, is to furnish better communication with Baguio and its healthful climate, the resi-

dence of a month or two each year in which renders it unnecessary for those not acclimated to leave the islands to recuperate from the debilitating effects of the Tropics. This place is to the Philippine Islands what Simla is to India, and it is purposed to make it the "summer capital" of the islands. The extension to San Fernando will reach a well-populated section, which promises to produce a paying passenger traffic, besides great freight possibilities, while along the proposed line to Batangas and Santa Cruz are some very important towns and rich agricultural country. The preliminary surveys and definite locations of these extensions are well under way. All of them with the exception of the branch in Albay Province connect with the main line now in operation.

PANAY.

In the interior of Panay the country between Passi and Dumarao is rough for railroad work and quite rolling, but the land is good and should, with the road in operation, sustain a large population. It will reach some very good towns, and traverse some excellent agricultural country, and as the entire interior of the island is dependent upon the railway for its development and for the transportation of its produce, both the freight and passenger outlook is good. The northern and southern ends of this line follow the remains of very good roads, which, with some repairs to bridges, will be of great aid during construction. As the line in Panay is through the interior, all supplies have had to be packed overland and the surveying parties have suffered some delays on account of sickness, bad weather, and loss of pack animals from surra, glanders, and scarcity of forage. Definite location surveys have been completed along the whole proposed route, and the first 20 miles from Iloilo to Pototan have been officially approved by the governor-general. About 1,500 men are now employed, but the work has been progressing slowly on account of incessant rains and the shortage of ties and bridge material. As soon as ties are received, the number of workmen will be largely increased and the laying of rails will be pushed to the utmost. Grading has been completed from Iloilo north for a distance of 35 miles, and 11 miles of track have been laid.

CEBU.

In Cebu over 20 miles of track have been laid from a point 5 miles south of Cebu City to within a few miles of Danao, the northern terminus, and the first regular trains passed over this completed portion on September 16, 1907. Pending the arrival of first-class coaches now on the way, second-class coaches and converted flat cars will be run. This will be ample for present demands. The final surveys and definite plans for all the lines required to be built under the concessionary contract are practically finished, and as the work is progressing very rapidly it is expected that a second 20-mile section will be completed and ready for operation by January, 1908, as it is all graded and track laying is proceeding. A considerable percentage of the grading also has been completed on a third 20-mile section in this island. It is reported that the location of the line has been excellently made and that no material saving could have been accom-

plished by increasing either the grades or curvature. Although the haul will be shorter on this island than on the others, it is probable that the percentage of the population traveling will be higher, as it is more closely confined to the immediate vicinity of the railway. As the population of that part of the island which will contribute to the railway is approximately 450 per square mile and the country through which this line will pass is very productive, the prospective freight and passenger business ought to cause the revenue to be sufficient to pay interest on bonds guaranteed by the government and a fair return on the stock.

NEGROS.

In Cebu and Negros the men employed on construction have enjoyed good health and there has been but little trouble with animals. Although there are less people along the line of the proposed route in Negros, the merchants believe that if the rich sugar country through which it will pass can be developed the prospects of the railway there for a fair passenger as well as freight business will be distinctly good. While it is more difficult to forecast the income from the line in Negros, it is hoped that the earnings will be satisfactory and that there will be quite a margin after the payment of the fixed charges, as the route along the west coast will reach the best business and producing section of the island. Definite location surveys have been run along the entire line, but no ballasting has been done or rails laid, and the completion of the line in this island will not be pushed very rapidly until those in Panay and Cebu are well under way, when some of the forces will be transferred.

DIFFICULTIES ENCOUNTERED.

There have been some difficulties in organizing the grading and track-laying forces in the three islands last mentioned. The main trouble, however, has not been with the native laborers, of whom the reports are very favorable, but in securing competent and efficient supervising foremen and timekeepers. Late reports from the engineers in charge state they are very much encouraged at the progress made, and believe the forces now engaged are rapidly approaching efficiency. On all of these islands considerable trouble and expense have been experienced in determining property ownership and land boundaries. Possession has been obtained for all the right of way of the portions under construction by condemnation proceedings, and the amounts assessed as the value of the lands taken have been required to be deposited with the insular treasurer in the form of certified checks. It has been practically impossible to purchase the right of way outright owing to insufficient titles and the indisposition of the natives to sell at any price.

POSTAL SAVINGS BANK.

The postal savings bank, authorized by the act of the Philippine Commission of May 24, 1906, has been transacting business in the islands as a part of the bureau of posts since October 1 of that year.

The main provisions of this act are that:

(a) Any person 6 years of age or over residing in the Philippine Islands, and not under legal disability, may open an account.

(b) Charitable or benevolent societies may, upon approval by the proper authority, open accounts.

(c) Immediately upon the passage of this act banks be established in the cities of Manila, Iloilo, and Cebu, and other branches elsewhere throughout the archipelago as rapidly as possible.

(d) Deposits may be made in money or postal savings bank stamps to any amount from 1 peso up.

(e) Postal savings bank stamps in denominations of 5, 10, and 20 centavos, respectively, are to be held for sale at every postal savings bank in the Philippine Islands, which shall furnish, without charge, appropriate cards arranged with 10 or 20 blank spaces on which the stamps are to be pasted. Upon being properly filled these cards may be deposited with the bank as if they were money to the amount represented by the face value of the stamps, whereupon a deposit entry of such amount will be made to the credit of the depositor.

(f) Interest of $2\frac{1}{2}$ per cent will be paid on all deposits.

(g) The funds of the bank are required to be invested under the supervision of the government of the Philippine Islands in certain approved securities, and none other.

(h) Subject to specified regulations deposits may be withdrawn by telegraph.

The postal savings bank in Manila began operation on October 1, 1906, and on June 30, 1907, there were open for the transaction of business throughout the islands 235 offices with resources amounting to 510,100.64 pesos. The number of accounts opened during this period was 2,676, and of the depositors 60.4 per cent were Americans, 35.3 per cent Filipinos, 2.2 per cent Europeans; Asiatics, 1.6 per cent, and societies, 0.5 per cent. It will be noticed that the American depositors were in the majority, which was largely due to the fact that the stamps, a large shipment of which was made from Washington in the early part of the present year, did not arrive in the islands until March. Since their distribution began, however, there has been a steady growth in the monthly deposits. The stamps were designed more especially for the school children, and the fact that they were available only a few days before the close of the school year (April) will also serve to account for the relatively small deposits made by Filipinos during the period covered by this report.

The investment of the funds of the postal savings bank is placed by law in the hands of an investment board, which at present is composed of the secretary of commerce and police, the secretary of finance and justice, the director of posts, the insular treasurer, and one business man of the city of Manila. On the recommendation of this board funds of the postal savings bank have been invested in banking institutions of the islands to the amount of 490,000 pesos in the form of time deposits bearing $3\frac{1}{2}$ per cent interest. The banks with which these deposits have been made are all duly authorized depositories of the Philippine government, and the funds deposited with them are amply protected by surety bonds filed with the Treasurer of the United States.

For the purpose of providing a more lucrative field of investment for the bank's funds laws have been enacted providing that loans may be made upon city real estate, under carefully guarded provisions, to the extent of 25 per cent of the total deposits of the bank; upon improved agricultural land to the extent of 10 per cent of the total

deposits; upon any securities the principal or interest of which is guaranteed by the Government of the United States or of the Philippine Islands, and to the various provinces for public improvements under the guaranty of the insular government. Under this last provision one of the provinces has already applied for a loan of 160,000 pesos for six years, with interest at the rate of 5 per cent.

The total expenses of the bank from its inauguration to June 30, 1907, were 37,393.35 pesos. If from this amount there be deducted the sum of 6,495.36 pesos, representing interest earned on the investment of the bank's funds, there will be left the sum of 30,897.99 pesos, representing the real deficit for the period indicated. A considerable part of this deficit is, however, more nominal than real, for, excluding from consideration that part of the supplies in the hands of the postmasters which will not have to be duplicated for several years, there were on hand in the division of supplies on June 30, 1907, supplies to the estimated value of 10,000 pesos.

The Filipinos have had little opportunity to make investment of their savings or to make them secure in any manner, least of all in a manner to yield any income. Americans and a few Filipinos have in the past made use of postal money orders, payable to themselves, as a means of safeguarding their earnings for a time. Such an investment of course draws no interest, and it was estimated by the governor-general in his report for the fiscal year ended June 30, 1906, that there were a million pesos held in this form at the time at which he wrote. The money so held could not be used by the government for the purpose of reinvestment, and was, therefore, entirely stagnant in the community.

The postal savings bank meets a much-needed requirement in the islands, and is one of the most important pieces of legislation enacted by the Commission. It immediately enabled persons to deposit with the government small sums of money, on which they receive interest at the rate of 2½ per cent per annum, to be increased later if the operation of the bank shows that it can be successfully done without loss to the government.

PAPER CURRENCY.

The act of Congress approved June 23, 1906, authorized the Philippine government to use as reserve, against which currency could be issued, gold coin of the United States up to 60 per cent of the certificates outstanding, the former act, to which this is an amendment, providing that only Philippine silver coin could be used as such reserve. During the past fiscal year there were prepared by the Bureau of Engraving and Printing of the Treasury Department and shipped to Manila by army transports certificates in denominations and amounts as follows:

July 5, 1906:	
20 pesos	₱6, 000, 000
50 pesos	4, 000, 000
100 pesos	4, 000, 000
500 pesos	3, 000, 000
October 5, 1906, 10 pesos	5, 000, 000
April 5, 1907, 2 pesos	2, 000, 000
May 6, 1907, 2 pesos	2, 000, 000
June 5, 1907, 2 pesos	1, 000, 000
Total	27, 000, 000

This makes the total paper currency shipped to the islands to June 30, 1907, as follows:

2 pesos	₱8,000,000
5 pesos	6,000,000
10 pesos	16,000,000
20 pesos	6,000,000
50 pesos	4,000,000
100 pesos	4,000,000
500 pesos	3,000,000
Total.....	47,000,000

DEPOSITARIES OF PHILIPPINE FUNDS.

Depositaries of Philippine funds are those mentioned in the last annual report, with the addition of the Mercantile Trust Company, of St. Louis, Mo., which was declared by the Secretary of War, in June, 1907, an authorized depositary in the United States of the Philippine government. The total deposits of the treasurer of the Philippine Islands with banks in the United States on June 30, 1907, amounted to \$13,061,095.86.

PHILIPPINE COINAGE.

The act of Congress approved June 23, 1906, authorized the reduction of the weight and fineness of Philippine silver coins because of the increase in the value of silver, which had made the intrinsic value of such coins greater than their face value as currency. All Philippine silver coins which have been minted since the passage of this act have been of the following weights and fineness: For the peso, 20 grams of silver .800 fine; 50 centavo, 10 grams of silver .750 fine; 20 centavo, 4 grams of silver .750 fine; 10 centavo, 2 grams of silver .750 fine. During the fiscal year there were shipped to the San Francisco mint, for recoinage in accordance with the new standard of weight and fineness, ₱8,000,000 of Philippine coin and ₱100,750 of old Spanish-Filipino coin.

To meet the immediate demand in the islands for additional subsidiary coin the Bureau purchased in the United States during the fiscal year 965,465.46 ounces of silver, costing \$655,382.82, from which were coined ₱2,000,000 in subsidiary pieces, as follows:

50 centavos	₱1,100,000
20 centavos	500,000
10 centavos	400,000

Expenses of minting and shipment of the ₱2,000,000 amounted to \$44,260.12, so that the net seigniorage was \$300,357.06 United States currency on an outlay of \$699,642.94. It will thus be noted that the profit on coin of the new weight and fineness minted from bullion purchased during the past fiscal year was more than 40 per cent.

Philippine silver coins have been made at the United States mints during the fiscal year and shipped to the Philippines (including shipment on transport July 5, 1907) as follows:

[Value in pesos.]

	Peso.	50-centavo.	20-centavo.	10-centavo.
Philadelphia		600,000	250,000	150,000
San Francisco	5,597,000	500,000	250,000	250,000
Total	5,597,000	1,100,000	500,000	400,000

STAMPS.

During the fiscal year there were prepared and forwarded to the Philippines, under the direction of the Bureau, the following:

Postage stamps	1,010,000
Stamp books	140,010
Postal savings bank stamps	4,747,636
Internal-revenue stamps	9,100,000
Documentary stamps	10,000,000

BONDED INDEBTEDNESS.

On September 1, 1906, temporary certificates of indebtedness of the government of the Philippine Islands then outstanding to the amount of \$1,500,000 were retired by an appropriation of \$500,000 from the gold-standard fund in the Philippine treasury, and by a new issue of \$1,000,000 in certificates running for one year and bearing interest at 4 per cent. This issue fell due September 1, 1907, and was retired outright, thus eliminating all indebtedness due to the inauguration of the currency system of the Philippines, which indebtedness at one time amounted to \$6,000,000.

The bonded indebtedness of the Philippines now is—

	Amount.	Redeem- able—	Due—
Land purchase 4 per cent bonds	\$7,000,000	1914	1934
Public works and improvement 4 per cent bonds	2,500,000	1915	1935
Do	1,000,000	1916	1936
City of Manila sewer and water 4 per cent bonds	1,000,000	1915	1935
Do	2,000,000	1917	1937

PURCHASE OF SUPPLIES.

Philippines.—While the Philippine government has continued its policy of favoring Manila merchants and brokers in its purchases of supplies, the Bureau received during the past fiscal year for execution in the United States 612 requisitions by mail and 73 by cable.

The system of purchasing through an agent in New York City and paying accounts for purchases from Washington, which has been described in detail in previous reports, continues to give satisfactory results. Through the courtesy of the Post-Office Department and of the Government Printing Office, the annual contracts for supplies for those branches of the United States Government provide that the

Bureau may purchase thereunder such supplies as may be required by the Philippine government. As the bureaus of posts and printing of the Philippine government naturally use supplies similar to those employed by the Post-Office Department and the Government Printing Office, this arrangement gives the insular government in its smaller requirements the benefit of the prices made to the United States Government on its larger purchases.

By far the larger portion of shipments to the Philippines is made from New York City via the Suez Canal, the Bureau having a contract with four steamship lines for this service. All merchandise shipped is covered in transit by marine insurance, which protects the government from breakage, damage, and loss.

Dominican Receivership.—To June 30 last there have been purchased for the receiver of Dominican customs and paid for from customs collected in Santo Domingo supplies, not locally obtainable and including four revenue cutters, to the amount of \$74,793.76, the machinery of the Bureau having been used for this purpose at the request of the receiver made in August, 1906.

Cuba.—At the request of the director of the Cuban census, supplies for the census, which could not be obtained in Habana, were purchased in the United States by the Bureau and recently shipped to Cuba.

NEW YORK OFFICE.

The agency maintained in New York City under the direction of this Bureau continues a necessity to the Philippine government in the purchase and shipment of supplies from the United States as well as in the protection of the government in its purchases of supplies from Manila brokers. As stated in previous reports, even should the Philippine government buy all of its supplies in Manila, the New York office should be maintained as a check on prices asked by the Manila broker.

The force of the New York office comprises 1 purchasing agent and 3 clerks.

DISBURSEMENTS OF PHILIPPINE REVENUES IN THE UNITED STATES.

All accounts of the Philippine government in the United States for supplies, for transportation of employees, for expenses of coinage and currency, for education of Filipino students, for interest, and for miscellaneous expenses are paid by the disbursing agent of Philippine revenues, this Bureau. The total disbursements made during the fiscal year 1907 amounted to \$3,334,153.29, in payment of 3,456 accounts, and the total disbursements from May 20, 1901, the date the disbursing office was established, to June 30, 1907, amount to \$30,213,594.10, in payment of 16,123 accounts.

COMMERCIAL STATISTICS.

Commercial returns continue to be received monthly and are compiled for record, although their publication, since December, 1905, appears quarterly instead of monthly.

IMPORTS.

The imports, exclusive of gold and silver and United States Government supplies, for the fiscal years 1899-1907 were as follows:

Fiscal year.	From—		Total.
	United States.	Other countries.	
1899 ^a	\$1,150,613	\$11,962,397	\$13,112,010
1900.....	1,657,701	18,943,735	20,601,436
1901.....	2,855,685	27,428,721	30,279,406
1902.....	4,035,243	28,106,599	32,141,842
1903.....	3,944,098	29,027,784	32,971,882
1904.....	4,633,216	28,587,545	33,220,761
1905.....	5,761,498	25,114,852	30,876,350
1906.....	4,333,893	21,465,373	25,799,266
1907 ^b	5,155,359	23,630,496	28,785,855

^a August 20, 1898, to June 30, 1899.

^b Figures exclude free-entry railway supplies.

As compared with last year the returns for 1907 show a larger value under total imports by approximately \$3,000,000, and the dependence of the islands on foreign rice continues to decline. Cotton cloth was the leading import, more than \$5,500,000 worth having been purchased, which, with the exception of the year 1901, was the heaviest showing in this line since American occupation.

Imports from the United States amounted to over \$5,000,000, an increase of more than \$750,000. Practically all of this increase may be credited to cotton cloth, and in the heavier cotton trade of the year the tariff amendment of February 26, 1906, seems to have corrected the former discrimination against American piece goods.

From the commercial totals of the year there have been excluded all imports of railway supplies entered free of duty under the two franchises recently granted for the construction of railways. These purchases assumed no importance prior to January, 1907, but reached a value of \$879,759 during the fiscal year, of which the United States contributed \$508,524, while the United Kingdom and Australasia were credited with almost the whole of the remainder. This trade is expected to grow in importance during the next few years, in which the lines contracted for must be completed. Being subject to free entry and of the nature of extraordinary imports destined to assume large proportions, but for only a short period, and as their inclusion would seriously inflate the normal trade figures, they have been excluded, as has been the usage with Government free entries.

EXPORTS.

The exports, exclusive of gold and silver, for the fiscal years 1899-1907 were as follows:

Fiscal year.	To—		Total.
	United States.	Other countries.	
1899 ^a	\$3,540,894	\$8,826,018	\$12,366,912
1900.....	3,522,160	16,228,908	19,751,068
1901.....	2,572,021	20,642,927	23,214,948
1902.....	7,691,743	16,235,386	23,927,679
1903.....	13,863,059	19,236,340	33,119,899
1904.....	11,102,776	19,147,352	30,250,227
1905.....	16,668,026	16,684,389	33,352,615
1906.....	11,679,411	20,337,723	31,947,184
1907.....	12,079,204	21,634,153	33,713,357

^aAugust 20, 1898, to June 30, 1899.

The value of exports was in excess of any previous year of American occupation, amounting to \$33,713,357, or \$1,796,223 above the figures for 1906. The largest increases are to be noted in hemp and tobacco, while copra shipments yielded practically the same figure and the sugar trade suffered a heavy reduction in value.

Hemp exports amounted to 112,895 tons, only a nominal increase over the reduced quantity marketed in the previous year, but higher prices have prevailed, and an increase of more than \$1,500,000 is included in the total of \$21,085,081. Of this sum, American purchases represent slightly more than half.

The tobacco trade showed increased export activity in both leaf and manufactures, and reached a value of \$3,129,194, with an increase of \$739,304 over the record for the previous year. Of this increase, leaf tobacco made up nearly \$500,000, cigars were credited with \$147,371, while a notable gain of \$87,467 was found in cigarettes—a trade that has not amounted to as much as \$25,000 in previous years. The United States did not figure at all as a purchaser of leaf, but took cigars to the value of \$26,067.

Copra shipments suffered a reduction of 25 per cent in quantity, but in consequence of exceptionally high prices showed a nominal increase in value, and the \$4,000,000 trade of the previous year was maintained.

The sugar industry was less fortunate, and between a somewhat reduced quantity and a decline in prices, a reduction of \$929,405 was recorded for the year. Sugar exports amounted to 118,395 tons, valued at \$3,934,460, and found an almost exclusively oriental market, with shipments to the United States amounting to but \$234,074.

RECEIPTS AND EXPENDITURES.

The following statement of revenues and expenditures of the Philippine government, exclusive of all items of a refundable character, covers the period from the date of American occupation, August 18, 1898, to June 30, 1907:

REVENUES.

Fiscal year ended June 30—	Insular.	Provincial.	City of Manila.	Total.
1899.....	\$3,558,682.83			\$3,558,682.83
1900.....	6,899,840.58			6,899,840.58
1901.....	10,758,459.96			10,758,459.96
1902.....	9,371,283.11	\$2,008,480.88	\$1,199,598.21	12,579,357.20
1903.....	10,767,455.63	2,527,252.93	1,541,575.85	14,826,284.41
1904.....	10,249,263.98	3,295,839.47	1,981,129.97	15,476,233.42
1905.....	11,549,495.37	8,107,912.91	1,441,165.82	16,098,574.10
1906.....	11,468,067.16	4,508,572.02	1,996,289.85	17,972,929.08
1907.....	11,149,619.25	4,604,528.31	1,691,341.93	17,445,489.49
Total.....	85,756,667.81	20,068,568.52	9,800,096.63	115,610,350.96

EXPENDITURES.

1899.....	\$2,376,327.12			\$2,376,327.12
1900.....	4,758,798.66			4,758,798.66
1901.....	6,451,528.37			6,451,528.37
1902.....	8,189,404.59	\$1,633,158.22	\$522,294.81	10,444,857.62
1903.....	10,249,533.40	1,981,261.22	1,177,611.67	13,408,406.29
1904.....	11,122,562.38	2,339,826.10	1,578,808.50	15,040,696.98
1905.....	12,248,867.33	1,474,320.43	2,574,102.78	16,297,280.54
1906.....	10,146,779.12	4,336,091.32	2,492,892.23	16,974,262.67
1907.....	8,408,012.84	4,736,088.20	1,560,801.40	14,704,852.44
Total.....	73,951,798.81	16,499,696.49	10,005,506.39	100,457,000.69

Receipts and expenditures for the fiscal year ended June 30, 1907.

Amount of funds in the Philippine treasury on June 30, 1907,
available for purely administrative purposes, exclusive of
funds derived from refundable collections and bond issues..... \$5,935,238.43

INSULAR.

Insular net revenues for the fiscal year ended June 30, 1907, excluding all items of a refundable character..... 11,149,619.25
Net ordinary insular expenditures, including interest on bond issues and contributions made to the city of Manila and to the provinces in lieu of land taxes, cancellation of loans to provinces, and contributions for provincial administrative purposes..... \$8,408,012.84
Excess of insular revenues over expenditures..... 2,741,606.41
11,149,619.25

CITY OF MANILA.

Revenues collected by the city, inclusive of the amount contributed by the insular government under provisions of the charter of the city..... \$1,691,341.93
Ordinary expenditures of the city, including interest and sinking fund charges on sewer construction bonds..... 1,560,801.40
Excess receipts over expenditures..... 130,540.53

In addition, \$101,297.45 was disbursed for insular purposes from the Congressional relief fund. There were also disbursed funds, which may be designated bond issues, as follows:

Public works and permanent improvement fund..... \$374,290.09
Sewer and waterworks construction fund..... 1,187,107.77

LAW OFFICER.

The work of this office has increased in volume during the last year. Not only has it included the consideration and decision of questions arising in the Philippine Islands, but also many civil matters presented for the consideration of the Secretary of War.

FILIPINO STUDENTS IN THE UNITED STATES.

At the close of the last fiscal year 183 students were being educated in the United States at the expense of the Philippine government and under the supervision of this Bureau. These students were distributed throughout the schools of the country as shown in the following list:

Riverside, Cal.:		Iowa City, Iowa:	
Riverside High School.....	1	University of Iowa.....	8
Boulder, Colo.:		Manhattan, Kans.:	
University of Colorado.....	1	State College of Agriculture..	8
New Haven, Conn.:		Boston, Mass.:	
Yale University.....	1	Massachusetts Institute of	
District of Columbia:		Technology.....	8
Catholic University.....	1	Lowell, Mass.:	
Coast and Geodetic Survey..	2	Lowell Textile School.....	1
Georgetown University.....	6	Worcester, Mass.:	
George Washington Univer-		Clark College.....	1
sity.....	1	Lansing, Mich.:	
National University.....	2	State Agricultural College....	2
Chicago, Ill.:		St. Paul, Minn.:	
University of Chicago.....	3	College of St. Catherine.....	2
University High School (Uni-		Lincoln, Nebr.:	
versity of Chicago).....	2	University of Nebraska.....	6
Rush Medical College.....	2	Trenton, N. J.:	
Lewis Institute.....	2	State Normal School.....	6
Armour Institute of Tech-		Ithaca, N. Y.:	
nology.....	2	Cornell University.....	7
College of Physicians and		Oswego, N. Y.:	
Surgeons.....	8	State Normal School.....	3
Northwestern University Law		Cincinnati, Ohio:	
School.....	2	University Technical School..	8
Evanston, Ill.:		Columbus, Ohio:	
Northwestern University.....	1	Ohio State University.....	8
De Kalb, Ill.:		Oberlin, Ohio:	
Northern Illinois State Nor-		Oberlin Conservatory of	
mal School.....	6	Music.....	1
Macomb, Ill.:		Eugene, Oreg.:	
State Normal School.....	6	University of Oregon.....	1
Normal, Ill.:		Philadelphia, Pa.:	
State Normal School.....	5	Drexel Institute.....	8
Urbana, Ill.:		Pennsylvania Academy of	
University of Illinois.....	18	Fine Arts.....	1
Bloomington, Ind.:		University of Pennsylvania....	2
Indiana University.....	5	Women's Medical College....	2
Lafayette, Ind.:		Villanova, Pa.:	
Perdue University.....	11	College of St. Thomas.....	1
Notre Dame, Ind.:		West Chester, Pa.:	
St. Mary's Academy.....	2	State Normal School.....	5
University of Notre Dame....	7	Madison, Wis.:	
Ames, Iowa:		University of Wisconsin.....	9
State College of Agriculture..	8		
			183

The courses pursued by these students were as follows:

Normal (teaching)-----	44	General or preparatory-----	2
Civil engineering-----	32	Science-----	2
Agriculture-----	23	Pharmacy-----	2
Law-----	21	Coast and geodetic survey-----	2
Mechanical engineering-----	19	Architecture-----	1
Medicine-----	17	Art-----	1
Commerce or business-----	6	Forestry-----	1
Chemistry or chemical engineer- ing-----	4	Music-----	1
Electrical engineering-----	3	Veterinary science-----	1
		Textile weaving-----	1

It will be noted that their time in this country was spent in preparation for educational or industrial work in the islands.

In the period between the date of the previous report (showing 184 students in this country) and the close of the fiscal year one death occurred and three students were returned to the islands, one because of gross misconduct and two because of neglect of studies. During that period three new appointments were made, all three appointees being private students already in this country.

Of the 183 students above mentioned, 92 were appointed by the governor-general in October, 1903, for a period of four years, which expired during the present month. Of these, 36 have been reappointed to complete courses of study (mostly engineering, agriculture, and medicine), one has been permitted to remain for further study (law) at his own expense, and 55 have been returned to the islands, having completed their courses of study (mostly law and teaching).

During the past four months, 61 students have been returned to the islands; in July, 22; August, 24; September, 11; October, 4. Fifty-five of these were of the 1903 students above mentioned, 3 had completed courses before expiration of terms of appointment, 1 returned because of serious trouble with the eyes, and 2 were sent back because of misconduct.

Since the close of the fiscal year, 2 new appointees have arrived from the islands, and at the present date, October 31, 1907, there are in this country 123 Government students, not including the 1 remaining at his own expense.

During the past summer many students were in attendance at various summer schools, making up deficiencies, while others were employed in commercial work, gaining practical knowledge along their lines of study.

The health of the students has been generally good and they suffer but little from the climate. Two serious cases of illness occurred; one finally requiring operation for appendicitis from which the student has fully recovered; the other, cancer, to which, in spite of the ablest surgical and hospital treatment, Ignacio A. Rosario, of Manila, succumbed on April 7, 1907, and his remains were promptly returned to his parents. He was a bright student of promise and ability, and was highly esteemed.

It should be noted that this Bureau has been given every assistance by the instructors and schools in which students have been placed. There have been shown a kindly cooperation and interest which have materially lessened the care of these students and impressed them with the best side of American life.

Conclusion as to the value of this educational movement to the Philippine government can best be made after observation of results attained by the students returning this summer. They excelled in studies, in sports, in music, and especially in military science. In open competition they secured many valuable prizes, one having won a fellowship in a leading university of this country.

It is not too much to say that as a whole the students have done remarkably well. While naturally handicapped by the language, they hold their own with American students, and in some instances stand first in their classes. They are esteemed highly by classmates and instructors. Without a single exception, they exemplify to a high degree the Filipino characteristics of gentlemanly, courteous, and respectful demeanor, and almost without exception are earnest, faithful, and industrious. As a whole they are such a body of active, intelligent, and progressive students as any country might well be proud of.

PROVISIONAL GOVERNMENT OF CUBA.

The business of the provisional government of Cuba requiring action in the United States, which was by Executive Order directed to be conducted through this Bureau, continues to be transacted here. Peace and quiet reign over the entire island and confidence among the business men is again largely restored.

COST TO THE UNITED STATES OF THE INTERVENTION.

The act making appropriations to supply deficiencies in the appropriations for the fiscal year ending June 30, 1907, approved March 4, 1907, contains the following provision:

The President is hereby authorized to receive from the treasury of the Cuban Republic and pay into the Treasury of the United States from time to time such amounts to reimburse the United States for the expenditures from the United States Treasury made necessary on account of the present intervention as he may consider the Cuban treasury then able to pay without serious embarrassment.

Such expenditures, it was evident, would be exclusively for military purposes, and experience having demonstrated the difficulty of determining at a later time the amounts of expenditures due to such operations and of segregating them from normal expenses of the Army, the matter of having reports of such expenses made monthly during the period of occupation was immediately taken up, and the results up to June 30, 1907, are given in the following table.

No other expenditures due to the intervention have been made from United States funds.

There is likewise given the amount paid during the same period from Cuban funds on account of the American intervention. The expenditures from this latter source are made from funds allotted from time to time by the provisional governor from the Cuban treasury for certain expenditures of the Army that would not be necessary except for its service in Cuba.

Statement of extraordinary expenditures on account of the army of pacification in Cuba from October 1, 1906, to June 30, 1907.

Military information division, U. S. Army.....		\$4,906.28
Signal Corps, U. S. Army:		
Services	\$720.77	
Salaries	2,271.65	
Instruments, equipment, and tools.....	58,092.78	
Supplies	33,807.80	
Total		94,892.98
Engineer Department, U. S. Army:		
Instruments	5,748.29	
Services	7,405.66	
Supplies	3,492.67	
Construction of dock.....	1,203.17	
Total		17,849.79
Medical Department, U. S. Army:		
Expressage	4.45	
Medical attendance and medicines.....	439.07	
Hospital laundry	1,945.41	
Pay of employees.....	4,898.66	
Blanks and stationery	980.57	
Medical supplies and equipment.....	80,570.86	
Total		88,839.02
Commissary Department, U. S. Army:		
Advertising	67.00	
Printing	66.92	
Commissary stores.....	54,182.03	
Ice	14,060.86	
Rations, civilian employees	16,798.06	
Expenses, United States army transports.....	37,879.38	
Commutation of rations.....	13,089.26	
Salaries of civilian employees.....	19,181.42	
Subsistence property	13,649.87	
Travel rations.....	2,159.34	
Total		171,134.14
Quartermaster's Department, U. S. Army:		
Emergency fund	105,625.00	
Cavalry, artillery, and engineers' horses	32,500.00	
Clothing and equipage	85,800.32	
Army transportation	2,013,283.31	
Barracks and quarters	24,399.01	
Incidental expenses	103,750.86	
Regular supplies	291,112.77	
Total		2,656,471.27
Ordnance Department, U. S. Army:		
Ordnance depot, Habana		3,838.09
Paymaster's Department, U. S. Army:		
Courts-martial	2,870.09	
Mileage and actual expenses	39,683.81	
Travel expenses, paymaster's clerks	642.00	
Commutation of quarters	24,225.07	
Pay increase, enlisted men.....	136,092.85	
Salary increase, officers.....	51,936.94	
Total		255,450.76
Judge-Advocate-General, U. S. Army:		
Law books		444.10
Paymaster's Department, U. S. Marine Corps:		
Pay of enlisted men, foreign service.....	27,868.73	
Pay of officers, foreign service.....	7,355.54	
Mileage paid to officers.....	1,374.28	

Paymaster's Department, U. S. Marine Corps—Continued.

Traveling expenses to officers.....	\$2,869.10
Commutation of quarters to officers.....	590.80
Mounted pay.....	950.84
Transportation of officers.....	63.54

Total.....	\$41,072.83
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Quartermaster's Department, U. S. Marine Corps:

Contingent expenses.....	12,534.35
Provisions.....	15,413.60
Transportation and recruiting, Marine Corps and U. S. Navy.....	13,115.15
Forage.....	111.70
Military stores.....	4.67
Pay of Marine Corps.....	271.73
Pay, miscellaneous.....	31.26
Bureau of medicine and surgery.....	353.41

Total.....	41,835.87
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Grand total.....	3,376,735.13
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Expenditures made by the Republic of Cuba on account of American intervention, October 1, 1906, to June 30, 1907.

Amount advanced by Republic of Cuba.....	<u>\$387,716.23</u>
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Expenditures:

Barracks and quarters.....	\$329,503.00
Salary of provisional governor.....	14,333.28
Printing and miscellaneous expenses.....	2,708.18
Amount in hands of disbursing officers.....	41,171.77

Total.....	387,716.23
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NOTE.—The amounts given are those reported, and before any refund should be called for these reports should be scrutinized and the amounts carefully audited.

CUSTOMS RECEIVERSHIP OF SANTO DOMINGO.

By the *modus vivendi* of March 31, 1905,^a it was provided that until the Dominican Congress and the Senate of the United States should act upon the convention of February 7, 1905, the President of the Dominican Republic, on the nomination of the President of the United States, should appoint a person to receive the revenues of all the custom-houses of the Republic. Of the net revenues collected, 45 per cent was to be turned over to the Dominican Government, and used in administrative expenses. The remainder, less the expenses of collection, was to be deposited in a bank in New York to be designated by the President of the United States and to remain there for the benefit of all creditors of the Republic, Dominican as well as foreign, and not to be withdrawn before the Dominican Congress and the Senate of the United States should have acted upon the convention then pending. During the operation of the *modus vivendi* all payments were to be suspended without, however, in any way interfering with or changing the substantial rights of creditors. This *modus vivendi* went into effect on April 1, 1905.

Under the receivership created by this *modus vivendi* there has been collected, to August 31, 1907, \$7,183,397.56. Of this amount 45

^a See Appendix 1, p. 25.

per cent was turned over to the Dominican Government, and \$3,318,946.97, to bear interest while on deposit, has been remitted to New York.^a This is in striking contrast with the results of the customs operations of former years, when, having control of the entire revenues of the Republic, the Dominican Government had not only been unable to pay its current expenses, but found its apparent public debt increased at an average rate of almost \$1,000,000 a year for some thirty-odd years.

The convention between the United States and the Dominican Republic, signed at Santo Domingo City on February 8, 1907, was transmitted to the U. S. Senate on February 19, 1907, by the President for ratification, and was ratified on the 25th of the same month. After formal ratification by the President of the United States and the Dominican Republic, ratifications were exchanged July 8, 1907, and formal proclamation made by the President on the 25th of the same month.^b Regulations have been drawn up for the application of its provisions.^c The treaty sets forth that the debts of the Dominican Republic amount to more than \$30,000,000, nominal or face value, which have been scaled down by a conditional adjustment and agreement to some \$17,000,000, including interest, in the payment of which the Government has requested the assistance of the United States. The latter agrees to give this assistance subject to certain conditions set out in the treaty, the principal among which are (a) that the President of the United States shall appoint the general receiver of the Dominican customs and his assistants, and (b) that the Dominican Government shall provide by law for the payment to such general receiver of all the customs duties of the Republic. The money collected is to be applied as follows: (1) To paying the expenses of the receivership; (2) to the payment of interest on bonds issued by the Dominican Government in connection with the settlement of its debts; (3) to the payment of the annual sums provided for amortization of said bonds, including interest upon all bonds held in the sinking fund; (4) to the purchase and cancellation or the retirement and cancellation, pursuant to the terms thereof, of any of said bonds as may be directed by the Dominican Government, and (5) the remainder to be paid to the Dominican Government. On the 1st day of each calendar month the sum of \$100,000 is to be paid over by the receiver to the fiscal agent of the loan, and the remaining collection of the last preceding month paid over to the Dominican Government, or applied to the sinking fund for the purchase or redemption of bonds, as the Dominican Government shall direct. Should the revenues thus collected exceed \$3,000,000 for any one year, one-half of the surplus is to be applied to the sinking fund for the redemption of bonds.

ORGANIZATION AND PERSONNEL.

The classification of the civilian force remains the same as last year, with a total of 74 employees, the total salaries aggregating \$87,400. Of this force 3 clerks have been detailed without pay to

^a For statement by years see Appendix 2, p. 26.

^b For text see Appendix 3, p. 27.

^c See Appendix 4, p. 30.

assist the United States provisional government in Cuba. During the year the Bureau has lost 13 employees by transfer or resignation.

In this year's estimate the Bureau has recommended the discontinuance of the 14 clerks of the \$900 grade, asking in lieu thereof an increase of 2 additional clerks at \$1,400, 5 at \$1,200, and 4 at \$1,000. This will decrease the total number of employees from 74 to 71, and increase the total appropriation by \$200 only. The discontinuance of the \$900 grade is desired because experience has shown great difficulty in getting and keeping good men at that salary. In many cases appointees at this salary, finding promotion slow, leave the service for better salaries elsewhere.

By obtaining a more permanent force, through the discontinuance of the above grade and by the increases indicated in classes 2, 1, and \$1,000, it is hoped that the reduction will be met by the greater efficiency of more contented employees. This is the experience of the Adjutant-General's office, which now has no clerk grade below \$1,000.

I urge the necessary legislation in accordance with the approved estimate.

Respectfully submitted.

CLARENCE R. EDWARDS,
Brigadier-General, U. S. Army, Chief of Bureau.

THE SECRETARY OF WAR.

APPENDIX 1.

MODUS VIVENDI.

[Translation.]

CARLOS F. MORALES, L., *Constitutional President of the Republic:*

For the purpose of protecting all the creditors of the Republic until the Dominican Congress and the Senate of the United States shall act upon the convention signed on the 7th of February of the current year by the representatives of the Governments of the Dominican Republic and of the United States, of maintaining alive meanwhile the said convention, and of facilitating its full execution if it should be ratified, or not prejudicing any right should it be rejected;

The opinion of the council of Secretaries of State having been heard:

Resolves: First. To name the person to receive the revenues of all the custom-houses of the Republic, and, for the better guaranteeing of the latter's creditors, to leave to the President of the United States the designation of the person who will receive said revenues, the Dominican Government conferring upon him the office, providing always that the designation shall be satisfactory to it.

Second. The sums collected shall be distributed in the following manner:

(a) Forty-five per cent to be used in administrative expenses.

(b) The necessary expenses of collecting, including the salaries of all the employees of the custom-houses.

Third. The remainder, as a sum destined to the payment of debts, shall be immediately deposited in a bank in New York, which shall be designated by the President of the United States, remaining on deposit for the benefit of all the creditors of the Republic, Dominicans as well as foreign, and shall not be withdrawn before the Dominican Congress and the Senate of the United States shall have acted upon the pending convention.

Fourth. If the final action of the Congress of the Dominican Republic and of the Senate of the United States shall be favorable to the pending convention, the sums so deposited shall be distributed among the creditors in proportion to their just claims, in accordance with said convention; if the action of the said Congress and Senate shall be adverse, the said sums shall be at the disposition of the Dominican Government for equitable distribution among the creditors, according to the arrangement it shall make with them.

Fifth. In order to do effectively what is above provided for, the Executive suspends all payments upon the debts of the Republic, of whatever nature, during the time that this *modus vivendi* continues in operation.

No document shall be received in payment of customs or port dues, and the total amount of all revenues payable through the customs shall be delivered to the receiver of whom this resolution makes mention.

Sixth. This *modus vivendi* is not intended to interfere with or change the substantial rights of creditors, nor to repudiate or modify any of the agreements hereinbefore made by the Government, except in so far as the immediate enforcement of such rights and agreements may be suspended by the general moratorium herein declared.

This *modus vivendi* will take effect from the 1st of April of the current year.

Given in the National Palace of Santo Domingo, capital of the Republic, on the 31st day of March, 1906; sixty-second year of independence and forty-second of the restoration.

(Signed)

MORALES. L.

Countersigned.

The Minister of Finance and Commerce,
FEDERICO VELASQUEZ H.

APPENDIX 2.

Statement, by fiscal years, of the customs service of the Republic of Santo Domingo under the operation of the "modus vivendi," from April 1, 1905, to August 31, 1907

	Apr. 1, 1905, to June 30, 1905.	July 1, 1905, to June 30, 1906.	July 1, 1906, to June 30, 1907.	July 1, 1907, to Aug. 31, 1907.	Total.
DEBITS.					
Expenditures:					
Interest and exchange, S. Michelena.....	\$2,186.17	\$5,405.54	\$11,563.96	.....	\$19,155.67
Salaries and expenditures at all ports.....	13,454.97	70,199.47	72,478.23	\$12,258.58	168,891.25
Salaries and expenses, office of receiver and general comptroller.....	7,427.88	34,133.94	37,683.05	7,299.05	86,543.94
Expenses of customs and frontier guard.....	.....	32,870.66	58,093.22	8,090.29	99,054.17
Expenses of revenue-cutter service.....	.....	1,065.68	42,012.96	15,323.86	58,402.50
Cost of revenue cutters.....	.....	18,680.00	38,517.50	.....	57,197.50
Cost custom-house at El Fondo.....	.....	.....	3,046.80	696.12	3,742.92
Expenditures from internal re- venues:					
Ramona-Seybo-Macoris Rwy.....	.....	5,985.06	28,127.19	9,005.13	43,097.38
Mona-Monte Cristi Rwy.....	.....	.....	56,770.45	15,008.56	71,779.01
Refunds of customs collections:					
Refund of personal fees and concessions.....	8,462.78	54,911.08	64,723.94	11,094.40	139,197.20
Refund of excess duties.....	.....	3,897.10	9,172.57	2,835.74	15,905.41
Available for distribution:					
Sinking fund, New York.....	254,158.79	1,287,158.73	1,481,045.12	296,584.33	3,318,946.97
Balance due Republic of Santo Domingo from 45 per cent fund.....	.....	.....	.....	65,250.55	65,250.55
Internal revenue, 80 per cent export duties, balance.....	.....	.....	.....	7,732.05	7,732.05
Guaranty fund for construc- tion of railroads (derived from internal revenue fund).....	.....	.....	22,708.17	6,008.42	28,711.59
Payments:					
Republic of Santo Domingo. Remittance under "Award".....	143,882.02	1,216,428.73	1,845,757.46	271,900.00	2,977,968.21
Bills payable.....	2,751.43	.....	.....	.....	2,751.43
Morris indemnity.....	8,167.96	5,300.00	.....	.....	13,467.96
Las Matas affair.....	.....	.....	1,128.85	.....	1,128.85
Milburn settlement.....	.....	.....	5,000.00	.....	5,000.00
Total.....	440,492.00	2,735,990.99	3,277,832.48	729,082.09	7,183,897.56
CREDIT.					
Gross customs collections.....	523,880.12	2,712,821.55	3,300,392.44	646,303.45	7,183,897.56

APPENDIX 3.

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE DOMINICAN REPUBLIC PROVIDING FOR THE ASSISTANCE OF THE UNITED STATES IN THE COLLECTION AND APPLICATION OF THE CUSTOMS REVENUES OF THE DOMINICAN REPUBLIC.

Concluded February 8, 1907.

Ratification advised by Senate February 25, 1907.

Ratified by President June 22, 1907.

Ratified by President of the Dominican Republic June 18, 1907.

Ratifications exchanged at Washington July 8, 1907.

Proclaimed July 25, 1907.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA,

A PROCLAMATION.

Whereas a convention between the United States of America and the Dominican Republic providing for the assistance of the United States in the collection and application of the customs revenues of the Dominican Republic, was concluded and signed by their respective Plenipotentiaries at the City of Santo Domingo, on the eighth day of February, one thousand nine hundred and seven, the original of which convention, being in the English and Spanish languages, is word for word as follows:

Whereas during disturbed political conditions in the Dominican Republic debts and claims have been created, some by regular and some by revolutionary governments, many of doubtful validity in whole or in part, and amounting in all to over \$30,000,000, nominal or face value;

And whereas the same conditions have prevented the peaceable and continuous collection and application of National revenues for payment of interest or principal of such debts or for liquidation and settlement of such claims; and the said debts and claims continually increase by accretion of interest and are a grievous burden upon the people of the Dominican Republic and a barrier to their improvement and prosperity;

And whereas the Dominican Government has now effected a conditional adjustment and settlement of said debts and claims under which all its foreign creditors have agreed to accept about \$12,407,000 for debts and claims amounting to about \$21,184,000 of nominal or face value, and the holders of internal debts or claims of about \$2,028,258 nominal or face value have agreed to accept about \$645,827 therefor, and the remaining holders of internal debts or claims on the same basis as the assents already given will receive about \$2,400,000 therefor, which sum the Dominican Government has fixed and determined as the amount which it will pay to such remaining internal debt holders; making the total payments under such adjustment and settlement, including interest as adjusted and claims not yet liquidated, amount to not more than about \$17,000,000.

And whereas a part of such plan of settlement is the issue and sale of bonds of the Dominican Republic to the amount of \$20,000,000 bearing five per cent interest payable in fifty years and redeemable after ten years at 102½ and requiring payment of at least one per cent per annum for amortization, the proceeds of said bonds, together with such funds as are now deposited for the

benefit of creditors from customs revenues of the Dominican Republic heretofore received, after payment of the expenses of such adjustment, to be applied first to the payment of said debts and claims as adjusted and second out of the balance remaining to the retirement and extinction of certain concessions and harbor monopolies which are a burden and hindrance to the commerce of the country and third the entire balance still remaining to the construction of certain railroads and bridges and other public improvements necessary to the industrial development of the country;

And whereas the whole of said plan is conditioned and dependent upon the assistance of the United States in the collection of customs revenues of the Dominican Republic and the application thereof so far as necessary to the interest upon and the amortization and redemption of said bonds, and the Dominican Republic has requested the United States to give and the United States is willing to give such assistance:

The Dominican Government, represented by its Minister of State for Foreign Relations, Emiliano Tejera, and its Minister of State for Finance and Commerce, Federico Velasquez H., and the United States Government, represented by Thomas C. Dawson, Minister Resident and Consul General of the United States to the Dominican Republic, have agreed:

I. That the President of the United States shall appoint, a General Receiver of Dominican Customs, who, with such Assistant Receivers and other employees of the Receivership as shall be appointed by the President of the United States in his discretion, shall collect all the customs duties accruing at the several customs houses of the Dominican Republic until the payment or retirement of any and all bonds issued by the Dominican Government in accordance with the plan and under the limitations as to terms and amounts hereinbefore recited; and said General Receiver shall apply the sums so collected, as follows:

First, to paying the expenses of the receivership; second, to the payment of interest upon said bonds; third, to the payment of the annual sums provided for amortization of said bonds including interest upon all bonds held in sinking fund; fourth, to the purchase and cancellation or the retirement and cancellation pursuant to the terms thereof of any of said bonds as may be directed by the Dominican Government; fifth, the remainder to be paid to the Dominican Government.

The method of distributing the current collections of revenue in order to accomplish the application thereof as hereinbefore provided shall be as follows:

The expenses of the receivership shall be paid by the Receiver as they arise. The allowances to the General Receiver and his assistants for the expenses of collecting the revenues shall not exceed five per cent unless by agreement between the two Governments.

On the first day of each calendar month the sum of \$100,000 shall be paid over by the Receiver to the Fiscal Agent of the loan, and the remaining collection of the last preceding month shall be paid over to the Dominican Government, or applied to the sinking fund for the purchase or redemption of bonds, as the Dominican Government shall direct.

Provided, that in case the customs revenues collected by the General Receiver shall in any year exceed the sum of \$3,000,000, one half of the surplus above such sum of \$3,000,000 shall be applied to the sinking fund for the redemption of bonds.

II. The Dominican Government will provide by law for the payment of all customs duties to the General Receiver and his assistants, and will give to them all needful aid and assistance and full protection to the extent of its powers. The Government of the United States will give to the General Receiver and his assistants such protection as it may find to be requisite for the performance of their duties.

III. Until the Dominican Republic has paid the whole amount of the bonds of the debt its public debt shall not be increased except by previous agreement between the Dominican Government and the United States. A like agreement shall be necessary to modify the import duties, it being an indispensable condition for the modification of such duties that the Dominican Executive demonstrate and that the President of the United States recognize that, on the basis of exportations and importations to the like amount and the like character during the two years preceding that in which it is desired to make such modification, the total net customs receipts would at such altered rates of duties have been for each of such two years in excess of the sum of \$2,000,000 United States gold.

IV. The accounts of the General Receiver shall be rendered monthly to the Contaduria General of the Dominican Republic and to the State Department of the United States and shall be subject to examination and verification by the appropriate officers of the Dominican and the United States Governments.

V. This agreement shall take effect after its approval by the Senate of the United States and the Congress of the Dominican Republic.

Done in four originals, two being in the English language, and two in the Spanish, and the representatives of the high contracting parties signing them in the City of Santo Domingo this 8th day of February, in the year of our Lord 1907.

THOMAS C DAWSON
EMILIANO TEJERA
FEDERICO VELAZQUEZ H.

And whereas the said convention has been duly ratified on both parts, and the ratifications of the two governments were exchanged in the City of Washington, on the eighth day of July, one thousand nine hundred seven;

Now, therefore, be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the City of Washington, this 25th day of July in the year of our Lord one thousand nine hundred and seven, and of the Independence of the United States of America the one hundred and thirty-second.

[SEAL.]

THEODORE ROOSEVELT

By the President:

ROBERT BACON

Acting Secretary of State.

APPENDIX 4.

[EXECUTIVE ORDER.]

• THE WHITE HOUSE,
Washington, July 25, 1907.

Whereas, the Convention concluded on the 8th of February, 1907, between the United States of America and the Dominican Republic has been duly signed and ratified by the governments of said countries, the following regulations are hereby promulgated for the government of the customs receivership established thereunder:

GENERAL REGULATIONS FOR THE GOVERNMENT OF THE DOMINICAN CUSTOMS RECEIVERSHIP UNDER AND IN PURSUANCE OF THE CONVENTION OF FEBRUARY 8TH, 1907, BETWEEN THE UNITED STATES OF AMERICA AND THE DOMINICAN REPUBLIC.

1. In accordance with the provisions of Article 4 of the Convention, the accounts of the General Receiver shall be rendered to the Contaduria General of the Dominican Republic, and to the State Department of the United States, and referred for examination and verification to the Bureau of Insular Affairs, which shall have immediate supervision and control of the receivership, pursuant and subject to such directions in regard thereto as shall be received from the President directly or through the Secretary of State.

2. The President of the United States will appoint and fix the salaries of the General Receiver of Dominican Customs, of the Deputy General Receiver of Dominican Customs, as well as of all other customs employees under the receivership. In cases of emergency, provisional appointments and removals for cause may be made in the discretion of the General Receiver, subject to the approval of the President of the United States.

3. The accountable bonds to be required by the receivership, except as herein otherwise provided, shall be fixed by the General Receiver, subject to the approval of the Chief of the Bureau of Insular Affairs.

4. Under the Bureau of Insular Affairs, the General Receiver shall have full charge and control of the Dominican customs receivership within the scope of the Convention of February 8, 1907, between the United States of America and Dominican Republic, and shall enforce and comply with the provisions thereof. He shall give bond in such form and amount as may be determined by the Chief of said Bureau.

5. The Deputy General Receiver shall assist the General Receiver in the performance of his duties and in matters pertaining to the receivership, in such manner as the General Receiver shall direct, and in the absence or disability of the latter, the Deputy General Receiver, shall perform the duties of the General Receiver, and assume, without formal transfer, the corresponding accountability. The Deputy General Receiver shall give bond under the same conditions as the General Receiver.

6. The General Receiver shall pay all necessary and authorized expenses of the receivership as they arise, within the limitations of the Convention. The allowance not exceeding five per cent "for the expense of *collecting the revenues*," under Article I of the Convention, shall be considered as available only for the payment of the *customs* expense of the central office of the receivership, its special *customs* agents and the several customs houses of the Republic as authorized by the said General Receiver or other proper authority of the United States Government.

7. All of the expenditures and disbursements of funds handled by the Receivership shall be covered by complete vouchers in duplicate; one copy of each such voucher shall be retained as a part of the permanent files of the central office of the receivership, and the other transmitted to the Dominican Government, together with the corresponding accountable returns.

8. All books, records, and accounts of the receivership shall be kept available and accessible for examination, inspection and audit at any time, by officers designated for that purpose, in accordance with the Convention, by either the Dominican or the United States Government. Such books, records and accounts shall constitute permanent archives of the central office of the receivership, and shall not be removed therefrom.

9. The General Receiver, or in his absence, the Deputy General Receiver, shall submit the following reports to the Bureau of Insular Affairs, and to the Dominican Government:

I. On the first of each month, or as soon thereafter as practicable, the Accountable Returns covering all transactions of the receivership during the preceding month.

II. On the first of each month, or as soon thereafter as practicable, a consolidated report of the receipts and expenditures of the Dominican *customs service* during the preceding month, accompanied by the corresponding statement for each entry port of the Republic separately.

III. For the six months ending June 30th and December 31st of each year, and as soon as practicable after those dates, statistical reports of the commerce of the Republic.

IV. At the end of each fiscal year of the receivership, starting from the date upon which the operations of the receivership begin under the Convention, and as soon thereafter as practicable, a general report of all transactions of the receivership during each such year, together with such collateral data and remarks as may be deemed pertinent thereto.

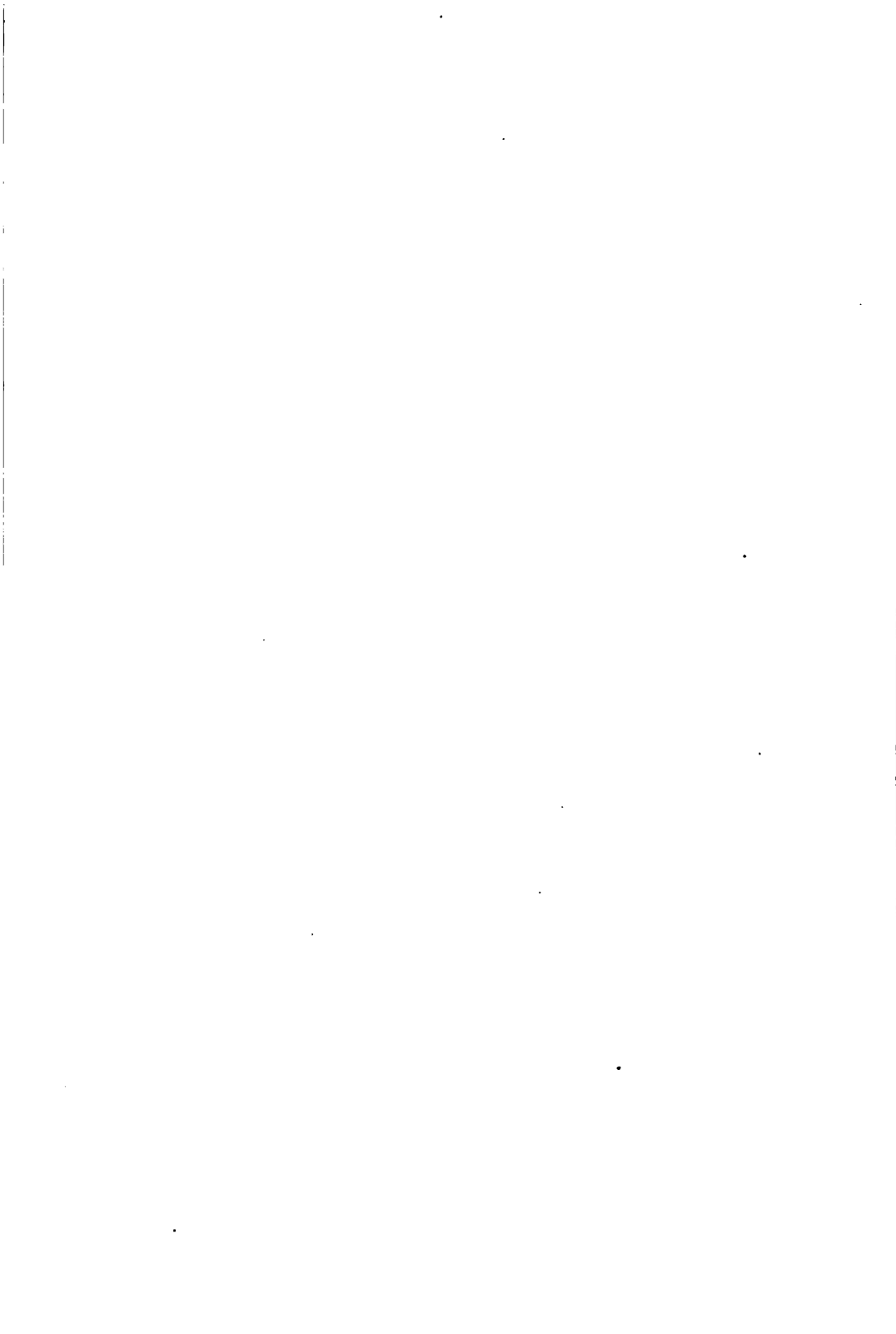
10. The General Receiver shall prepare and promulgate from time to time such additional regulations as he may deem necessary for the proper conduct of the service under his direction. Copies of all such regulations and formal orders issued, shall be transmitted, as soon as practicable after their issuance to the Bureau of Insular Affairs, and shall be subject to the approval of the Chief of that Bureau.

11. When deemed necessary, and at least once in each fiscal year, a personal inspection and examination of all accounts and records of the Receivership shall be made in Santo Domingo by a representative of the Bureau of Insular Affairs, who shall file with said Bureau a full report of his findings for such action as may be required.

12. From and after August 1, 1907, upon which date these regulations shall become effective, and until such time as the provisions of the Convention, through the completion of the corresponding financial arrangement, become fully operative, the General Receiver shall, in his own name as such General Receiver, in a new account, continue to make the same disposition of the funds received by him as heretofore.

THEODORE ROOSEVELT

**REPORT OF THE PHILIPPINE COMMISSION
TO THE SECRETARY OF WAR.**



ANNUAL REPORT OF THE PHILIPPINE COMMISSION TO THE SECRETARY OF WAR.

MANILA, *December 31, 1907.*

SIR: The Philippine Commission has the honor to submit its eighth annual report, covering the fiscal year ended June 30, 1907.

Ordinarily this report will not deal with matters which fall under the special jurisdiction of the executive departments of the government.

The report of the governor-general covers in condensed form all matters relating to the civil service, the auditing of the accounts of the government, the administration of the city of Manila, and the operations of provincial and municipal governments. Detailed information as to these matters will be found in the reports of the bureaus concerned.

Matters relating to public lands, public health and sanitation, non-Christian tribes, agriculture, forestry, meteorological conditions, and scientific investigation of all kinds will be found in the report of the secretary of the interior and in detailed form in the reports of the director of lands, the director of health, the director of agriculture, the director of forestry, the director of the weather bureau, and the director of the bureau of science.

Information as to public works, the operations of the coast guard boats and their relations to the coastwise trade, the work of the constabulary, the postal service, and the coast and geodetic survey work accomplished is embodied in the report of the secretary of commerce and police. The reports of the director of public works, the director of navigation, the director of constabulary, the director of posts, and the director of coast surveys deal with these matters very fully, and for detailed information reference should be had to such reports.

The report of the secretary of finance and justice contains in condensed form information as to the finances of the government, internal-revenue and customs receipts, the operations of internal-revenue and customs laws, the work of the judiciary, and the adminis-

NOTE.—All appendixes and exhibits mentioned herein have been omitted from this advance report and will be printed in the full report to follow shortly.

tration of justice. Information on these subjects is very fully set out in the reports of the insular treasurer, the insular auditor, the collector of internal revenue, the insular collector of customs, and the attorney-general.

The report of the secretary of public instruction covers the subject of public schools, the administration of prisons, public printing, and supplies purchased or furnished by the government. Detailed information as to any of the matters embodied in the report of the secretary of public instruction may be found in the reports of the director of education, the director of prisons, the director of printing, and the purchasing agent.

CHANGES IN THE COMMISSION.

On September 20, 1906, the resignation of the Hon. Henry Clay Ide as governor-general became effective, and on that date the Hon. James F. Smith was inaugurated as governor-general of the Philippine Islands. The inauguration took place in the Marble Hall of the Ayuntamiento, and was attended by the Commission, the justices of the supreme court, the official representatives of foreign nations, officers representing the United States Army and Navy, judges of the court of first instance, provincial governors, administrative officials of the insular government and of the city of Manila, representatives of the several commercial and economic associations of the city, the veteran army of the Philippines, and a large representation of the general public.

The Hon. W. Morgan Shuster, formerly insular collector of customs, was appointed secretary of public instruction on September 28, 1906, vice the Hon. James F. Smith, appointed governor-general.

Vacancies in the position of vice-governor and of secretary of finance and justice have not as yet been filled.

CONDITIONS AS TO PEACE AND ORDER.

In the months of April, May, and July of last year, as appears from the Commission's report for the fiscal year 1906, the outlaws Montalon, Sakay, Villafuerte, and De Vega surrendered to the authorities, and with their surrender the brigandage which had existed for some years in the provinces of Cavite, Batangas, La Laguna, and Rizal terminated. The four outlaws in question were found guilty and sentenced to death by the court of first instance of the sixth judicial district. The sentences so imposed were subsequently confirmed by the supreme court. Petitions for commutation of sentence were presented and commutation was granted in the cases of Montalon and Villafuerte and denied in the cases of Sakay and De Vega. The following order of the governor-general sets forth the reasons for the

granting of the commutation to Montalon and Villafuerte and for its denial to Sakay and De Vega:

OFFICE OF THE GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS,

Manila, September 12, 1907.

On the 22d of August, 1906, Macario Sakay, Julian Montalon, Leon Villafuerte, and Lucio de Vega were accused of the crime of bandolerismo in the court of first instance of the sixth judicial district by the provincial fiscal of the province of Cavite. The accused, on their arraignment, pleaded "not guilty," but subsequently during the trial, and after some 20 witnesses for the prosecution had been examined, they withdrew this plea and entered a plea of "guilty." The court, taking into consideration the evidence adduced and the plea of "guilty," found the defendants guilty as charged and pronounced upon them the sentence of death. From the judgment and sentence the accused appealed to the supreme court of the islands, which, on the 6th day of August, 1907, confirmed the judgment from which the appeal was taken and directed that the record be remitted to the lower court in order that its sentence might be carried into effect. The record having been duly remitted as required, the judge of first instance of the sixth judicial district, of which the province of Cavite forms a part, ordered that the sentence duly pronounced by said court of first instance and duly confirmed by the supreme court, as aforesaid, be carried into effect at Bilibid prison on Friday, the 13th of September, 1907, at 9 o'clock a. m.

From investigations made by the undersigned and from the record of the trial and appellate courts it appears that Macario Sakay in 1902 attempted a reorganization of the Katipunan Society for the purpose of bringing about a renewal of disturbances of the public order, and that upon discovery of his ulterior purposes he was tried and convicted of the crime of sedition. Happily for him he fell within the terms of the amnesty extended by the President of the United States to all those engaged in attempting the overthrow of the existing sovereignty, and upon taking the oath of allegiance to the United States he was set at liberty. Far from appreciating the grace and mercy of which he was the recipient, Sakay almost immediately set himself to work to foment new disorders and new disturbances which he must have known could result only in misery and ruin to his own people and to his own race. Hearing that information of his activities had reached the ears of the constituted authorities, Sakay fled to the mountains and there, gathering about him a small band of outlaws, criminals, and irresponsibles, established what he was pleased to call a government and made himself its official head under the high-sounding title of "Supreme president of the Tagalog Isles."

At this time Cornelio Felizardo, Julian Montalon, and Lucio de Vega, criminals from boyhood, who never did an honest day's work in all their lives, and who gained a livelihood by robbing, pillaging, and many times by murdering people of their own race, were operating with others of like character in and about the provinces of Cavite, Batangas, and Laguna. These men were eminently fitted for all the purposes of Sakay, so he erected the band of outlaws and assassins commanded by them into a so-called army and put the seal of his approval on all that they were and on all that they had done by the simple process of converting the title of "Robber chief" into that of "General." Montalon seems to have received the highest rank, but his chieftainship appears to have been merely nominal and to have been recognized only when his views accorded with those of his more powerful subordinates. Sakay and his evil followers assumed the convenient cloak of patriotism, and under the titles of "Defenders of the country" and "Protectors of the people" proceeded to inaugurate a reign of terror, devastation, and ruin in three of the most beautiful

provinces in the archipelago. They drove the peaceful inhabitants from their homes and their fields, stole their horses and carabaos, outraged their women, and murdered or horribly mutilated all those who opposed them or were suspected of giving information of their crimes to the authorities.

As self-styled "patriots," "defenders of the country," and "protectors of the people" they killed a constabulary private on duty with a peaceful surveying party, hung Lorenzo Amigo, a resident of the barrio of Caloocan, municipality of Talisay; brutally cut the tendons of the hands and feet of Natalio Anitares and Candido del Mundo and then slew them, slashed to death Tomas Panuelpa and his brother, shot Benigno Martin and Teniente Juan, of Bacoar; hung Melicio Alcantara and Alejandro de Jesus, poured petroleum over Patriarco N. and burned him to death, hamstrung and cut off the lips of Blas Cabrera, a resident of Calaca; cut off the upper lip and severed the tendons of the right foot of Martin Piol, of Taal; hamstrung Vicente Castillo and Isidoro Camaulac, of San Francisco de Malabon; mutilated and crippled for life Simeon de Quiros and Calixto Rollo, hamstrung German Oliveros, sequestered and hamstrung Nesarío Crisostomo, of Boso Boso; severed the tendons of the hands and feet and cut off the tongue and lips of Anacleto Mojica, captured two female servants in San Francisco de Malabon and repeatedly outraged them on their way to the mountains, carried off and outraged Rosa M., of a barrio of Tanauan, and while resisting her rescue wounded Sergeant Gonzales and killed Policeman Francisco Guevara; seized the father of Justa M., of Bacoar, and under threats of death obliged him to withdraw his 13-year-old daughter from a convent in Manila and to deliver her to the brutal embraces of Cornelio Felizardo, and finally, to demonstrate that no horror was too great to make them hesitate at any crime, they carried away the wife and two baby children of General Trias, whose love of country had been tested on many a well-fought field of honorable conflict, and in the depth of mountains submitted this gentlewoman of their own race to mistreatment worthy only of brutes and savages.

It has been stated that Marcario Sakay had no knowledge of the horrible crimes committed by his "generals" and "colonels" and "captains," and that while legally responsible for all that they did, his want of actual knowledge might justify the exercise of executive clemency in his behalf. But, unfortunately for Sakay, the record is against him and discloses that, far from disapproving the acts of his subordinates, he himself authorized many of their offenses and set for them the very bad example of cruelty and crime. It was his personal band which hamstrung Nesarío Crisostomo and murdered Tomas Panuelpa and his brother. He it was who ordered that male prisoners should take the oath of enlistment and directed that the list should be permitted to fall into the hands of the authorities in order that those thus unwillingly enlisted might be punished for sedition. He it was who ordered Major Ramos and "Captain" Franca to cut the tendons and crush the hands of Francisco Rosalva and Faustino Custodio in the presence of their wives. He it was who ordered the sacking of the pueblo of Teresa, inhabited solely by people of his own race, who commanded that Councilor Maximo Gravillas and his companions should be hamstrung and their hands crushed, and who directed that the town should be burned and its inhabitants treated without pity in case they dared to resist.

This is the honor roll of battles waged in Rizal, Laguna, Cavite, and Batangas for the country and its peoples by Sakay, Felizardo, Montalon, de Vega, and similar self-styled "patriots." The list includes only those deeds of arms which might be proved by competent evidence in a court of law. It does not include, however, the hundreds of cases of rape and outrage the victims of which kept their shame to themselves and contented themselves with the bare statement that they had been carried away to the mountains by evil doers. Neither

does it include the hundreds upon hundreds of cases of theft, house burning, and robbery which, compared with the other offenses of these men, might be almost disregarded.

Petitions have been presented by the prisoners, members of their families, and many citizens of Manila praying that the sentence pronounced by the courts be modified and that the death penalty be commuted to life imprisonment. In consequence the duty now devolves upon the executive to determine whether the law should be permitted to take its course as prescribed by the judicial tribunals or whether executive clemency should be extended in any or all of the cases as prayed for in the petitions presented.

One of the grounds for executive clemency urged by the petitions is that the surrender of the condemned prisoners was accomplished by promises of immunity, or at least by promises that the pardoning power would be exercised in their behalf should the courts finally pronounce on them the ultimate penalty.

If any such promise was made by the government or even by any official of the government clothed with apparent authority to make it, the executive should intervene and commute the extreme penalty imposed upon the prisoners to some lighter punishment. The government as such certainly never made any such promise as that indicated in the petitions, and a careful, painstaking investigation discloses that no official of the government, whether clothed with apparent authority or not, made or suggested any promise of immunity to the prisoners or anyone else in case of surrender, or made or suggested to the prisoners or anyone else any conditions of surrender whatever save and except that those who surrendered would receive a fair and impartial trial before the courts and would not be summarily dealt with. Far from making any promises of immunity or proposing any terms of surrender, the government officials who had anything to do with the surrender seem to have taken every precaution to avoid any misunderstanding in that behalf. Indeed, before any arrest of the prisoners was made the intermediary who dealt with the prisoners, and who was the first to come in contact with them, was warned in writing that no terms or conditions could be offered or accepted beyond those of good treatment and a fair trial, as the following correspondence will show:

[Translation.]

JULY 2, 1906.

Dr. DOMINADOR GOMEZ,

Calle Diaz 242, Trozo, Manila.

MY DEAR SIR: In order that there may be no misunderstanding or mistake I warn you that the government can not offer to negotiate with or talk of conditions to any chief or band of bandits, ladrones, or robbers or other class of evildoers notwithstanding that they may call themselves insurgents or revolutionaries. The only condition which the government can offer is good treatment and a just judgment by the civil courts. It is necessary that you explain all this to the persons to whom you speak in order that there may be a perfect understanding and that they can not say that the government has broken its word.

Very respectfully,

H. H. BANDHOLTZ,
District Director.

To which letter the following reply was made :

[Translation.]

MANILA, P. I., July 3, 1906.

Col. H. H. BANDHOLTZ,

Director, First Constabulary District, Manila, P. I.

MY DEAR SIR: I have the honor to acknowledge receipt of your letter dated the 2d of July, 1906, in which you tell me that no kind of conditions must be

offered to any outlaw, chief, or band desiring to surrender, and that the surrender of such persons must be absolutely unconditional. I am in every way in accord with the warnings contained in your letter, and must state that in conformity with the verbal instructions received from you prior to the surrender of Villafuerte, Sakay, and Carreon I have neither proposed nor accepted any condition or compromise either on their part or on the part of the government to secure their surrender, and that in consequence such surrender has been absolutely unconditional.

Very respectfully,

DOMINADOR GOMEZ.

Notwithstanding all these precautions, *before the arrest* of Sakay, Montalon, Villafuerte, and de Vega some currency was given in the public press to rumors that the surrender had been accomplished by promises of immunity. In view of this the statement, under oath, of the parties interested was taken. The statement is as follows:

BUREAU OF CONSTABULARY, INFORMATION DIVISION,
OFFICE OF THE SUPERINTENDENT,
MANILA, P. I.

PHILIPPINE ISLANDS,

Cavite Province, Luzon, ss:

Personally appeared before me, the undersigned, Macario Sakay, Julian Montalon, Leon Villafuerte, Lucio de Vega, and Benito Natividad, who, being duly sworn according to law, deposed as follows:

That they have surrendered to Col. H. H. Bandholtz, of the constabulary, voluntarily and without promises, conditions, or offers of any class having been made except just and legal treatment, and understanding that they are to appear before the competent court there to answer for the acts committed by them while in the field; that the actual reasons for their surrender have been that the persons who have arranged same have convinced them that their stay in the field was prejudicial to the interests of the country, whereas their surrender would be a great benefit; that this statement is free and spontaneous, without their being prisoners or in detention, and without any kind of imprisonment or violence, and for the sole purpose that there may be no doubts or misinterpretations in regard to the motives that may have inspired this act.

Macario Sakay.

Julian Montalon (his x mark).

L. D. Villafuerte.

Lucio de Vega.

Benito Natividad.

Witnesses:

L. J. VAN SCHAICK,
Governor of Cavite.

DOMADOR GOMEZ.

CHARLES F. HERR,

First Lieutenant, Twenty-first Infantry.

Subscribed and sworn to before me this 17th day of July, 1906.

SULPICIO ANTONI,
Acting Provincial Secretary, Cavite.

WINFIELD S. GROVE.

RAFAEL CRAME.

I certify that the signatures of the above two witnesses to the signature of Julian Montalon, made at his request, are correct, and therefore I sign this in Cavite this 17th day of July, 1906.

SULPICIO ANTONI,
Acting Provincial Secretary, Cavite.

I certify that this is a true copy of a translation of this affidavit appearing in the Cablenews of July 21, 1906.

RAFAEL CRAME,
Major and Superintendent.

From all this it would seem that the executive is justified in concluding that no terms or conditions were proposed or accepted by the government or any of its officers, and that the surrender was unconditional with the exceptions mentioned. The government, through its trusted officials, took every precaution to avoid any mistake or misunderstanding in the matter, and to assume that any promises of immunity were made on the part of the government or its officials would be in the face of direct and indubitable evidence to the contrary. Indeed, as is shown by their affidavit, those most interested in the matter denied under oath, at the time when they were not driven to the last expedient, that any promises had been made to them by anyone.

Once resolved in the negative the question as to whether any promises of immunity or of leniency as to penalty were made, there is not the slightest ground for executive interference with the sentence imposed by the courts on Macario Sakay and Lucio de Vega. Many of their subordinates and followers have already suffered the last penalty for crimes committed under their orders and by their direction, and to make them the objects of clemency would necessitate a discrimination in their favor which could neither be justified nor defended. The petitions for commutations of their sentences are therefore denied.

With reference to Julian Montalon it may be said with truth that he was the least bloodthirsty and cruel of all the bandit chieftains who cursed the provinces of Batangas and Cavite. Confirmed criminal as he was, some of the milk of human kindness yet lingered with him, and when Mrs. Trias and her little babies had been carried into the mountains by a monster dead to every human sentiment he strove by every means in his power to save her from indignity and to accomplish her release. That she was released was due to his efforts and those of Cosme Caro, whose mother was induced by him to intervene on behalf of her unfortunate countrywoman. This act of mercy on the part of Julian Montalon shall count for something in his hour of extremity and weigh the balance in his favor when nothing else could save him. The death penalty imposed upon him by the court of first instance of the sixth judicial district, and confirmed by the supreme court of the Philippine Islands, is hereby commuted to life imprisonment in Bilibid prison, and he will be confined accordingly.

Leon Villafuerte is a young man, 25 years of age, and prior to taking to the mountains as an outlaw he was a student in the Nautical School of Manila. It seems entirely probable that due to the talk of irresponsible agitators this young man was carried away by a false conception of duty to his country and that the cloak of patriotism was not assumed by him to give an outward appearance of respectability to brigandage, robbery, and murder. No deeds of cruelty, mutilation, rape, or outrage appear to have marked his criminal career, and save the deaths resulting from open combat, no killings except that of Melcio de Silva, president of Bigaa, can be traced directly to his door. Melcio de Silva, it seems, was at once an official of the government and a member of Villafuerte's band of outlaws. As president of Bigaa and outlaw spy of Villafuerte the opportunity for thieving with comparative security was great, and de Silva set himself to the work of stealing carabaos on a large scale. This did not meet the approval of Villafuerte, who called a halt and directed that the

further theft of carabaos upon which the poor people depended for a living should cease. To de Silva this appeared an unwarranted interference by an outlaw with a legitimate business enterprise, and he called attention to the fact that as president of the municipality it was his duty to denounce Villafuerte to the authorities. This attitude on the part of de Silva resulted in his elimination, which, while a clean-cut violation of the law, was not wholly destitute of extenuating circumstances admissible for consideration on an application for commutation. Moreover, Villafuerte, impressed by the argument that he was working a great injury to his country and its future, was the first to come in, and thereafter he lent very valuable assistance in bringing about the surrender of other outlaws in the mountains. Taking into account his youth when he took his first mistaken step and the impressionableness which induced it, and considering that his criminal career is not stained by the horrible crimes committed by his companions, and that the killing of de Silva was accomplished under circumstances not showing a reckless and abandoned heart, the death penalty imposed upon Leon Villafuerte by the court of first instance of the sixth judicial district, and confirmed by the supreme court of the Philippine Islands, is hereby commuted to life imprisonment in Bilibid prison, and he will be confined accordingly.

JAMES F. SMITH,

Governor-General of the Philippine Islands.

After the insurrection had ended throughout the islands and its responsible chiefs had surrendered and submitted to the inevitable many of the provinces were infested by outlaw bands which, under the pretense of continuing the insurrection, gained a dishonest livelihood by preying upon and plundering their fellow-countrymen. Some of these bands were the natural result and aftermath of the insurrection. Many who, prior to 1898, had been engaged in humble pursuits and had risen to rank in the insurrectionary forces found it anything but agreeable to return to their former avocations, and therefore continued in the field with small followings, enjoying command rather than service and unlawful luxury instead of honest poverty.

Besides these outlaw bands, which were the creation and result of the insurrection itself, there were several bands of outlaws which had existed in the archipelago long before any insurrection was thought of. Once the insurrection commenced, these bands naturally became a part of it, and after it ended they continued the life to which they were accustomed. The outlaws of Cavite were of the latter class, and under the chieftainship of Felizardo, Montalon, and other minor leaders they incited from time to time disturbances which kept Cavite and the contiguous provinces in a state of ferment and unrest.

With the death of Felizardo and the surrender of Montalon, Sakay, Villafuerte, and De Vega, Cavite, Batangas, La Laguna, and Rizal returned to normal conditions, and during the past year it may be said with entire truth that the four provinces in question have been as tranquil and peaceful as any in the islands.

In 1906 the pulahanes of Leyte raided the town of Burauen and killed several of the municipal police. This, added to some minor successes achieved immediately thereafter, started in the province a disturbance of such serious proportions that it was necessary to call upon the military to furnish substantial aid in suppressing it. To many the word "pulahan" is synonymous with that of bandit or robber. This designation of the people responsible for the outbreak in Leyte is hardly proper. The pulahanes of Leyte and Samar can hardly be called robbers or thieves. Indeed, as a rule the pulahan is hard working, industrious, and not at all disposed to violence unless impelled to it by long continued wrongs or by the potent influence of religious fanaticism. All the trouble in Leyte and in Samar was due in a large degree to injustices perpetrated upon the people living in the mountains and at a considerable distance from the seashore. In the towns where these people were compelled to sell their products they received little or no consideration from municipal officials and were not infrequently deprived of the products of months of toil by cheats and swindles which not infrequently were winked at and sometimes even aided and abetted by municipal officials. Education and just treatment will make out of the pulahan a good citizen. Under proper guidance he will soon learn that there is a legal remedy for injustice and that there is an easier and better way to obtain relief than to take the law into his own hands after his wrongs have become unendurable. The pulahan is the successor of the "diosdios" in Samar, Leyte, Cebu, and Panay. He is the "babaylan" of Negros, the "colorum" of Batangas and Tayabas, the "Santa Iglesia" of Nueva Ecija and Bulacan, and the "guardia de honor" of Pangasinan and the two Ilocos; and in any of these provinces wrong or fanaticism or both may bring the trouble which wrought destruction to life and property in Samar and Leyte. Christianity and civilization have but lightly touched the pulahan and he is still the plaything of the fetichism and weird superstitions which have been his inheritance for centuries. If the discipline or any doctrine or ceremony of the Christian faith appealed to him he adopted it, but uprooted none of his ancient beliefs to give it place. Whatever of Christianity he may have has substituted nothing; it has simply been added to the religion of his ancestors and made a part of it. He has little in common with the Christian civilized Filipino, and to the latter the uprising in Samar and Leyte was as much of a surprise as it was to the authorities in Manila. The farms desolated, the houses burned, the towns and barrios raided all belonged to civilized Christian Filipinos, and it would be strange indeed if they had been the prime movers in a disturbance which brought destruction to their business, their property, and their homes.

Since April of this year complete tranquillity has prevailed in every part of the archipelago, inclusive of the Moro province. In 21 of the provinces peace has reigned supreme during the entire year. In Bataan and Batangas there was some disturbance of the public order, caused in the case of the first-named province by the escape of some provincial prisoners, and in the second by the operations of six or seven brigands near the boundary line of the provinces of La Laguna and Tayabas. All of the escaped prisoners and all of the bandits with the exception of two in each party have been captured. In Capiz and Nueva Ecija cattle thieves and brigands caused some trouble for a few months, and in Ilocos Norte during the month of July, 1906, two prisoners who had just been released from Bilibid attempted to organize an armed uprising, which was promptly discovered and suppressed by the provincial governor with the aid of the constabulary. The only outlaws of any importance who are still uncaptured are Papa Otoy, the religious head of the pulahan movement in Samar, and Felipe Salvador, the religious head of the Santa Iglesia movement in Nueva Ecija and Bulacan. In Ambos Camarines there is one outlaw who still remains uncaptured.

MATTERS AFFECTING PROVINCES AND MUNICIPALITIES.

Extension of autonomy to provincial governments.—The convention of provincial governors held in Manila in October, 1906, recommended that the then existing law providing that provincial boards shall be composed of a provincial governor elected by the municipal councilors and vice-presidents of the various municipalities of the province and a provincial treasurer and a third member appointed by the executive be so amended as to permit of the election of the provincial governor and third member by direct vote of the people. This recommendation was submitted to the Secretary of War, and on receiving his approval thereof the provincial government act was amended accordingly. This innovation in the constitution and selection of provincial boards has been an advantage both to the insular and to the local government. On the one hand it has removed all cause for friction between the provincial governor elected by the people and the two members of the board named by the executive. On the other it has imposed upon the provincial governor and the third member the responsibility for the well-being of the province and has removed from the insular government much of the responsibility for conditions purely of local concern. Provincial governors and third members realize that they are on trial to test their ability to preserve peace and order within their respective jurisdictions and to prove their capacity for local self-government. The advice of the provincial treasurer as to the necessity for the collection of taxes,

as to economy in the expenditure of public moneys, and as to related matters is now accepted with good grace, coming as it does by way of counsel from the American minority instead of a determination by an American majority of the board. Since the change in the composition of the provincial board friction between the provincial governor and the provincial treasurer has entirely disappeared, and so far as is known perfect harmony prevails between elective and appointive provincial officials.

Land tax.—By the provisions of act No. 1713 the imposition or suspension of the land tax has been left to the determination of provincial governments, and as a consequence the land tax, which has always been a source of annoyance and agitation, has ceased to be a matter of insular concern. The opinion prevailed among many American and Filipino officials that the transfer of responsibility for the land tax to provincial boards would result in the annual suspension of the land tax in all of the provinces. So far as known the land tax has been suspended in but two provinces, Iloilo and Cebu, and it would seem that at least for the calendar year 1908 the prognostications of a general suspension have not been justified by the event. It is probable that a bill will be introduced in the assembly by the delegates from Ambos Camarines and Batangas for the suspension of the land tax in the provinces which they represent. The present attitude toward the land tax on the part of the provincial governments composed of two Filipinos and one American is rather surprising to those who year in and year out have been accustomed to receive from provincial boards petitions supplicating that the land tax be abolished or at all events suspended until the agricultural conditions of the country had improved. Nevertheless the change of front was the natural consequence of vesting the boards with the power to suspend the tax and the natural outcome of transferring to them all responsibility for the results. So long as provinces and municipalities could secure sufficient financial aid from the insular government to pay salaries and secure necessary betterments it was quite natural that they should be opposed to taxation; but when suspension of the land tax meant a loss of provincial income which could not be repaired by loan or gift from the insular government, provincial officials were confronted with the stern proposition that governments, like individuals, require money to live, and were face to face with the disagreeable alternative either of confessing that they could not maintain local governments or of admitting that taxes were a necessary evil. The people begin to understand that the land tax was not imposed for the benefit of the insular government, but for the construction of provincial roads, the maintenance of primary schools, and the support of their own local governments. The land

tax may have been and may still be unpopular, but it is fair to presume that before municipal and provincial governments ask for its suspension or abolition they will be prepared to suggest some other system of taxation to sustain the local governments, the failure or success of which will largely determine the capacity of the people to exercise the autonomy already conceded.

Internal revenue.—Under the provisions of act No. 1695 an additional 5 per cent of the internal revenue was allowed to municipalities for school purposes, and an additional 10 per cent of the internal revenue accruing to the insular treasury was conceded to those provinces authorizing a 1-peso increase of the cedula tax for the benefit of the road and bridge fund. Twenty-seven of the provinces promptly adopted the double cedula tax, and as a result the road and bridge fund in five-sixths of the provinces and the moneys available for the repair of much needed roads and bridges will be very greatly increased during the calendar year 1908.

Municipal betterments and improvements.—Five years of municipal government showed to a conclusion that nearly 50 per cent of the provinces were disposed to spend the greater part of the municipal moneys on salaries and wages and little or nothing on public works of any kind or character. During the calendar year 1906, 88 out of 685 municipalities expended their entire revenues for salaries and not a single cent on betterments. Sixty-three municipalities expended on public improvements less than 1 per cent and 163 less than 10 per cent of their income.

Argao, a municipality of the first class, province of Cebu, with a population of 35,448, received into its treasury ₱12,962.60 during the calendar year 1906 and expended for construction, repairs, and improvements the munificent sum of ₱901.62. The salaries of its officials, police, and employees amounted to the sum of more than ₱7,600.

Bauan, a municipality of the first class, province of Batangas, with a population of 39,094, received during the calendar year 1906 ₱22,032.10 and expended on construction, repairs, and improvements the sum of ₱506.26 and on salaries, wages, and miscellaneous more than ₱11,000.

Barotac Nuevo, a municipality of the second class, province of Iloilo, with a population of 22,332, had to its credit in the treasury during the calendar year 1906 ₱10,106.35, of which sum it expended ₱188.26 on construction, repairs, and improvements, and more than ₱8,000 in salaries.

Angat, a municipality of the third class, province of Bulacan, with a population of 12,092, received into its treasury during the calendar year 1906 ₱6,188.01 and expended on construction, repairs, and improvements ₱112.45 and on salaries of officials, employees, and police more than ₱4,400.

Murcia, a municipality of the fourth class, province of Occidental Negros, with a population of 4,408, and with money to its credit in the treasury to the extent of ₱3,281.41, expended on public improvements ₱99.65 and on salaries and wages more than ₱2,700.

It will be noted from this that a municipality of the fourth class with an income of ₱3,281.41 spent on public improvements and betterments about ₱100; that Angat, a municipality of the third class, with money to its credit amounting to ₱6,188.01, spent on improvements ₱112.45; that Barotac Nuevo, a municipality of the second class, with money to its credit amounting to ₱10,106.35, spent on public improvements ₱188.26, and that Bauan, a municipality of the first class, with an income of ₱22,092.10, spent ₱506.26 on public works. These are municipalities selected almost at random from the various classes, and the figures show to a demonstration that, whatever may be the income of the municipality, the disposition is to spend the money on salaries.

In view of this lamentable condition of affairs the Commission was forced to put a limit on the amount that could be expended for salaries, and that limit was fixed at 50 per cent for municipalities of the first class, 60 per cent for municipalities of the second class, 65 per cent for municipalities of the third class, and 75 per cent for municipalities of the fourth class. This law will force the expenditure for betterments of something more than an insignificant part of the municipal income and will enable the separation of many municipalities which, in the interests of economy, were fused with others and have been completely abandoned by the municipalities to which they are annexed. As a rule, the annexed municipalities have received from the cabecera neither police protection, sanitation, or any other benefit justifying the imposition and collection of taxes.

THE PHILIPPINE ASSEMBLY.

Call for a popular assembly.—On the 28th of March, 1907, the Commission by resolution, unanimously adopted, certified to the President that for two years following the publication of the census of the islands a condition of general and complete peace had prevailed and then existed in the territory of the islands not inhabited by Moros or other non-Christian tribes. The certificate is as follows:

Whereas the census of the Philippine Islands was completed and published on the twenty-seventh day of March, nineteen hundred and five, which said completion and publication of said census was, on the twenty-eighth day of March, nineteen hundred and five, duly published and proclaimed to the people by the governor-general of the Philippine Islands with the announcement that the President of the United States would direct the Philippine Commission to

call a general election for the choice of delegates to a popular assembly, provided that a condition of general and complete peace with recognition of the authority of the United States should be certified by the Philippine Commission to have continued in the territory of the Philippine Islands for a period of two years after said completion and publication of said census; and

Whereas since the completion and publication of said census there have been no serious disturbances of the public order save and except those caused by the noted outlaws and bandit chieftains, Felizardo and Montalon, and their followers in the provinces of Cavite and Batangas, and those caused in the provinces of Samar and Leyte by the non-Christian and fanatical pulahanes resident in the mountain districts of the said provinces and the barrios contiguous thereto; and

Whereas the overwhelming majority of the people of said provinces of Cavite, Batangas, Samar, and Leyte have not taken part in said disturbances and have not aided or abetted the lawless acts of said bandits and pulahanes; and

Whereas the great mass and body of the Filipino people have, during said period of two years, continued to be lawabiding, peaceful, and loyal to the United States, and have continued to recognize and do now recognize the authority and sovereignty of the United States in the territory of said Philippine Islands: Now, therefore, be it

Resolved by the Philippine Commission in formal session duly assembled, That it, said Philippine Commission, do certify, and it does hereby certify, to the President of the United States that for a period of two years after the completion and publication of the census a condition of general and complete peace, with recognition of the authority of the United States, has continued to exist and now exists in the territory of said Philippine Islands not inhabited by Moros or other non-Christian tribes; and, be it further

Resolved by said Philippine Commission, That the President of the United States be requested, and is hereby requested, to direct said Philippine Commission to call a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which assembly shall to be known as the "Philippine assembly."

By virtue of this certificate and in accordance with the provisions of the act of Congress of July 1, 1902, the President, on March 28, issued a proclamation directing the Philippine Commission to call a general election for the choice of delegates to a popular assembly. Accordingly on the 30th of March, 1907, the Commission passed a resolution ordering that an election be held for delegates on July 30, and directing the governor-general to issue a proclamation announcing the election for that date. The proclamation was issued on April 1. By a strange coincidence the day of the month fixed for holding the election was the same as that on which the first legislative body in America, the house of burgesses, met in the year 1619.

Under the general election law the delegates to the assembly elected at the elections held on July 30, 1907, and seated by the Philippine assembly will serve until January 1, 1910. Subsequent elections for delegates will be held on the first Tuesday after the first Monday in

November, 1909, and on the first Tuesday after the first Monday in November in each odd-numbered year thereafter, delegates to take office on the 1st day of January next following their election and to hold office for two years or until their successors are elected and qualified.

Representation in the assembly.—The basis of representation in the Philippine assembly is one delegate for every 90,000 of population and one additional delegate for a major fraction thereof: *Provided, however,* That each Christian province shall be entitled to at least one delegate and that the total number of delegates shall at no time exceed 100. Provinces entitled to more than one delegate are divided into districts. The law declares Manila to be a province within the meaning of the act of Congress authorizing the assembly, and is allowed the same representation as other provinces. Thirty-four provinces are represented in the Philippine assembly, which is composed of 80 members.

Qualifications of delegates.—The act of Congress requires that delegates to the assembly shall be qualified electors of the election district in which they may be chosen, 25 years of age, and owing allegiance to the United States. The act of Congress prescribes that the qualifications of electors shall be the same as those prescribed for electors in municipal elections *under laws in force at the time of the passage of the Congressional enactment.* As the municipal election laws in force at the time of the passage of the act of Congress have undergone some change in regard to the qualifications of electors, the strange anomaly is presented of having certain qualifications exacted from municipal and provincial officials which are not required for delegates to the assembly. One of the results is that felons, victims of the opium habit, and persons convicted in the court of first instance for crimes involving moral turpitude but whose cases are pending on appeal are not eligible for election to any provincial or municipal office, but may become delegates to the assembly.

The first elections.—As announced by provincial governors the elections for assemblymen held on the 30th of July, 1907, resulted in the election of 32 Nacionalistas, 4 Independistas, 7 Inmediatistas, 16 Progresistas, 20 Independents, and 1 Centro Catolico.

The total number of voters registered for the assembly elections was 104,966. The number of voters registered for the provincial and municipal elections will be very much larger than that for the assembly elections. The difference in registration and votes cast at the two elections seems to show with considerable certainty that there was far more interest in the elections for provincial and municipal officials than there was in the election for assemblymen.

The following table will show the result of the vote in the various provinces entitled to representation in the assembly, the total vote cast, and the vote cast by the various political parties:

Province.	Nacionalista.	Progresista.	Independent.	Immediatista.	Independista.	Catholic.	Philippine Independent Church.	Rejected.	Scattered.	Total.
Albay.....		2,106	1,415						55	3,666
Ambos Camarines.....	1,577	334	244						58	2,213
Antique.....		604	352						47	1,003
Bataan.....			359		379				11	749
Batangas.....	2,113	85	1,455						55	3,708
Bohol.....			1,594						76	1,670
Bulacan.....	1,950		948							2,898
Cagayan.....		1,434	725						58	2,217
Capiz.....	880	1,177	2,600					137	39	4,842
Cavite.....	2,680								61	2,747
Cebu.....	3,088					445			150	3,682
Ilocos Norte.....	747	1,421	85				91		106	2,450
Ilocos Sur.....	1,619		96						54	3,773
Iloilo.....		1,773	1,779	2,275					75	5,902
Isabela.....		549	190		529				34	1,311
La Laguna.....	2,635	795							132	3,562
La Union.....	1,297	1,284	585							3,166
Leyte.....	3,025	510	98	125					69	3,827
Manila.....	5,671	1,861	98			59		14	8	7,206
Mindoro.....	437		153						32	622
Misamis.....			1,088						112	1,150
Nueva Ecija.....	1,385	697							13	2,095
Occidental Negros.....		1,005		1,405				100	179	2,689
Oriental Negros.....		912		614					31	1,557
Palawan.....	48		217						23	288
Pampanga.....		874	456		1,448				13	2,791
Pangasinan.....	615	570	1,909	2,637		000			69	6,400
Rizal.....	1,957	1,477				88			45	3,567
Samar.....	137	193	2,565	70					184	3,149
Sorsogon.....	685	430	1,510						53	2,658
Surigao.....		745							44	789
Tarlac.....	1,234	946						18	18	2,216
Tayabas.....		857	2,237		8,823				24	6,941
Zambales.....	502		162						73	737
Total.....	34,277	24,234	22,878	7,126	6,179	1,192	91	299	2,005	98,251

The following table contains a list of the delegates to the Philippine assembly, with their professions, avocations or pursuits, and political affiliations, as stated by them:

Name.	Delegate for—	Political party.	Profession, avocation, or pursuit.
Adriático, Macario.....	Mindoro.....	Nacionalista.	Professor of law and journalist.
Agoncillo, Felipe.....	Batangas, first district.....	Independent.	Lawyer.
Aguas, Marcelino.....	Pampanga, second district.....	Nacionalista.	Do.
Alkuno, Quirémón.....	Leyte, first district.....	do.	Do.
Almonte, Tomás.....	Albay, first district.....	Independent.	Agriculturist.
Altavás, José.....	Capiz, second district.....	do.	Lawyer.
Alvarez, Francisco.....	Ambos Camarines, third district.....	Nacionalista.	Do.
Alvear, Juan.....	Pangasinan, third district.....	do.	College professor.
Aréjola, Tomás.....	Ambos Camarines, first district.....	do.	Property owner.
Asper, Andrés.....	La Union, first district.....	do.	Lawyer.
Avanceña, Amado.....	Iloilo, first district.....	do.	Do.
Barretto, Alberto.....	Zambales.....	do.	Do.
Boyles, Eutiquio.....	Bohol, third district.....	Independent.	Agriculturist.
Borja, Candelario.....	Bohol, first district.....	Nacionalista.	Lawyer.
Catigbak, Gregorio.....	Batangas, third district.....	do.	Do.
Causing, Oasiano.....	Cebu, sixth district.....	do.	Do.
Chávez, Pedro.....	Sorsogon, second district.....	do.	Agriculturist.
Claravall, Nicasio P.....	Isabela.....	Progresista.	Qualified physician.
Clarín, José A.....	Bohol, second district.....	Nacionalista.	Lawyer.
Cojuangco, Melecio.....	Tarlac, first district.....	Progresista.	Merchant and agriculturist.

Name.	Delegate for—	Political party.	Profession, avocation, or pursuit.
Corrales, Carlos.....	Misamis, first district.....	Independent..	Agriculturist.
Corrales, Manuel.....	Misamis, second district.....	do.....	Do.
Daza, Eugenio D.....	Samar, third district.....	do.....	College professor.
Demeterio, Salvador K.....	Leyte, second district.....	Nacionalista..	Agriculturist.
Dorillo, Regino.....	Iloilo, fifth district.....	Independent..	Do.
Fenoy, Lorenzo.....	Pangasinan, fourth district.....	Nacionalista..	Lawyer.
Gabaldón, Isauro.....	Nueva Ecija.....	do.....	Do.
Gala, Emfilano A.....	Tayabas, second district.....	Independent..	Do.
Galcano, Troadio.....	Cebu, fifth district.....	Nacionalista..	Do.
Gomez, Dominador.....	Manila, first district.....	do.....	Physician.
Gonzales, Matias.....	Pangasinan, fifth district.....	Independent..	Agriculturist and merchant.
Guerrero, Fernando Ma.....	Manila, second district.....	Nacionalista..	Journalist.
Guerrero, León Ma.....	Bulacan, second district.....	do.....	Pharmacist.
Guzmán, Pablo.....	Cagayan, first district.....	Progresista..	Do.
Hernández, Adriano.....	Iloilo, fourth district.....	Nacionalista..	Agriculturist and merchant.
Imperial, Carlos A.....	Albay, second district.....	Progresista..	Lawyer.
Jalandón, Nicolás.....	Iloilo, second district.....	Nacionalista..	Do.
Javier, Irineo.....	Iloos Norte, first district.....	do.....	Do.
Jayne, Antonio.....	Occidental Negros, first district.....	do.....	Do.
Jiménez, Pedro.....	Antique.....	Progresista..	Do.
Laguda, Salvador.....	Iloilo, third district.....	do.....	Do.
Lasam, Gabriel.....	Cagayan, second district.....	do.....	Justice of the peace.
Lerma, José Ma.....	Bataan.....	Nacionalista..	Merchant and planter.
Loesin, Vicente.....	Oriental Negros, second district.....	Progresista..	Physician.
Lukbán, Cayetano.....	Rizal, first district.....	Nacionalista..	Lawyer.
Mapa, Dionisio.....	Occidental Negros, second district.....	do.....	Do.
Mercado, Mónico.....	Pampanga, first district.....	do.....	Do.
Mina, Maximino.....	Iloos Sur, second district.....	do.....	Do.
Mobo, Simeón.....	Capiz, third district.....	Independent..	College professor.
Montilla, Agustín.....	Occidental Negros, third district.....	Progresista..	Agriculturist.
Oben, Crispín.....	La Laguna, second district.....	Nacionalista..	Lawyer.
Orense, Eusebio.....	Batangas, second district.....	do.....	Do.
Osmeña, Sergio.....	Cebu, second district.....	do.....	Do.
Padilla, Nicanor.....	Pangasinan, first district.....	Independent..	Physician.
Palma, Rafael.....	Cavite.....	Nacionalista..	Lawyer.
Paterno, Pedro A.....	La Laguna, first district.....	do.....	Do.
Paterno, Santiago M.....	Palawan.....	Independent..	Agriculturist.
Pedarranda, Florentino.....	Leyte, third district.....	Nacionalista..	Do.
Picazo, Eugenio.....	Capiz, first district.....	Independent..	Do.
Pineda, Aurelio.....	Tarlac, second district.....	Progresista..	Lawyer.
Pobre, Baldomero.....	Iloos Norte, second district.....	Nacionalista..	Do.
Quezon, Manuel L.....	Tayabas, first district.....	do.....	Do.
Revilla, Bartolomé.....	Rizal, second district.....	do.....	Do.
Rey, Manuel.....	Ambos Camarines, second district.....	do.....	Physician.
Reyes, Deogracias.....	Pangasinan, second district.....	do.....	Lawyer.
Roco, Angel.....	Albay, third district.....	Progresista..	Do.
Rodríguez, Celestino.....	Cebu, first district.....	Nacionalista..	Do.
Rodríguez, Pedro.....	Cebu, seventh district.....	do.....	Property owner.
Rosales, Honorio.....	Samar, first district.....	Independent..	Agriculturist.
Rovira, Leopoldo.....	Oriental Negros, first district.....	Progresista..	Lawyer.
Ruiz, Alejandro.....	Cebu, fourth district.....	Nacionalista..	Merchant.
Singson, Vicente.....	Iloos Sur, first district.....	Progresista..	Lawyer.
Sinko, Luciano.....	Samar, second district.....	Nacionalista..	College professor.
Soriano, Francisco.....	Surigao.....	Progresista..	Lawyer.
Sotto, Filemón.....	Cebu, third district.....	Nacionalista..	Do.
Velarde, Aguado.....	Bulacan, first district.....	Nacionalista..	Do.
Vera, Vicente de.....	Sorsogon, first district.....	Independent..	Do.
Veyra, Jaime O. de.....	Leyte, fourth district.....	Nacionalista..	Journalist.
Villamor, Juan.....	Iloos Sur, third district.....	do.....	Agriculturist.
Zanducta, Francisco.....	La Union, second district.....	Progresista..	Lawyer.

Protested elections.—The seats of 14 assemblymen certified to have been elected by election boards were contested. Seven of the contests were resolved in favor of the assemblymen certified to have been elected and seven are still awaiting decision.

Convening of the Philippine assembly.—The delegates to the Philippine assembly, in accordance with the call of the governor-general as prescribed by the act of Congress, met at the Grand Opera House in the city of Manila on the 16th day of October at 9 o'clock

a. m. The provisions of the act of Congress authorizing the creation of the Philippine assembly, the resolution of the Commission certifying that the conditions for its organization had been fulfilled, the order of the President directing the Philippine Commission to call an election for delegates to a popular assembly, the resolution of the Commission calling the election for the 30th of July, 1907, and directing the governor-general to proclaim the fact, the roll of delegates certified to have been elected by the various election boards, and the call of the governor-general directing that the first meeting of the Philippine legislature be held at Manila in the Grand Opera House on the 16th of October, 1907, at 9 o'clock a. m., were duly read, and after the delivery of an address by the honorable the Secretary of War to the Philippine Commission and the delegates to the Philippine assembly, the Philippine assembly and the Philippine legislature were by him, as the representative of the President, formally declared open for the transaction of business.

IMPORTANT ACTS PASSED BY THE COMMISSION.

The following are the important laws passed by the Commission during the year:

Act No. 1523, to prohibit the importation, sale, giving away, use, and possession of lottery tickets and lottery advertising matter.

Act No. 1533, providing that for good conduct a reduction of sentence shall be allowed to all prisoners sentenced for a definite term of more than thirty days and less than life.

Act No. 1545, amendatory of the provincial government act and providing for the election of the provincial governor and a third member of provincial boards and abolishing the office of provincial secretary.

Act No. 1548, extending the power of provincial boards to expend provincial funds.

Act No. 1561, authorizing the governor-general to parole prisoners and providing for the enforcement of the conditions of parole.

Act No. 1564, providing for the recoinage of Philippine silver coins and reducing the weight and fineness thereof. This act was passed in view of the fact that due to the increased price of silver Philippine silver coins were worth more as merchandise than as money, which resulted in the exportation of Philippine money and a reduction of the circulating medium.

Act No. 1573, extending the time within which free patents may be granted to native settlers upon unreserved and unappropriated agricultural lands.

Act No. 1577, providing that the death penalty shall be executed in Bilibid Prison instead of in the provinces. This act was passed in order to prevent the evil effects resulting from public executions.

Act No. 1578, authorizing the refund to the purchaser of moneys received from land-tax sales together with interest upon proper conveyance of the property involved to the provincial treasurer as trustee for the government, and extending the time for the redemption of the property by the delinquent taxpayer. This act was passed in view of the fact that many Americans and many officials of the government had acquired tax titles to property sold for delinquent taxes with the resultant effect that the impression was produced among the people that Americans and officials were more interested in exploiting the people than in protecting them.

Act No. 1596, providing that the supreme court may review the evidence adduced on the trial in the court below in case a motion for a new trial has been made on the ground that the evidence is insufficient to justify the decision. This act was passed for the reason that it was believed that a review of the evidence by seven judges of the supreme court would better protect the interests of justice than to continue a procedure which made the determination of a single trial judge final as to the facts. It may be said that the trial judge who sees the witnesses, hears them testify, and notes their manner on the stand is better able to determine the truthfulness of their testimony than would be seven judges who can not possibly have any knowledge of the witnesses except that furnished by the written report of their testimony. This argument would be entitled to much weight if it were not for the fact that while the trial judge sees the witnesses his knowledge of their declarations in 90 per cent of the cases is gained through an interpreter. A witness's manner of answering questions is more frequently induced by his failure to understand the interpreter than from any desire to conceal the truth.

Act No. 1617, authorizing provincial governments to establish and maintain toll roads and toll bridges.

Act No. 1627, reforming the law as to justices of the peace and substantially consolidating in one act all legislation in force on that subject.

Act No. 1638, providing for the retirement of officers and enlisted men of the Philippines Constabulary on part pay after twenty or more years of satisfactory service.

Act No. 1640, authorizing the Postal Savings Bank investment board to make loans of its funds to provinces under guaranty of the insular government.

Act No. 1648, amending the land registration act so as to provide that judges of all courts of first instance shall have jurisdiction to hear land-title cases and report findings of fact to the court of land registration in Manila. This act further amends the land registration act so as to fix a definite sum which must be paid by parties in interest to cover the costs of the court of land registration. Here-

tofore neither the clerk of the court nor the petitioner for a title was able to determine the exact amount which should be deposited as fees and costs of court. When the original deposit made by the petitioner was exhausted the clerk of the court would refuse to file papers until a further deposit was made. This usually brought about lengthy correspondence, in consequence of which cases were not infrequently delayed three, four, and even five months. The fees are proportioned to the assessed value of the estate, but in no case can such court fees and costs exceed \$100.

The following statement will show the court fees which must be paid to the court of land registration by parties in interest:

Property not exceeding \$100 in value, \$5; property not exceeding \$500 but over \$100 in value, \$15; property not exceeding \$1,000 but over \$500 in value, \$20; property not exceeding \$5,000 but over \$1,000 in value, \$25; property not exceeding \$25,000 but over \$5,000 in value, \$40; property not exceeding \$50,000 but over \$25,000 in value, \$50; property exceeding \$50,000 in value, \$100.

Other amendments were made which avoid the necessity of requiring a report from the examiner of titles. This report in 90 per cent of the cases was valueless and accomplished no purpose other than that of delaying for many months the final determination of the matter.

Act No. 1652, authorizing the provincial boards to increase the amount of the cedula tax by 1 peso for the benefit of the road and bridge fund.

Act No. 1653, amending the road law so as to enable provinces and municipalities to put its provisions into effect for a limited period of time, and authorizing any municipality to avail itself of its provisions although the road law may not have been put in force in the entire province.

Act No. 1654, regulating the construction of bridges over navigable waterways and authorizing the leasing of the foreshore, reclaimed lands, and lands under water.

Act No. 1655, preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and regulating traffic in foods, drugs, medicines, and liquors. This act is really a reenactment of the law of Congress known as "the pure food and drug law." The Congressional law was reenacted because it was evident that the machinery provided by Congress for the enforcement of the act was not available in the Philippine Islands. Moreover, it was clear that in the Philippines no effect could be given to that part of the Congressional enactment which provided that offenders against the law should be tried by a jury. Any attempt to try offenders without a jury at the very least

would have resulted in appeals which would have delayed for a very long time the enforcement of the substantive part of the law as declared by Congress.

Act No. 1657, authorizing the city of Manila under specified terms and conditions to lease or sell for hotel purposes a certain tract of land on the Luneta Extension.

Act No. 1665, annexing the province of Romblon to the province of Capiz. For the purposes of representation in the assembly, Romblon has been added to the third assembly district, as originally constituted in Capiz.

Act No. 1670, authorizing the trustees or directors of asylums and institutions where poor children are maintained at public expense to place such children in charge of suitable persons and providing for the adoption of such children.

Act No. 1691, limiting the amount of municipal funds which may be expended for salaries and wages in municipalities of the first class to 50 per cent, in municipalities of the second class to 60 per cent, in municipalities of the third class to 65 per cent, and in municipalities of the fourth class to 75 per cent of the annual receipts.

Act No. 1692, prohibiting the utterance of speeches or the use of language violative of good order or tending to disturb the public peace.

Act No. 1693, creating the province of Agusan and the subprovinces of Butuan, Bukidnon, and Batanes, and empowering the provincial board of Cagayan to apply the provisions of the township government act to the municipalities and settlements of the Babuyan Islands. The creation of the province of Agusan and the subprovinces of Butuan and Bukidnon was induced by reason of the fact that the mountain people of Misamis and Surigao and the peoples living remote from the coast received little or no attention from the provincial governments.

Act No. 1695; allowing from internal-revenue receipts accruing to the insular treasury an additional 5 per cent to municipalities for school purposes, and to provinces an additional 10 per cent for the benefit of the road and bridge fund.

Act No. 1696, prohibiting the display of flags, banners, emblems, or devices used for the purposes of rebellion or insurrection against the authority of the United States. This law was brought about in view of the fact that in processions held in Manila, Caloocan, and Navotas for the purpose of celebrating the triumph of one of the political parties occasion was taken to relegate the American flag to second place or to the rear of the processions and to display an American flag of so small a size as to make it ridiculous when compared with insurrectionary flags, banners, and emblems carried in the post of honor.

Act No. 1711, providing for the detention, segregation, and treatment of all lepers in the Philippine Islands.

Act No. 1713, authorizing provincial boards, with the approval of the governor-general, to suspend the collection of the land tax for a period not exceeding one year at a time. As all funds resulting from the land tax accrue to provincial and municipal treasuries, it was thought better to leave the suspension of the tax to provincial boards and to make them responsible for results.

Act No. 1724, approving, confirming, and ratifying the agreement made between the Secretary of War and the Archbishop of Manila settling the title and right of administration of various estates and properties which had been a matter of dispute between the Roman Catholic Church and the government of the Philippine Islands. This act also ratified the agreement settling controversies between the government and the Banco Español-Filipino.

Act No. 1726, providing the machinery for the election of delegates to the Philippine assembly and re-forming the law for the election of provincial and municipal officials.

Act No. 1754, prohibiting the forging, counterfeiting, altering, or fraudulent making of money, or of obligations and securities of the United States or of the Philippine Islands, or of the circulating notes issued by any banking institution authorized under the laws of the United States, or of the Philippine Islands, etc.

Act No. 1757, prohibiting monte, jueteng, and gambling of all kinds in gambling houses.

Act No. 1759, creating the office of lieutenant-governor for the province of Samar, and charging him with the special care of people residing in the mountains and in districts difficult of access from the seacoast.

Act No. 1760, providing for the prevention of the introduction into the Philippine Islands of dangerous communicable animal diseases, and for the prevention of the spread of such diseases.

Act No. 1761, providing for the regulation of the sale and use of opium, pending the going into effect of the Congressional enactment which prohibits the importation of opium in any form except for medicinal purposes, and prohibiting all persons except physicians, licensed pharmacists, and certain government officials and scientific establishments from having in their possession opium, cocaine, or alpha or beta eucaine after said Congressional enactment shall have gone into effect.

Act No. 1768, disqualifying habitual users of opium from holding provincial or municipal offices.

Act No. 1773, making the crimes of *adulterio*, *estupro*, *rapto*, *violación*, *calumnia*, and *injuria* public offenses, abolishing the right

of pardon by the aggrieved party in such cases, and allowing to such aggrieved party the right of civil suit for damages. Prior to the passage of this act these offenses were private offenses, and the aggrieved party had the absolute right to pardon the offender, although the courts had assumed jurisdiction of the matter. This made blackmail easy and extortion quasi respectable.

Act No. 1800, providing for the reservation of communal forests for the benefit of municipalities, townships, and settlements.

In the interests of business, commerce and industry the following laws were passed during the fiscal year:

Act No. 1497, granting a concession for the construction of railways in the islands of Cebu and Panay and in the province of Occidental Negros.

Act No. 1506, providing for the execution of chattel mortgages.

Act No. 1510, granting a concession for the construction of railways in the island of Luzon.

Act No. 1519, providing for the inspection and sealing of weights and measures and regulating their use.

Act No. 1535, abolishing the collection of tonnage dues on vessels coming from foreign ports to ports of entry in the Philippine Islands.

Act No. 1544, excepting from internal-revenue taxes all timber and forest products used in the actual construction and equipment of railway lines under the concessions granted by acts Nos. 1497 and 1510.

Act No. 1566, regulating the free entry of railroad material imported into the Philippine Islands.

Act No. 1574, continuing in force until May 1, 1908, the existing rate of duty on rice imported into the Philippine Islands.

Act No. 1589, granting the Manila Suburban Railways Company an extension of time within which to complete the portion of its line east of Fort William McKinley, and conceding the right to build a branch line to the town of Taguig and to the Laguna de Bay. The Manila Suburban Railways Company is granted the right to transport over its lines freight, express packages, and baggage under such regulations as may be prescribed by the governor-general. The rates which may be charged for such transportation are subject to regulation by the governor-general, from whose decision an appeal may be taken to the Secretary of War.

Act No. 1636, providing for the transmission of money within the islands by means of the sale of demand drafts and telegraphic transfers. This act was passed in order to afford to business, commercial, and industrial interests a ready means of securing transfers of money

from one part of the islands to another at a minimum of expense and risk.

Act No. 1735, authorizing the governor-general to execute on certain specific terms and conditions a concessionary grant for the construction of a railway line to Baguio, in the province of Benguet.

Act No. 1751, making provision for the arrest and return to ship of seamen deserting from merchant vessels, for the adjudication by consuls of certain disputes, and for the enforcement of consular decisions in such cases.

Act No. 1762, fixing the maximum rates which may be charged by the Manila Suburban Railways Company.

Act No. 1775, authorizing the insular collector of customs to clear foreign vessels for the ports of Legaspi and Tabaco.

Act No. 1779, creating a board for the regulation of rates chargeable by public-service corporations in the Philippine Islands, and conferring upon such boards the power to regulate such rates and to enforce the rates fixed by it.

Act No. 1781, providing for the remission of duties on importations of the value of less than \$1.

Act No. 1782, providing for the establishment of manufacturing bonded warehouses. This act was passed in order to facilitate the collection of rebates on material used in the manufacture of articles subsequently exported.

Act No. 1790, confirming certain rights and franchises of the Banco Español-Filipino and amending its charter. This act was passed in conformity with an agreement made by the Archbishop of Manila with the Secretary of War, and the act as passed by the Commission has been accepted by the Banco Español-Filipino.

RAILROADS.

Work under the concessions granted by act No. 1497 to the Philippine Railway Company and by act No. 1510 to the Manila Railroad Company began about the beginning of the present calendar year in the islands of Luzon, Cebu, and Panay.

The following statement will show the progress of the work up to December 1, 1907:

PHILIPPINE RAILWAY COMPANY.

Island of Cebu.—Ninety-six and five-tenths kilometers to be constructed. Grading completed north of Cebu, 31.7 kilometers; grading completed south of Cebu, 34.4 kilometers; track is laid north of Cebu, 31.7 kilometers; track is laid south of Cebu, 22.4 kilometers; ballasting partially completed north of Cebu, 31.7 kilometers; ballasting partially completed south of Cebu, 20.5 kilometers.

The station buildings north of Cebu are practically all completed except at Danao.

South of Cebu 4 station buildings are under way.

At Cebu the storehouse and oil house are completed; work on passenger station and roundhouse is well under way, and work has been begun on shop buildings.

No permanent bridges have yet been erected, but progress, however, is being made on substructure for permanent bridges and on culverts.

Island of Panay.—One hundred and sixty and nine-tenths kilometers to be constructed. From Iloilo north continuously, grading has been completed for 39.8 kilometers; track has been laid for 17.2 kilometers; ballasting partially completed for 17.2 kilometers.

But very little progress has been made on depot buildings. The storehouse and machine-shop buildings at Iloilo are well under way.

Island of Negros.—One hundred and sixty and nine-tenths kilometers to be constructed. No construction work has been done.

MANILA RAILROAD COMPANY.

San Fernando-Union Line.—Length, 70.3 kilometers. Grading completed for 12.5 kilometers; track laid for 12.5 kilometers; partly ballasted for 12.5 kilometers.

One station building completed and work on another begun.

San Fabian-Camp One Line.—Length, 19.7 kilometers. Grading completed for 16 kilometers; track laid for 13 kilometers; partly ballasted for 10 kilometers.

Paniqui-Tayug Line.—Length, 48.7 kilometers. Grading completed for 5 kilometers.

Dau-Magalang Line.—Length, 9 kilometers. Grading completed for 9 kilometers; track laid for 9 kilometers; ballasted for 9 kilometers. Line completed and in operation.

San Fernando-Florida Blanca Line.—Length, 24.5 kilometers. Grading completed for 24.5 kilometers; track laid for 16 kilometers; partly ballasted for 12 kilometers; line in operation for 10.5 kilometers.

Bacolor station completed with three others started.

Mariguina-Montalban Line.—Length, 12.9 kilometers. Line completed and in operation.

Manila-Batangas Line.—Length, 108.1 kilometers. Grading completed for 55 kilometers; track laid for 11 kilometers; partly ballasted for 7 kilometers.

Belt Line, Manila.—Length, 9.6 kilometers. Grading completed for 9 kilometers; track laid for 3 kilometers; partly ballasted for 3 kilometers.

Manila-Cavite-Naic Line.—Length, 68.5 kilometers. Grading completed for 24 kilometers; rails laid for 12 kilometers; partly ballasted for 10 kilometers.

Santo Tomas-Lucena Line.—Length, 63.2 kilometers. Grading completed for 5 kilometers.

Antipolo Line, beyond Taytay.—Length, 9.4 kilometers. Grading completed for 5 kilometers; track laid for 3 kilometers; partly ballasted for 2 kilometers.

Very little permanent bridge and culvert work has been done on any of the lines except the Florida Blanca and Magalang lines.

In addition to the railroad work set forth in the foregoing statement 20 kilometers of grading and track laying have been completed on a little line of railroad running from Paniqui to Camiling, in the province of Tarlac. This narrow-gauge railroad is owned by the Tarlac Tramway Company and is really a feeder for the Manila Railroad Company, to which, it is understood, the property has been leased.

The expenditures of the Philippine Railway Company amounted on September 30, 1907, to ₱4,017,241.48, practically all of which sum has been audited and allowed, with the right reserved to the railway company and to the government to correct errors subsequently discovered.

The first section of railroad, running approximately 15 miles north of Cebu and 5 miles south of the same place, has been preliminarily completed, and a bond issue has been authorized for the sum of \$973,000, representing at date of issue the cost of construction and the proportional part of equipment and other expenses properly assignable to the section.

PROGRESS OF THE HARBOR WORK.

The construction of the harbor works in Manila was practically completed on the 17th of May, 1907. The construction of new wharves is progressing slowly but steadily. The first part of the abutments originally planned, for which contracts had been let at a cost of ₱15,000, settled considerably and proved that they would not serve the purpose for which they were being built. After ₱3,492 of the money appropriated had been expended, the contracts were cancelled. In consequence, plans for new abutments were prepared, for which contracts to construct at a cost of ₱113,041.54 have been let.

The port works at Cebu are still unfinished. It is probable that the Cebu port works will be completed at an expense less than that contemplated in the contract and that of the full sum appropriated there will be a balance of about ₱100,000.

The port works at Iloilo have been completed.

BUDGET FOR THE FISCAL YEAR 1908.

On the 1st of July, 1907, there was in the insular treasury available for appropriation----- ₱6,480,078.72

From which sum, however, should be deducted liabilities existing June 30, 1907, and not provided for by appropriation, as follows, to wit:

Sinking fund public works bonds, act 1729----	₱404,204.13	
Reimbursement to friar lands bonds funds, act 1749 -----	686,184.31	
		<u>1,100,388.44</u>

Net balance available for appropriation July 1, 1907----- 5,379,690.28

During the current fiscal year the following is a conservative estimate of the revenues and receipts which may be expected to accrue to the insular treasury:

Customs revenue-----	₱15,000,000.00
Internal revenue-----	5,500,000.00
Micellaneous -----	800,000.00
Reversion from lapsed appropriations----	600,000.00

Total estimated revenue and reversion-----	<u>21,900,000.00</u>
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The total available for appropriation from the insular treasury for the fiscal year 1908 on the basis of the net balance actually in the treasury, and the estimated receipts, was on the 1st of July, 1907----- 27,279,690.28

From this sum the following appropriations have been made:

Interest public works bonds, act 1729-----	₱282,500.00
Sinking fund public works bonds, act 1729-----	142,848.44
Sinking fund friar lands bonds, act 1749-----	140,000.00
Interest friar lands bonds (estimated amount payable from general funds), act 1749-----	350,000.00
Annuities to the Sultan of Jolo et al-----	15,200.00
Subsidies to steamship companies, act 1715-----	230,000.00
Liability on account of railway guaranty, act 1730-----	270,000.00
Liability on account of Agricultural Bank, act 1730-----	
Insurance fund, act 1728-----	250,000.00
Current expenses insular government, act 1679-----	17,495,980.00
Aid to subprovinces of Apayao and Kalinga, act 1642-----	1,000.00
Reimbursement to provinces on account of suspension of the land tax, act 1686-----	700,000.00
Public works insular government, act 1688-----	3,502,655.00
Aid to province of Agusan, act 1693 (estimated)-----	25,000.00
30 per cent current expenses city of Manila, act 1706-----	1,000,000.00
30 per cent public works city of Manila-----	85,000.00
30 per cent sinking fund city of Manila sewer and bonds-----	59,622.00
Refund to city of Manila on account expenditure Pasig River walls, act 1750-----	207,000.00
Agricultural loans friar land haciendas, act 1736-----	100,000.00
Fidelity bond fund, act 1739-----	40,000.00
Reimbursement to provinces on account of court fees, act 1764--	75,000.00

Bounties to tobacco growers, act 1767-----	₱13, 250. 00
Sundry current expenses insular government, act 1785-----	197, 700. 00
Provincial roads and bridges, act 1783-----	200, 000. 00
Reserve for contingencies-----	1, 896, 934. 84

Available for appropriation----- 27, 279. 690. 28

THE POSTAL SAVINGS BANK.

Nine first-class, 86 second-class, and 140 third-class Postal Savings Bank offices were opened during the fiscal year 1907. The total number of accounts opened during the year was 2,676, of which 347 were closed. These accounts represent a total deposit of ₱786,361.03, or an average of ₱108.21 per account. At the close of the fiscal year 1907 there were 2,329 open accounts, representing a total deposit of ₱509,463.34. Of the depositors in the Postal Savings Bank 1,616 were Americans, 944 Filipinos, and the balance Europeans, Asiatics, and benevolent or other societies.

DINGLEY TARIFF.

The effect of the Dingley tariff on sugar and tobacco products of the Philippines has already been discussed fully in previous reports and especially in the report of the Commission for the fiscal year 1906.

The following tables showing the sugar exported from the Philippine Islands during the fiscal years 1905, 1906, and 1907 and the tobacco exported during the fiscal years 1906 and 1907 may be of some value to illustrate the effect of prohibitory tariff legislation on two of the principal products of the Philippine Islands:

Sugar exported from the Philippine Islands during the fiscal years 1905, 1906, 1907.

Country.	1905.		1906.		1907.	
	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.
United States-----	127,563,818	\$2,618,487	16,099,068	\$260,104	14,574,250	\$234,074
United Kingdom-----	1,101,657	22,168			21,516,126	283,000
Chinese Empire-----	42,691,973	837,431	85,895,886	1,519,629	112,494,139	1,740,747
British East Indies-----					5,122	97
Hongkong-----	68,613,990	1,337,158	167,797,909	2,919,188	112,208,496	1,009,541
Japan-----	10,471,244	161,782	7,549,860	164,944	4,407,551	67,001
Total-----	• 250,542,682	4,977,026	• 277,342,222	4,863,866	• 265,205,684	3,934,460

• Equals 111,850 tons.

• Equals 123,813 tons.

• Equals 118,395 tons.

Cigars exported from the Philippine Islands during the fiscal years 1906 and 1907.

Country.	1906.		1907.	
	Thousands.	Value.	Thousands.	Value.
United States.....	1,288	\$23,406	1,593	\$26,087
United Kingdom.....	8,925	84,179	11,473	100,309
Germany.....	3,107	20,309	2,899	17,473
France.....	3,689	27,917	3,876	25,087
Spain.....	3,311	24,984	6,084	24,126
Chinese Empire.....	8,630	107,550	10,323	121,417
Hongkong.....	32,658	235,208	42,778	309,145
Japan.....	570	6,794	4,753	58,151
British East Indies.....	2,498	114,692	11,648	140,757
Dutch East Indies.....	892	7,404	1,331	12,094
British Australasia.....	11,360	116,617	11,178	122,949
Canada.....	928	10,941	1,223	13,913
Argentina.....	1,461	9,134	1,985	10,913
Other countries.....	6,022	65,026	110,044	982,441
Total.....	93,136	904,250	116,719	1,061,621

Cigarettes exported from the Philippine Islands during the fiscal years 1906 and 1907.

Country.	1906.		1907.	
	Thousands.	Value.	Thousands.	Value.
Chinese Empire.....	3,864	\$3,130	94,394	\$62,493
Hongkong.....	12,827	11,528	49,728	35,298
British East Indies.....	860	838	6,551	4,809
All other countries.....	1,335	1,298	1,634	1,671
Total.....	18,892	16,801	152,777	104,268

"All other tobacco," unmanufactured and manufactured, exported from the Philippine Islands during the fiscal years 1906 and 1907.

Country.	1906.		1907.	
	Pounds.	Value.	Pounds.	Value.
United States.....	110,120	\$7,510		
United Kingdom.....	221,712	13,000	365,874	\$20,024
Germany.....	44,295	1,974	299,320	19,400
France.....	361,360	22,714	1,453,906	91,259
Spain.....	12,476,288	841,959	14,922,475	1,063,868
Italy.....	458,603	22,373	5,962	692
Austria-Hungary.....	4,561,561	357,006	3,734,454	822,519
Belgium.....	1,075,139	69,455	2,588,115	145,801
Gibraltar.....	440,291	15,201	409,989	13,688
Netherlands.....	898,518	50,757	4,436,779	231,929
Hongkong.....	108,199	10,043	886,710	26,908
Dutch East Indies.....	226,685	22,102	155,063	11,442
Uruguay.....	270,727	16,297	224,661	13,508
Other countries.....	216,842	18,448	1,199,762	42,129
Total.....	21,470,845	1,468,839	30,133,080	1,973,306

THE SHIPPING ACT OF 1906.

The act of Congress of April 30, 1906, entitled "An act to regulate shipping in trade between ports of the United States and ports or places in the Philippine Archipelago, between ports or places in the Philippine Archipelago, and for other purposes," if put into effect

as passed will be a positive detriment to commercial and industrial interests in the islands. This bill does not seem to take account of the fact that freight, merchandise, and passengers from the Philippines to the United States can not be transported promptly unless there is a substantial addition to the number of American vessels now plying in the waters of the Atlantic and Pacific available for the Philippine trade. This bill must of necessity result in a very substantial increase in freight and passenger rates, to the great detriment of the industries of the islands, which are regarded as foreign territory when free admission into the United States of sugar and tobacco is requested and as domestic territory when American shipping interests are to be promoted. Philippine sugar and tobacco are kept out of the United States, although the domestic production in the United States falls far short of supplying the demands of local consumption. For the benefit of American hemp importers from the Philippines the Philippine government is obliged to refund all export duties collected on hemp consumed in the United States. The shipping act of April 30, 1906, may well be regarded as "the last straw," and should be repealed in justice to Philippine interests, which are entitled to some consideration.

BONDED AND OTHER INDEBTEDNESS OF THE PHILIPPINE GOVERNMENT.

The bonded indebtedness of the Philippine government consists of ₱7,000,000 in bonds issued for the making of public improvements and of ₱14,000,000 in bonds issued for the purchase of the so-called friar lands. In September of this year all certificates of indebtedness relating to the gold-standard fund were paid, and there is at the writing of this report no liability of the insular government on account of such certificates of indebtedness.

SPECIFIC RECOMMENDATIONS.

The Commission begs leave to make the following specific recommendations, some of which have been embodied in previous reports:

"First. That the duties on sugar and tobacco exported from the Philippine Islands into the United States be removed."

See previous reports of the Commission and in this report under heading "Dingley tariff."

"Second. That that portion of section 2 of the act of Congress approved March 8, 1902, entitled 'An act temporarily to provide revenue for the Philippine Islands, and for other purposes,' which requires that all export duties upon articles exported from the Philippine Islands and consumed in the United States be refunded, be repealed."

This is a renewal of the recommendation made by the Commission in its annual report for 1906.

"Third. That the customs duties on agricultural machinery, apparatus, and implements, machinery and apparatus for making or repairing roads, and on steam plows be removed."

This can be accomplished by amending paragraph 245 of the Philippine tariff revision law of 1905 to read as follows:

245. Machinery and apparatus for pile driving, dredging, and hoisting, for refrigerating and ice making, sawmill machinery, machinery and apparatus for extracting vegetable oils and for converting the same into other products, for making sugar, for preparing rice, hemp, and other vegetable products of the islands for the markets, and detached parts therefor, also traction and portable engines and their boilers adapted to and imported for and with rice-threshing machines, five per centum ad valorem.^a

and inserting in the unconditional free list (section 12) an additional paragraph to read as follows:

Agricultural machinery, apparatus, and implements, machinery and apparatus for making or repairing roads, and steam and other motor plows.

The customs duties on this class of machinery are a revenue tax only; hence the only possible objection to the removal of said duties would be the loss of revenue to the insular government, and the advantages which would accrue to the islands through the additional facilities and stimulus which would be given to agriculture here by the removal of said duties decidedly outweigh the loss of revenue involved.

"Fourth. That the customs duties on mining, smelting, and reduction machinery and apparatus be reduced by including them under paragraph 245 of the Philippine tariff revision law of 1905, further amending the paragraph to read as follows.

245. Machinery and apparatus for mining and the reduction and smelting of ores, for pile driving, dredging, and hoisting, for refrigerating and ice making, sawmill machinery, machinery and apparatus for extracting vegetable oils and for converting the same into other products, for making sugar, for preparing rice, hemp, and other vegetable products of the islands for the markets, and detached parts therefor; also traction and portable engines and their boilers adapted to and imported for and with rice-threshing machines, five per centum ad valorem.

In fixing a low rate of duty on machinery and apparatus the introduction of which will tend to develop certain industries of the islands it would seem that an industry which may become of considerable importance has been overlooked, to wit, the development of the mineral resources of the islands. There is considerable prospecting now in progress in the islands for both precious metals and coal, and a not inconsiderable number of properties have been located. An amendment such as that recommended would encourage and assist in the development of the mineral resources of the islands.

^a The note to paragraph 245 would not be changed by this amendment.

"Fifth. That the customs duties on materials for the construction and repair, in the Philippine Islands, of vessels of all kinds be removed."

To accomplish this it is recommended that paragraph 397 (conditional free list, section 12), Philippine tariff revision law of 1905, be amended to read as follows:

397. All materials for exclusive use in the construction and repair, in the Philippine Islands, of vessels of all kinds.

The object of this amendment is to put local ship-repairing establishments in position to be better able to compete with such concerns in Hongkong, where all materials are entered without duty, and to encourage the establishment of ship building and repairing concerns in these islands.

By placing these materials on the conditional free list they will be entered free of duty, subject to formalities prescribed in each case by the customs authorities which will prevent impositions on the revenue which might be attempted by reason of the fact that materials required in the manufacture and repair of vessels are largely used for other purposes also.

"Sixth. That a provision be added to paragraph 308 that each and every gauge or wine liter of measurement of spirits dutiable under letter (a) shall be counted as at least one proof liter."

This could be accomplished by amending clause (a) of paragraph 308 of the Philippine tariff revision law of 1905 to conform to the wording of the corresponding tariff revision in the United States, as follows:

308. (a) Whisky, rum, gin, and brandy, per proof liter, thirty-five cents: *Provided*, That each and every gauge or wine liter of measurement shall be counted as at least one proof liter.

The following remarks of the acting collector of customs, concurred in by the present collector of customs, are, after consideration, likewise concurred in by the Commission.

At the time the revision of the tariff law of 1901 was under consideration the committee on tariff revision recommended that the duties on spirituous liquors provided for in paragraph 308 be increased from 35 cents per liter to 50 cents per liter, and that liquors imported under this paragraph in wood should be dutiable by the proof liter. This was done for the purpose of increasing the duty on such importations, and for the further purpose of equalizing the duty on high and low grade spirits. The Commission in acting upon the recommendation of the committee approved the changes recommended in this paragraph; the duty was reduced by Congress from 50 cents, as recommended, to 35 cents, including in the paragraph the provision "per proof liter," which did not appear in the tariff revision law of 1901. The effect of this provision was to reduce by approximately 10 per cent the duties which had formerly been collected on such merchandise; this for the reason that the greater portion of the spirituous liquors imported into the Philippine Islands are under proof

and now pay on the proof liter instead of on the gauge liter, as formerly provided. In addition to this disadvantage it has added materially to the cost of assessing such merchandise for duty for the reason that each importation in bottles and similar receptacles must be gauged and tested in order that the proof may be determined.

"Seventh. That section 22 of the Philippine tariff revision law of 1905, providing that importations exceeding \$100 in value shall be accompanied by a consular invoice, etc., be repealed."

The following remarks of the acting collector of customs, concurred in by the present collector of customs, are, after consideration, likewise concurred in by the Commission:

Section 22 provides that all importations of merchandise into the Philippine Islands from countries other than the United States, when the value of such importations exceeds \$100, shall be accompanied by a consular invoice similar to that required for importations into the United States, and that when brought into the Philippine Islands from the United States such importations shall be accompanied by an invoice similar in form to the consular invoice, but in lieu of execution by a consul of the United States such invoices shall be sworn to before a United States commissioner, collector of customs, or deputy collector of customs.

After a period of about two years, during which the workings of the consular invoice system have been carefully noted, the fact is evident that the introduction of consulated invoices for importations into the Philippine Islands has not been of any advantage to the Philippine customs service, nor are such invoices as useful in the dispatch of imported merchandise as are the usual commercial invoices which were formerly required by law; this for the reason that United States consuls throughout the world apparently have no information whatever in regard to the Philippine customs laws nor as to the information which invoices must contain in order to permit importers to make a proper entry covering such importations, or to furnish the information which customs officers absolutely require for the proper classification of the same.

The average value of an importation covered by consular invoice is estimated by this office to be approximately \$250 United States currency, and it is fair to estimate that during the past twelve months there were 30,000 of such invoices presented covering merchandise from countries other than the United States. This number of entries would represent an additional cost to importers of \$75,000 United States currency, which, of course, must be an additional charge to the consumers who purchase the imported goods.

The Philippine tariff revision law of 1905 is essentially a tariff of specific rates. Of the 366 paragraphs contained in the tariff, only 45 have a straight ad valorem rate and only 62 an ad valorem provision, making but 107 paragraphs of the tariff which are in any way affected by the value of the imported merchandise. This leaves 259 paragraphs which are not affected by ad valorem rates, and the merchandise dutiable under these 259 paragraphs might as well be passed by the customs officers without any invoice whatsoever in so far as the revenue of the islands is concerned.

What is particularly required under our tariff is an invoice which properly describes the merchandise as to kind and quantity, and which shows correctly the gross and net weight of the same. The commercial invoices which were received prior to the passage of the tariff revision law of 1905 contained in nearly every instance the needful information, which has never been required by United States consuls in the invoices consulated by them.

In addition to these reasons, consular invoices are frequently delayed in the mails and do not reach importers until after the arrival of the merchandise covered thereby. This again necessitates additional expense in that the importer is required to give a bond for the production of such an invoice to the customs authorities before he can be permitted to make entry and obtain delivery of his goods.

I am satisfied from my observation that the consular invoice system as applied to the Philippine Islands is a detriment rather than a betterment to the Philippine customs service and that this system has created a large additional expense to importers without any corresponding advantage accruing to the government.

"Eighth. That in order to place the local button manufacturing industry on a fair and competitive basis with the imported article paragraphs 29 and 345 of the Philippine tariff revision law of 1905 be amended to read as follows:

"29. *Gold and silver-plated wares.*—(a) Gold and silver-plated jewelry, net weight, kilogram, two dollars and forty cents; (b) gold and silver-plated wares other than jewelry, net weight, kilogram, two dollars; (c) silvered copper foil, net weight, kilogram, fifty cents: *Provided*, That none of the articles classified under paragraphs twenty-seven, twenty-eight, and twenty-nine shall pay a less rate of duty than twenty-five per centum ad valorem: *And provided further*, That all articles classified for duty under paragraphs twenty-seven, twenty-eight, and twenty-nine shall pay the prescribed rates on the net weight of the articles themselves, and that the immediate packing in which they are contained shall be assessed for duty under the paragraph covering the article of which it is manufactured.

"345. *Buttons.*—(a) Bone, porcelain, composition, wood, steel, iron, and similar materials, net weight, kilogram, thirty cents; (b) rubber, copper and its alloys, net weight, kilogram, fifty cents; (c) mother-of-pearl, and others not specially provided for, except of gold or silver, or gold or silver plated, net weight, kilogram, one dollar and thirty cents: *Provided*, That none of the articles classified under letter (c) of this paragraph shall pay a less rate of duty than thirty per centum ad valorem."

The Commission is in receipt of a petition from a button factory established a few years ago in Manila, requesting that in order that it may continue to operate without losing money the duties already prescribed by the present customs tariff (act of Congress of March 3, 1905), in paragraph 345, be decidedly increased.

Petitioners also request that the duties upon shells imported into these islands be removed, that the duties upon brass shanks and rings under paragraph 69 (b) be reduced, and that the duties upon silvered copper foil under paragraph 29 (b) be similarly reduced.

After careful examination of the books and operations of this button factory we are of the opinion that the present rate of customs duty is not sufficient to give a fair profit to the manufacturer here upon certain lines of mother-of-pearl buttons, and that if said factory is not afforded certain additional protection against the competition of imported buttons it will be compelled to close its doors.

The petitioners request that the duties upon bone, porcelain, composition, wood, steel, iron, and similar buttons be increased from 20 cents per kilogram, net weight, to 50 cents, an increase of 150 per cent in the present duties; that the duties upon rubber and copper buttons be increased from 50 cents per kilogram, net weight, to \$1, an increase of 100 per cent in the present duties; and that the duties on mother-of-pearl and other buttons not specially provided for be increased from \$1 per kilogram, net weight, to \$2 per kilogram, net weight, an increase of 100 per cent in the duties.

It appears that upon an average class of mother-of-pearl buttons the factory is at present losing about 16 per cent of the cost of production of said class of buttons. The average cost per gross of a fair type of said buttons is ₱2.28. The average selling price per gross is ₱1.91, the loss therefore being 37 centavos per gross, or about 16 per cent. The duties paid upon similar and competing imported buttons is \$1 per kilogram, or about 90 per cent of the cost of production of these buttons. In order to give a reasonable profit of, say, approximately 10 per cent upon the manufacture of these classes of buttons it would seem evident that additional protection through the customs tariff must be given to the extent of making the duty upon such buttons \$1.35 per kilogram, net weight, instead of \$1.

We believe that the duties upon silvered copper foil, now amounting to approximately 140 per cent ad valorem, should be greatly reduced, and that the present rate is an abnormal one. We are not of the opinion that the present rate of duty, approximately 15 per cent ad valorem, on brass shanks and rings is unreasonable, and think that it should remain unchanged; nor are we of the opinion that the present duty on shells imported into the islands should be removed, for the reason that there is a growing shell industry here which should be encouraged.

“Ninth. That the following proposed amendments to the act of Congress of July 1, 1902, be made:

SEC. —. That section thirty-three of the act of Congress approved July first, nineteen hundred and two, entitled “An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes,” is hereby repealed, and the following substituted therefor, so that section thirty-three shall read as follows:

“SEC. 33. That, subject only to such limitations and regulations as may be provided for by the Philippine legislature to exempt navigation from artificial obstructions or to protect prior vested rights, all navigable waters and all shoal waters between low and mean high tide on shores, bays, and inlets of the Philippine Islands shall be subject to exploration and mining for gold and other precious metals by citizens of the United States, or persons who have legally declared their intention to become such, or of the Philippine Islands: *Provided*, That such exploration and mining shall be by virtue of licenses granted by the governor-general of said islands: *And provided further*, That no exclusive

licenses for this purpose shall be granted except as to limited and prescribed areas under general regulations established by the Philippine legislature." ^a

SEC. —. That section thirty-six of the act of Congress approved July first, nineteen hundred and two, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," and that part of section nine of the act of Congress approved February sixth, nineteen hundred and five, entitled "An act to amend an act approved July first, nineteen hundred and two, entitled 'An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes,'" and to amend an act approved March eighth, nineteen hundred and two, entitled "An act temporarily to provide revenue for the Philippine Islands, and for other purposes," and to amend an act approved March second, nineteen hundred and three, entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," and to provide for the more efficient administration of civil government in the Philippine Islands, and for other purposes, which refers to section thirty-six of the act of Congress approved July first, nineteen hundred and two, as hereinbefore mentioned, are hereby amended by inserting in the first paragraph thereof, after the word "governing," the words "the number of mining claims that any person, corporation, or association may locate on the same vein or lode;" and by inserting in the second paragraph, after the word "Provided," the words "That where a group of two or more contiguous lode or placer mining claims are held by any individual, corporation, or association the total value of the improvements or labor required upon such group may be made or performed upon any one of the group, provided that any two claims in such a group have one boundary line in common;" and by striking out the word "location" at the end of the first sentence of said paragraph and inserting in lieu thereof the word "relocation," so that the said section when amended shall read as follows:

"SEC. 36. That the Philippine legislature may make regulations, not in conflict with the provisions of this act, governing the number of mining claims which any person, corporation, or association may locate on the same vein or lode, the location, manner of recording, and amount of work necessary to hold possession of a mining claim, subject to the following requirements:

"On each claim located after the passage of this act, and until a patent has been issued therefor, not less than two hundred pesos' worth of labor shall be performed or improvements made during each year: *Provided*, That where a group of two or more contiguous lode or placer mining claims are held by any individual, corporation, or association, the total value of the improvements or labor required upon such groups may be made or performed upon any one of the group; provided that any two claims in such a group have one boundary line in common, and that upon a failure to comply with these conditions the claim or mine upon which such failure occurred shall be open to relocation in the same manner as if no location of the same had ever been made: *Provided*, That the original locators, their heirs, assigns, or legal representatives have not resumed work upon the claim after failure and before such relocation. Upon the failure of any one of several coowners to contribute his proportion of the expenditures required thereby, the coowners who have performed the labor or made the improvements may, at the expiration of the year, give such delinquent coowners personal notice in writing, or notice by publication in the newspaper published nearest the claim, and in two newspapers published at Manila, one in the English language and the other in the Spanish language, to be designated

^a See, p. 73 Compilation, etc., Alaska. S. Doc. 142, 59th Cong., 1st sess.

by the chief of the Philippine insular bureau of public lands, for at least once a week for ninety days, and if, at the expiration of ninety days after such notice in writing or by publication, such delinquent shall fail or refuse to contribute his proportion of the expenditure required by this section, his interest in the claim shall become the property of his coowners who have made the required expenditures. The period within which the work required to be done annually on all unpatented mineral claims shall commence on the first day of January succeeding the date of location of such claims."

Sec. —. That section seventy-five of the act of Congress approved July first, nineteen hundred and two, entitled "An Act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands and for other purposes," is hereby amended by amending the second clause of said section so that the said section as amended shall read as follows:

"Sec. 75. That no corporation shall be authorized to conduct the business of buying and selling real estate, or be permitted to hold or own real estate except such as may be reasonably necessary to enable it to carry out the purposes for which it is created, and every corporation authorized to engage in agriculture shall, by its charter, be restricted to the ownership and control of not to exceed one thousand and twenty-four hectares of land. And it shall be unlawful for any member of a corporation engaged in agriculture, and for any corporation organized for any purpose except irrigation, to be in anywise interested in any other corporation engaged in agriculture. Corporations, however, may loan funds upon real estate security and purchase real estate when necessary for the collection of loans, but they shall dispose of real estate so obtained within five years after receiving the title. Corporations not organized in the Philippine Islands and doing business therein shall be bound by the provisions of this section so far as they are applicable." ^a

Sec. —. That section fifty-six of the act of Congress approved July first, nineteen hundred and two, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands and for other purposes," is hereby amended by inserting after the word "authorized" in the first clause of said section the words "the holding of," and by striking out the second and third clauses of the said section and inserting in lieu thereof after the words "or association of persons" in the first clause, the following words: "or by any association of persons, any member of which shall have taken the benefit of such clauses either as an individual or as a member of any other association," and by striking out all of the fourth and fifth clauses of the said section and inserting in lieu thereof the following: "and that persons claiming under section fifty-four shall be required to prove their respective rights and pay for the land filed upon within three years from the time prescribed for filing their respective claims, and upon the failure to file proper notice or to pay for the land within the required period the same shall be subject to entry by any other qualified applicant; and any person or association shall, after entering upon any quantity of vacant coal land as prescribed in the three preceding sections, and before obtaining a patent for same, have the right to mine and sell coal therefrom, provided that upon the coal extracted before obtaining a patent a royalty of thirty centavos per ton shall be paid to the government of the Philippine Islands in such manner as may be directed by the governor-general thereof. And provided that if a patent for the said land is not secured within one year after the time prescribed for filing claims for said lands, a tax thereon of ₱5 per hectare shall be paid into the

^a The reference to mining in the original section 75 is omitted by this amendment.

Philippine treasury each succeeding year until the patent be secured," so that the said section when amended shall read as follows:

"SEC. 56. That the three preceding sections shall be held to authorize the holding of only one entry by the same person or association of persons, or any association of persons any member of which shall have taken the benefit of such sections either as an individual or as a member of any other association; and that persons claiming under section fifty-four shall be required to prove their respective rights and pay for the land filed upon within three years from the time prescribed for filing their respective claims, and upon failure to file the proper notice, or to pay for the land within the required period, the same shall be subject to entry by any other qualified applicant; and any person or association shall, after entering upon any quantity of vacant coal land as prescribed in the three preceding sections and before obtaining a patent for same, have the right to mine and sell coal therefrom, provided that upon the coal extracted before obtaining a patent a royalty of thirty centavos per ton shall be paid to the government of the Philippine Islands in such manner as may be directed by the governor-general thereof; and provided, that if a patent for said lands is not secured within one year after the time prescribed for filing claims to said land, a tax thereon of ₱5 per hectare shall be paid into the Philippine treasury each succeeding year until a patent be secured; provided, in lieu thereof, that on each claim located after the passage of this act, labor may be performed or improvements made equal in value to said tax, evidenced in such manner as may be prescribed by the secretary of the interior of the Philippine Islands, and in the event of failure to comply with these conditions, that part of section 36 of this act which is applicable upon the failure to comply with the conditions for holding a mining claim shall apply thereto, except that the period within which the work shall be required to be done annually on all unpatented coal claims shall commence one year from date of location of such claims."

The above is a repetition in a more complete form of recommendations made in previous annual reports of the Commission and was prepared by the Bureau of Insular Affairs and submitted to the Secretary of the Interior and the Director of Lands of the Insular Government for comment. Changes therein were made by the Director of Lands under direction of the Secretary of the Interior. Copies of the communications of the Secretary of the Interior and the Director of Lands may be found on pages 151 to 155, inclusive, Part 2, Report of the Commission for 1906.

"Tenth. That proper legislation be enacted authorizing the naturalization of foreigners as citizens of the Philippine Islands after fulfilling the conditions usually exacted for naturalization of foreigners as citizens of the United States; and also the naturalization in the United States of citizens of the Philippine Islands fulfilling conditions there."

A bill which would accomplish this (S. 5766) was introduced by Senator Lodge on April 19, 1906, and was referred to the Committee on the Philippines.

"Eleventh. That the act of Congress of April 30, 1906, relating to shipping between the United States and Philippine ports and between ports and places in the Philippine Islands be repealed."

See this report under caption "The shipping act of 1906."

"Twelfth. That the following bill be enacted by Congress into law:

"AN ACT To authorize the treasurer of the Philippine Islands and the Postal Savings Bank Investment Board to make loans to the provinces of the Philippine Islands, under certain conditions, and for other purposes.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of providing funds for the construction and improvement of port works, harbor works, bridges, roads, school buildings, court houses, penal institutions and other public buildings and improvements in the Philippine Islands, the Treasurer of the Philippine Islands, with the approval of the Governor-General, is authorized, from time to time, to make loans to any province or provinces from any sinking funds now established or to be established for the payment of any bonds lawfully issued by the Government of the Philippine Islands; and for the same purpose, the Postal Savings Bank Investment Board, created by Act Numbered Fourteen hundred and ninety-three of the Philippine Commission, entitled 'An Act to encourage economy and saving among the people of the Philippine Islands, and to that end to provide for the establishment of postal savings banks and their administration through the organization of a postal savings bank division in the Bureau of Posts, and for other purposes,' may, with the approval of the Governor-General, make loans to any province or provinces from any Postal Savings Bank funds under the control of said Board for investment. Any loan made under authority of this Act shall be a lawful charge and lien upon the revenues and property, real and personal, of the province to which it is made, and may be collected in accordance with the terms of said loan, administratively or by proper judicial proceedings."

"Thirteenth. That section 7, congressional act, July 1, 1902, be amended to provide that qualifications of electors in election of Assembly delegates shall be the same as those now or hereafter required for municipal electors by Philippine laws, and that no person shall be eligible to election as Assembly delegate unless he has qualifications prescribed by law for municipal officers, is resident of his election district, owes allegiance to the United States, and is 25 years of age."

For necessity of this see under heading "The Philippine assembly," subheading "Qualifications of delegates," of this report.

Respectfully submitted.

JAMES F. SMITH,

President.

T. H. PARDO DE TAVERA,

JOSÉ R. DE LUZURLAGA,

W. CAMERON FORBES,

W. MORGAN SHUSTER,

Commissioners.

To the honorable the SECRETARY OF WAR,

Washington, D. C.

REPORT OF THE GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR-GENERAL.

MANILA, December 31, 1907.

GENTLEMEN: The governor-general begs leave to submit for your consideration the sixth annual report of the operations of the various provincial governments and the work accomplished by the bureaus and offices under his executive control during the fiscal year 1907.

Under and by virtue of the provisions of acts Nos. 1679 and 1706 the executive control of the bureau of audits and of the city of Manila was transferred from the secretary of finance and justice to the governor-general. The report as to the work accomplished during the fiscal year 1907 by the bureau of audits and by the city of Manila will therefore be made by the governor-general instead of by the secretary of finance and justice as heretofore.

BUREAU OF CIVIL SERVICE.

Civil-service law and modifications therein.—On the recommendation of the director of civil service the Commission, after having made a careful study of the original civil-service act and amendments thereto, carefully revised the same and enacted act No. 1698 which now comprises in concrete form the entire law governing and controlling the civil service of the Philippine Islands. On the one hand, this act eliminates many objectionable features of the original act and its amendments which hampered the service, especially in the case of emergency and temporary employments, and, on the other, nullifies certain modifications of the civil-service law which were injected into it by appropriation bills and which tended in some measure to break down the civil-service barriers intended for the protection of the government.

Act. No. 1698 authorizes the appointment of aliens to the Philippine civil service in case citizens of the Philippines or citizens of the United States are not available for appointment. It repeals the provision of law authorizing the reduction of office hours during the hot season and requires from officials and employees of the government not less than six and one-half hours' service on every day of the year except Sundays and legal holidays, provided, however, that bureau chiefs may be authorized by executive order of the governor-general to shorten the hours of labor to five hours on Saturdays. The officers

and employees of the government are no longer obliged to take their leave in the United States, but may visit foreign countries, provided that the expense so incurred shall not exceed that which would have been permitted for a visit to the United States. Under the new civil-service act skilled laborers who receive less than \$1,000 per annum, messengers, watchmen, and detectives appointed subsequent to the passage of the act will not be allowed leave.

To save delays and unnecessary paper work the governor-general and heads of departments have been empowered to authorize the director of civil service to approve appointments and grant leaves of absence subject to the right of the governor-general or heads of departments, as the case may be, to reverse or modify on appeal the action of the director of civil service.

Examinations.—During the year 5,726 applicants for promotion, transfer, reinstatement, or entrance into the service were examined by the bureau, an increase of 433 as compared with examinations for the previous year. The number of Filipinos, other than skilled laborers and mechanics, who took examinations in English was 3,078, of whom 631, or 21 per cent, passed, as compared with 2,231 for the fiscal year 1906, of whom 401, or 18 per cent, passed. The number of Filipinos applying for examination during the fiscal year just ended exceeded that of the previous year by 847, an increase of 38 per cent. The number of applicants for examination in Spanish during the year 1907 was 1,863, of whom 675, or 36 per cent, passed, as compared with 1,973 for the previous year, of whom 816, or 41 per cent, passed. The decrease in the number of applicants for examination in Spanish was 110, or about 6 per cent. Six hundred and four Americans were examined for entrance into the service during the year 1907, of whom 309, or 51 per cent, passed, as compared with 702 examined during the preceding fiscal year, of whom 398, or 57 per cent, passed. Compared with the previous fiscal year there was a decrease of 98, or 14 per cent, in the number of Americans examined.

Appointments in the classified service.—During the fiscal year covered by this report 550 original appointments were made, 430 of which were Filipinos and 120 Americans, as compared with 593 original appointments for the preceding year, of which 474 were Filipinos and 119 Americans. Seventy-eight per cent of the appointments made during the present year were Filipinos and 22 per cent Americans, as compared with 71 per cent Filipinos and 29 per cent Americans for the preceding year. Of the 430 Filipinos appointed during the fiscal year 1907, 204 qualified in English and 226 in Spanish, as compared with 174 in English and 300 in Spanish for the preceding year.

From the applications for examination and the appointments made it is very evident that young Filipinos are making a great effort to qualify themselves for appointment to places in the government service requiring a knowledge of English, and that the number of Americans in the service is gradually decreasing, while the number of Filipinos is correspondingly increasing. On January 1, 1903, the number of Americans in the service above the grade of laborer was about equal to the number of Filipinos. The following table will show the number of Filipinos and Americans employed on the 1st of January, 1904, 1905, and 1907, no statistics being available for 1906:

	Americans.	Filipinos.
January 1, 1904.....	3,228	3,377
January 1, 1905.....	3,907	4,023
January 1, 1907.....	2,616	3,002

Since 1904 the number of Americans employed in the service has been reduced by more than 600 and the number of Filipinos employed increased by more than 500.

Salaries.—The gradual substitution of Filipinos for Americans should very materially reduce the cost of government, but whether such a result will follow the substitution will depend largely upon the firmness shown by the bureau chiefs and the Philippine legislature in restraining the present tendency of Filipino employees to demand the high salaries paid to Americans. At first blush the demand of the Filipino that he should be paid the same salary paid to the American when he has shown himself capable of doing the same work appears to be reasonable and just, but when it is considered that the salary paid to the American represents not only the value of the services rendered by him, but also the compensation exacted by him for the risks incurred by service in a tropical climate and for long-continued separation from family and friends, it is evident that the demand of Filipino employees for the same salary for the same work loses something of its force. In my opinion, the Filipino should receive no more for his services to the government of the Philippines than the American would receive for the same services in the United States. Indeed, the government of the Philippine Islands should not pay to Filipinos, or, for that matter, to Americans, any more for their services than private concerns are willing to pay to their employees, American or Filipino, under corresponding circumstances. Should the present policy of bureau chiefs be continued, of paying to Filipino officials and employees the same salaries formerly paid to Americans for the same service, it is very safe to say that when the final substitution of Filipinos takes place the government

of the Philippine Islands will be the most expensive government in the world.

Notwithstanding the high salaries that are paid to Americans, the service is constantly drained of its employees by private concerns and private enterprises. During the preceding fiscal year great difficulty has been encountered in obtaining and retaining civil engineers and stenographers and typewriters. This is due to several causes, but principally to the fact that the entrance salaries now offered here are but little higher than those offered during the past few years for similar work in the United States. This is especially true with reference to engineers, some of whom are now earning in Panama, Cuba, and the United States from \$4,000 to \$6,000 a year, whereas the salaries allowed to the same men in the Philippine service was only \$2,500 per annum.

With a view to filling provincial treasurerships with competent and capable Filipinos an assistant provincial treasurer examination was given in February and May of the present year. Comparatively few competitors presented themselves, however, and it is evident that the process of substitution in this branch of the government service will be slow.

Permanency of the service.—Constant changes in the public service defeat to some extent the objects of the civil-service law, whose principal purpose is to give permanency of tenure and to retain in the public service those whose capacity, efficiency, and experience are the best guarantees that the government work will be efficiently performed. Heretofore it can not be said that the civil service has been wholly successful in securing to subordinate employees and officials that tenure of office which is the best security for good government. That this permanency has not been secured is due to no fault of the civil-service administration or of civil-service laws or rules, but rather to circumstances over which neither the civil-service bureau nor the government has had much control. American officials and employees have rarely made up their minds to cast their fortunes definitely with the Philippines or to make governmental service in the Tropics a career. Many of those who in the beginning were so minded, due to ill health of themselves or their families, or the longing to return to friends and relatives, changed front and preferred to return to the homeland, there to enjoy life at half the salary in the environment to which they were accustomed. Filipino officials and employees, it is true, have not the same temptations as their American brothers to leave the service, and in time the vacancies caused by separation of Americans will be filled by Filipinos. Meanwhile, however, until Filipinos have been prepared to fill such vacancies, the service must suffer, and suffer severely, for lack of trained and qualified personnel. The difficulty is not only a temporary one, but one which will confront the service for some time to come. Recognition of merit, promotion

without favoritism, impartial and just treatment, and the security that no official will be removed from office for light or trivial causes, will, of course, retain in the service many capable, able, and experienced Americans and Filipinos, but not all required by the government in order to secure the best results. That which operates probably more than anything else to induce good men drawing good salaries to abandon the service, whether American or Filipino, is the knowledge that they have nothing to look forward to when broken health or old age shall have rendered them valueless to the government.

Nearly all European governments make some provision for the retirement, after a certain number of years' service, of faithful public servants when incapacitated by ill health or old age for further work.

The undersigned favors the pensioning on three-quarter pay of all civil officers and employees after forty years of service, or on one-half pay when retired from the service by reason of ill health which disqualifies them for further duty. It is true that in the present condition of the treasury the establishment of a pension and retirement system would be attended by some financial difficulties. In view of the fact, however, that fully thirty years must elapse before any pension for length of service would accrue, and of the further fact that retirements from the service by reason of permanent incapacity to render further service will be comparatively few, it is possible that a pension and retirement law might be passed at this time.

For further and more complete details of the operations of the bureau of civil service reference is hereby made to the report of the director of civil service which is hereto annexed, marked "Exhibit No. 1," and made a part hereof.

EXECUTIVE BUREAU.

PERSONNEL OF THE BUREAU.

In January of the present year the chief clerkship of the executive bureau was abolished and a new division was created, known as the "law division." Mr. Thomas Cary Welch, chief clerk, was made chief of the law division, and Mr. Harry E. Laughlin, the law clerk, was made chief of the administration division. The duties formerly exercised by the chief clerk were distributed among the various chiefs of division, the largest measure falling to the second assistant executive secretary. The law division assumed all the duties which theretofore had been performed by the law clerk and his assistants. In addition to his other duties, the chief of the law division prepares for submission to the Commission drafts of proposed legislation, and makes a special examination of all legal questions affecting the

administration of provinces and municipalities, submitting to the executive secretary his conclusions and recommendations.

Appropriations for the 7 private secretaries to the members of the Philippine Commission are now carried under the headings "Executive" and "Philippine Commission," and are no longer charged to the executive bureau.

On June 30 the personnel of the bureau consisted of the executive secretary, assistant executive secretary, second assistant executive secretary, supervisor of land assessments, recorder of the Commission, 6 chiefs of division, 1 assistant chief of division, 97 clerks, 34 messengers, 2 special employees, 1 janitor, 1 watchman, and 14 laborers. Of this force, 43 are Americans and 118 Filipinos. The clerical force is made up of 31 Americans and 66 Filipinos.

CONVENTION OF PROVINCIAL GOVERNORS.

Call of the convention.—On the 22d of September, 1906, the governor-general called a convention of provincial governors, to be held at Manila on the 1st of October following.

Representation.—The convention met at 9 o'clock a. m., on the day appointed, with 29 provincial governors present and ready for the transaction of business. The provinces represented in the convention were Albay, Ambos Camarines, Bataan, Batangas, Benguet, Bohol, Bulacan, Capiz, Cavite, Cebu, Ilocos Norte, Ilocos Sur, Iloilo, La Laguna, Leyte, La Union, Mindoro, Misamis, Negros Occidental, Nueva Ecija, Nueva Vizcaya, Pampanga, Pangasinan, Rizal, Samar, Sorsogon, Surigao, Tarlac, and Tayabas.

Election of officers.—The Hon. Sergio Osmeña, provincial governor of Cebu, was elected chairman of the convention, and Señor Gregorio Nieva, of the staff of the executive bureau, was selected as secretary.

Matters submitted to the convention.—Among other matters submitted to the convention of provincial governors and considered by it were (1) the proposed new election law covering the election of representatives to the assembly and of provincial and municipal officials, (2) the areas of land under cultivation in the various provinces, (3) the amount of indebtedness and industrial conditions of the farming communities, (4) the land tax, (5) the relations of the constabulary force to provincial and municipal governments, (6) the construction of roads, (7) the financial condition of provincial governments, (8) the best method of disseminating information among the people concerning contagious diseases and their avoidance, (9) the improvement of sanitary conditions, and (10) the necessity for economy in municipal expenses.

Recommendations of the convention.—Many amendments to the proposed election law were submitted to the Commission by the con-

vention, practically all of which were accepted save those which appeared to be in conflict with the act of Congress of July 1, 1902.

With the exception of the amendments suggested by the convention to the proposed election law, the most important recommendation made by the convention was that which involved the election, instead of the appointment, of a majority of the provincial board. The proposed alteration in the method of selecting a majority of the members of the provincial board met the approval of the Commission. In practice it was found that the division superintendent of schools could not act as a member of the provincial board without prejudicing the interests of education in the province, and as there seemed to be no good reason why the organized provinces should not enjoy the same measure of autonomy as that conceded to the municipalities, the Commission so amended the provincial government act as to permit of the election of the provincial governor and a third member of the provincial board by popular vote. The provincial board as now constituted is composed of a provincial governor and third member elected by the people and of a provincial treasurer appointed by the governor-general with the approval of the Commission. The third member may be required to perform the duties of provincial treasurer and any other ministerial duties designated by the provincial board. While on duty the third member is entitled to such compensation as may be fixed by the provincial board, such compensation to be, however, not less than ₱5 nor more than ₱15 for each day of actual attendance.

On the recommendation of the provincial governors the position of provincial secretary was abolished, in the interest of economy, and the duties of that position were transferred to the office of the provincial governor.

The convention recommended that provinces be authorized:

(a) To make loans to municipal governments in amounts not to exceed 5 per cent of the assessed value of the real property within the municipality, interest on such loans not to exceed 3 per cent per annum.

(b) To provide for the payment of medical attendance, transportation, and hospital fees of unclassified employees and laborers disabled as a result of injuries received in the line of duty, and to pay, in the discretion of the board, compensation to such employees and laborers for a period not exceeding ninety days. In case of the death of unclassified employees or laborers as the result of injuries received in the service it was recommended that provincial boards be permitted to allow reasonable funeral expenses.

(c) To appropriate out of the road and bridge fund moneys for the removal of obstructions to navigation, and for the erection and

maintenance of wharves, piers, and docks in accordance with plans and specifications furnished by the bureau of public works.

(d) To make, subject to the approval of the governor-general, such appropriations out of general funds as may be necessary to promote the prosperity and welfare of the province.

It appearing to the Commission that provincial governments, under certain limitations, ought to be permitted to come to the relief of municipal governments within their confines; that some provision should be made for the benefit of employees and laborers injured in the provincial service; that the erection and maintenance of wharves, piers, and docks was necessary to give to highways and roads their highest usefulness; and that a wider authority might be given to provincial boards to expend, under executive approval, general funds, the provincial government act was amended accordingly. The necessity of the approval of the governor-general is the check on expenditures made for purposes other than those specified in the provincial government act as amended.

Governors Sergio Osmeña, of Cebu; Manuel Quezon, of Tayabas, and Jaime G. de Veyra, of Leyte, were appointed a committee by the governor-general to remain in Manila until further orders for the purpose of compiling and arranging in proper and convenient form for consideration the resolutions of the convention of provincial governors, and for the further purpose of furnishing such information concerning the recommendations submitted as might be required by the Commission.

THE LAND TAX.

Suspension of the land tax.—In view of the unanimous recommendation of the provincial governors and of the further fact that it was claimed that agriculture had not recovered from the effects of the war and the loss of cattle, the land tax was suspended for the calendar year 1907, and 50 per cent of the sum which in the absence of such suspension would have accrued to the various provinces either has been or will be paid out of insular funds. The net result of this arrangement was a loss to the provinces of 50 per cent of their land-tax revenue.

Without the land tax local governments would soon be in a very deplorable financial condition. Indeed, the loss of 50 per cent of the land-tax revenue so embarrassed several provinces that during the year they petitioned for permission to impose and collect the tax. These petitions were denied, first, because it would have been impossible to complete the new assessment in time; second, because the legislation required would have been special; and, third, because it was deemed advisable that provincial governments should be placed face

to face with the difficulties which would result from a permanent suspension of the land tax and brought to a realization of the fact that the land tax would have to be maintained or some other system of taxation substituted for it. The lesson was a very bitter one to many provincial governments, not so bitter, however, as to completely prevent agitation for a further suspension during the year 1908. For more than five years the Philippine Commission was constantly presented to the people as the bad partner who was responsible for the imposition and the maintenance of the hated land tax, the so-called burden on agriculture. During the fiscal year 1907 the Commission felt that it was no longer bound to endure the burden of criticism which it had sustained for many years purely and solely in the interest of local governments, and accordingly it transferred to provincial boards some, if not all, of the responsibility of continuing or suspending a tax which had no other purpose than that of aiding in the support of provincial and municipal governments. As resolutions for the suspension of the land tax must be adopted prior to the 1st of December in each year the power was reserved to the governor-general to suspend the tax on his own motion in case some great disaster or misfortune occurring subsequent to that date should render suspension necessary. The provincial boards of Cebu and Iloilo have adopted resolutions suspending the tax for the calendar year 1908. The provinces of Ambos Camarines, Batangas, and Ilocos Sur failed or refused to suspend the tax prior to December, and then through the provincial governors sought to induce the governor-general to suspend the tax of his own motion. In the absence of a resolution requesting a suspension the executive declined to intervene in the matter or to assume a responsibility which properly belonged to the provincial board.

Some twenty years ago there was a very large delinquent tax list resulting from the failure to pay the land tax. During the two years of suspension, however, this list has been very considerably diminished and it would seem certain that before the end of the present year the entire land tax list will be cleared up without resorting to sale of landed property.

New assessment of real estate.—The new assessment of real estate authorized by act No. 1455 has been completed. Taking into consideration that few parcels of land have been carefully surveyed, that the majority of landed proprietors have very indefinite ideas as to the area of their property, that titles have not been perfected, and that descriptions and documents showing or tending to show title are vague and indefinite, the work of reassessment has been as well performed as could be expected.

On May 1, 1907, the work of assessment by local boards of assessors and provincial boards of tax appeals had progressed so far that the central equalizing board was able to commence its duty of revising, reviewing, and equalizing the assessment rolls. The central equalizing board visited all the provinces for the purpose of hearing appeals from decisions of provincial boards of tax appeals and of equalizing the valuations fixed. But few reductions or increases were made by the equalizing board in the schedules of valuation adopted by provincial boards. Although the valuations are lower than those originally prevailing, the total assessed valuation in many of the provinces, if not the whole archipelago, will be greater than that of the first assessment. This is in large part due to the fact that many parcels previously assessed have been found of larger area than that declared, and that many parcels of land never before assessed have been discovered and included in the assessment rolls. The most bitter opponents of the land tax are the proprietors of large estates who are unable to cultivate the entire area owned by them and are therefore naturally opposed to a tax based upon valuation rather than upon income.

PROVINCIAL FUNDS.

Provincial receipts and disbursements.—The revenue of the various provinces of the archipelago for the fiscal year 1907 amounted to ₱2,579,255.80, and miscellaneous receipts to the sum of ₱1,473,418.93, or a grand total of ₱4,052,674.73, which represents the total amount received by the provinces during the fiscal year. There was in the treasuries of the provinces on July 1, 1906, the sum of ₱1,961,219.64, being the balance unexpended at the end of the fiscal year 1906. The grand total, made up of the receipts for the fiscal year 1907 and of the balance on hand at the end of the fiscal year 1906, was ₱6,013,894.37. This does not include the sum of Pfs. 27,757.44, Mexican and Spanish-Filipino currency, on hand in the various provincial treasuries on the 1st of July, 1906, or the sum of Pfs. 47,018.71, Mexican and Spanish-Filipino currency, received by such treasuries during the fiscal year 1907. The total expenditures of all the provinces for provincial purposes, exclusive of miscellaneous credits, were ₱3,703,415.03. The miscellaneous credits amounted to ₱262,670.43. The total expenditures, inclusive of miscellaneous credits, were ₱3,966,085.46, and the balance on hand in the provincial treasuries on the 30th of June, 1907, was ₱2,047,808.91. The expenditures and miscellaneous credits just mentioned do not include the sum of Pfs. 69,393.53, Mexican and Spanish-Filipino currency, turned into the insular treasury. The sum of ₱2,047,808.91, balance on hand June 30, 1907, does not include the sum of Pfs. 5,382.62, Mexican and Spanish-Filipino currency, on hand in the provincial treasuries at the end of the fiscal year 1907.

The following table will show in detail the revenues and miscellaneous receipts of the provincial governments during the fiscal year 1907, and the expenditures and miscellaneous credits of the provinces for the same period:

	Provincial.	
	Philippine currency.	Mexican and Spanish-Filipino currency.
DEBITS.	Pesos.	P/s.
Balance July 1, 1906.....	1,961,219.61	27,757.44
Revenues:		
All provincial—		
Registry of property.....	20,040.71	
Mining fees.....	2,570.00	
Rental of provincial property.....	5,408.67	
Prison labor.....	9,014.56	
Fares provincial launches.....	850.53	
Medical certificates, act No. 810.....	12.00	
Bay-San Pablo toll road.....	510.25	
Franchise tax, act No. 667.....	10.82	
Fees justice of the peace, act No. 1306.....	1,010.89	
Road tax, act No. 1306.....	31,882.00	
Fees provincial sheriff, act No. 176.....	87.44	
Various taxes pertaining exclusively to the Moro Province.....	98,874.65	
Customs (Moro).....	369,029.89	
Customs arrestre plant Jolo, act No. 1432 (Moro).....	8,067.96	
Miscellaneous.....	5,135.34	8.60
Joint provincial, municipal—		
Cedulas, act No. 83.....	5,230.40	
Cart.....	35,840.54	
Land, 1905 and previous years.....	247,745.29	
Industrial.....	80.51	
Debt franchise, act No. 1111.....	118.13	
Franchise tax, act No. 1303.....	38.07	
All municipal—		
Cattle registration, non-Christian inhabitants.....	556.00	
Internal revenue—		
Cedulas, act No. 1189.....	905,047.00	
Refund from insular treasury, act No. 1189.....	782,094.88	
Non-Christian portion.....	21,458.02	
Township and settlement portion.....	81,239.92	
Cedulas, act No. 1189—		
Non-Christian portion.....	2,668.00	
Township and settlement portion.....	44.50	
Opium certificates, act No. 1461, township and settlement portion.....	5.00	
Weights and measures, act No. 1519.....	189.84	
Total revenues.....	2,679,255.80	8.60
Miscellaneous receipts:		
Payments to provinces—		
Insular payment in lieu of land tax, acts Nos. 1465 and 1579.....	882,076.86	
Congressional relief, act No. 1406.....	44,600.00	
School building funds, act No. 1275.....	86,500.00	
General provincial purposes, act No. 1527.....	113,890.00	
Insular payment in lieu of land tax, act No. 1475.....	6,926.04	
Relief for municipality of Mavita, act No. 1527.....	821.87	
Cancellation of loans, act No. 1361.....	2,000.00	
Baguio-Trinidad road appropriation.....	1,308.35	
General provincial purposes, act No. 1306.....	346.15	
Loans to provinces.....	246,000.00	
Repayment of loans by municipalities.....	34,325.85	
Public contributions school building fund, act No. 1275.....	42,611.79	
Public contributions Tarlac dike fund.....	2,252.75	
Sale of rice, Congressional relief.....	5,931.18	
Sale of galvanized iron, Congressional relief.....	221.29	
To expenditures—		
Provincial funds, general purposes, refund cost tax sales.....	1,083.17	
Tabaco-Ligao road fund, roads and bridges, refund permanent equipment.....	312.00	
Congressional relief fund, general purposes, refund permanent equipment.....	101.00	
Exchanges of currency.....	58,121.13	47,010.02
Total miscellaneous receipts.....	1,473,418.93	47,010.02
Total debits.....	6,013,894.37	74,776.15

	Provincial.	
	Philippine currency.	Mexican and Spanish-Philippine currency.
CREDITS.		
Expenditures:		
Provincial funds—		
General purposes—	<i>Pesos.</i>	<i>P/s.</i>
Salaries of provincial officials.....	586,929.57	
Salaries of provincial employees.....	803,976.40	
Repairs and construction of buildings.....	209,700.42	
Traveling expenses and per diems.....	171,834.98	
Rentals for buildings.....	27,560.91	
Office supplies.....	53,496.11	
Permanent equipment.....	111,068.24	
Clerk of court fees.....	139,324.23	
Sheriffs' fees.....	26,401.52	
Feeding prisoners.....	142,270.09	
Premiums on bonds.....	25,530.39	
Purchase of land.....	8,343.00	
Coast tax sales.....		
Postage, mail and telegrams.....	48,255.46	
Miscellaneous.....	186,097.57	181.65
Roads and bridges—		
Labor and material.....	506,484.72	
Permanent equipment.....	60,630.46	
Purchase of land.....	125.00	
Schools—		
Salaries.....	87,014.74	
Repairs and construction of bridges.....	19,536.34	
Rentals for buildings.....	27,476.45	
Office supplies.....	1,068.36	
Permanent equipment.....	14,946.77	
Purchase of land.....	5,830.39	
Miscellaneous.....	17,983.79	
Congressional relief funds—		
General purposes—		
Repairs and construction of buildings.....	5,236.40	
Postage, mail and telegrams.....	27.92	
Miscellaneous.....	266.78	
Roads and bridges—		
Labor and material.....	34,929.39	
Permanent equipment.....	664.42	
Schools—Repairs and construction of buildings.....	5,428.32	
Congressional relief fund, act No. 1406—		
General purposes—		
Repairs and construction of buildings.....	1,661.37	
Permanent equipment.....	19.98	
Miscellaneous.....	7,805.35	
Roads and bridges—Labor and material.....	747.17	
Tarlac dike fund, act No. 1406—		
Roads and bridges—		
Labor and material.....	20,401.84	
Permanent equipment.....	4,702.27	
Bay-San Pablo road fund, act No. 1617—		
Roads and bridges—		
Labor and material.....	1,446.82	
Permanent equipment.....	829.44	
School building fund, act No. 1275—		
Schools—		
Repairs and construction of buildings.....	218,966.24	
Office supplies.....	14.80	
Permanent equipment.....	354.04	
Purchase of land.....	3,895.00	
Miscellaneous.....	10,326.54	
Tabaco-Ligao road fund, act No. 1260—		
Roads and bridges—labor and material.....	997.62	
Special road fund, act No. 1478—		
Roads and bridges—labor and material.....	4,781.47	
School fund, act No. 1603—		
Schools—		
Repairs and construction of buildings.....	11,824.76	
Permanent equipment.....	23.13	
Miscellaneous.....	61.58	
School building fund, act No. 1554—		
Schools—		
Repairs and construction of buildings.....	19,833.57	
Permanent equipment.....	166.43	
Non-Christian inhabitants' fund—		
General purposes—		
Salaries of employees.....	66.72	
Miscellaneous.....	192.65	
Schools—		
Salaries of employees.....	285.00	
Repairs and construction of buildings.....	61.50	
Miscellaneous.....	814.24	

	Provincial.	
	Philippine currency.	Mexican and Spanish-Philippine currency.
CREDITS—continued.		
Expenditures—Continued		
Township and settlement fund—		
General purposes—		
Salaries of employees.....	<i>Pesos.</i> 1,984.00	<i>Pfs.</i>
Repairs and construction of buildings.....	178.57	
Miscellaneous.....	48.95	
Roads and bridges—labor and material.....	2,325.00	
Schools—salaries of employees.....	244.00	
Road and bridge and public work fund, act No. 1396—		
General purposes—Repairs and construction of buildings.....	20,551.71	
Roads and bridges—		
Labor and material.....	12,321.44	
Permanent equipment.....	.45	
Schools—Repairs and construction of buildings.....	408.90	
Provincial building fund, act No. 1416—		
General purposes—		
Repairs and construction of buildings.....	15,185.56	
Permanent equipment.....	98.59	
School assistance fund, act No. 797—		
Schools—Salaries of employees.....	1,320.24	
Special provincial building fund—		
General purposes—Repairs and construction of buildings.....	5,067.26	
Villaverde trail fund—		
Roads and bridges—Labor and material.....	2,610.63	
Provincial launch fund, act No. 1473—		
General purposes—Permanent equipment.....	1,516.42	
Industrial and agricultural school fund, act No. 1361—		
Schools—Repairs and construction of buildings.....	73.46	
Congressional relief fund Gandara Valley—		
Schools—Repairs and construction of buildings.....	1,790.13	
Total expenditures.....	8,708,415.08	181.65
Miscellaneous credits:		
Allowances under section 42, act No. 1402.....	440.57	
Loans to municipalities.....	32,500.00	
Repayments of loans to insular government.....	83,229.88	
Payment to municipality, for cancellation loans.....	2,000.00	
Payment to municipality from congressional relief fund.....	7,900.00	
Transfer to township and settlement fund.....	10,856.58	
Exchanges of currency.....	30,157.08	69,057.62
Transfer to municipal fund from rancherias fund.....	32.00	
Payment to township from township and settlement fund.....	800.00	
Allowance for losses, act No. 1008.....	948.74	154.26
Advances to customs officers (Moro).....	81,263.23	
Advances to customs officers arrastre plant (Moro).....	1,500.00	
By revenue, joint provincial-municipal stamps previous years.....	40.82	
Refund unexpended balance appropriation, act No. 1306.....	1.00	
Total miscellaneous credits.....	262,670.45	69,211.88
Balance June 30, 1907.....	2,047,808.91	5,332.62
Total credits.....	6,013,894.37	74,776.15

Deposits of provincial funds.—Experience has shown that a considerable sum on hand in the various provincial treasuries at the end of each fiscal year might have been safely deposited on time deposit with government depositories and returned to the channels of trade and commerce until required for current provincial expenses or public works. Such sums are now deposited with the government depositories and accomplish the double purpose of earning interest for the benefit of the provinces and of aiding the circulation of money among the people. Notwithstanding the reduced revenues of provincial governments, due to the suspension of the land tax and the reimbursement of only 50 per cent thereof out of insular funds, it was

found possible during the fiscal year 1907 to deposit with government depositories at $3\frac{1}{2}$ per cent per annum the sum of ₱1,580,050 belonging to the provinces. The additional income derived by provincial governments from such deposits is the sum of ₱55,317.50 per annum. Officials have become more familiar with the system and can now so distribute their deposits that they will fall due at convenient times for the purpose of meeting provincial expenses. It is expected that during the fiscal year 1908 the deposits will reach the sum of about ₱2,000,000 which will probably add about ₱70,000 per annum to provincial funds.

Economies in salary expenses.—During the fiscal year 1907 it was suggested that one fiscal might, without undue difficulty, do duty in two provinces instead of one, as has been the practice in the past, and that the position of fiscal for some of the provinces might be wholly abolished and an assistant attorney from the attorney-general's office detailed to perform the duties formerly imposed on the fiscal. It was also found that in many of the smaller provinces the offices of clerk of the court and clerk to the provincial governor might be consolidated, in the interests of economy and to the advantage of the service. Since the termination of the fiscal year 1907 many of these reforms have been carried into effect, resulting in a substantial reduction of provincial expenses.

MUNICIPAL FUNDS.

Municipal revenues during the calendar year for general purposes amounted to ₱3,755,408.98, and for school purposes to the sum of ₱624,829.70. Miscellaneous receipts of municipalities for general purposes amounted to the sum of ₱611,145.39, and for school purposes to the sum of ₱840,222.54. The balance on hand January 1, 1906, to the credit of the general fund was ₱606,047.02, and to the credit of the school fund ₱447,550.96. The revenues and miscellaneous receipts of municipalities for the calendar year 1906 do not include the sum of ₱11,414.36 to the credit of the cemetery fund. The expenditures of municipalities out of the general fund for municipal purposes, exclusive of miscellaneous credits, were ₱3,731,409.66, for school purposes, ₱1,078,632.40, and for cemeteries, ₱609.30. In addition, there were expended out of the general fund as miscellaneous credits ₱150,874.52, and out of the school fund as miscellaneous credits ₱28,414.56. The total expenditures of municipal governments for the calendar year 1906 out of general funds, inclusive of miscellaneous credits, were ₱3,882,284.18, and out of the school fund ₱1,107,046.96. The balance on hand in municipal treasuries on December 31, 1906, to the credit of the general fund was

₱1,090,317.21, to the credit of the school fund, ₱805,556.24, and to the credit of the cemetery fund, ₱10,805.06.

The following table will show in detail the revenues and miscellaneous receipts of municipalities during the calendar year 1906, and their expenditures and miscellaneous credits during the same period:

	General fund.	School fund.	Cemetery fund.
DEBITS.			
Balance January 1, 1906.....	₱606,047.02	₱447,550.96	
Revenues:			
Internal revenue—			
Refund from insular treasurer, act No. 1189.....	733,218.21	361,808.00	
Cedulas, act No. 1189.....	823,888.32		
Licenses, act No. 1189.....	233,601.78		
Opium certificates, act No. 1461.....	30,313.00		
Joint provincial and municipal—			
Cart.....	32,566.14		
Land, 1905 and previous years.....	224,693.76	256,746.89	
Industrial tax.....	383.63		
Municipal—			
Fishes.....	129,211.77		
Cattle registration.....	251,390.46		
Rents, profits, and privileges.....	652,682.09		
Licenses.....	349,071.89		
Fines.....	219,572.84		
Sales of estrays.....	32,319.16		
Miscellaneous.....	12,325.71	6,274.81	
Cemetery.....			₱10,899.36
Property tax.....	15,775.06		
Cedulas—			
Act No. 83.....	7,105.97		
Act No. 1397.....	546.00		
Stamp tax (Spanish).....	13.69		
Forestry, 1904.....	956.57		
Franchise tax—			
Act No. 1111.....	219.65		
Act No. 1112.....	1,820.55		
Building permit (Moro).....	3.00		
Latrine (Moro).....	1,091.04		
Frontage (Moro).....	2,063.57		
Street cleaning (Moro).....	582.10		
Total revenues.....	3,755,408.96	624,829.70	10,899.36
Miscellaneous receipts:			
Insular payment in lieu of land tax, act No. 1455.....	576,078.85	690,757.56	
Insular payment in lieu of land tax, act No. 1475.....	8,453.61	8,453.63	
Loans from province.....	10,574.00	8,900.00	
Transfers.....	1,427.47	116,385.86	515.00
Special appropriation, act No. 1527.....	12,374.66		
Police aid fund, act No. 631.....	986.00		
Public contributions Tarsac Dike.....	450.80		
Allotment township and settlement fund.....	800.00		
School assistance fund, act No. 797.....		1,697.81	
Insular aid to schools, resolution Commission, January 16, 1906.....		13,877.68	
Received from Insular Government, act No. 1416.....		250.00	
Total miscellaneous receipts.....	611,145.39	840,222.54	515.00
Total debits.....	4,972,601.39	1,912,608.20	11,414.36
CREDITS.			
Expenditures:			
Salaries of officials.....	884,207.70		
Salaries of employees.....	710,340.60	845,446.11	
Salaries and maintenance of police.....	1,035,814.59		
Furniture, office supplies, etc.....	202,495.74	27,982.08	
Rent.....	41,292.89		
Construction, repairs, and improvements.....	461,789.63	151,101.20	
Street lighting.....	62,356.10		
Miscellaneous.....	320,323.18	52,550.68	
Cemetery.....			609.30
Construction, repairs, and improvements, act No. 1527.....	3,756.23		
School assistance fund, act No. 797.....		1,552.33	
Total expenditures.....	3,731,409.66	1,078,632.40	609.30

	General fund.	School fund.	Cemetery fund.
CREDITS—continued.			
Miscellaneous credits:			
Repayment of loans to province	26,358.85	11,844.20	
Transfers	116,900.88	1,427.47	
Payment to province—			
Act No. 1275	4,600.00	15,000.00	
Tariac Dike	1,000.00		
Losses, section 41, act No. 1402	2,024.81	642.69	
Losses, section 42, act No. 1402	90.50		
Total miscellaneous credits	150,874.52	28,414.56	
Balance December 31, 1906	1,000,817.21	805,556.24	10,805.06
Total credits	4,972,601.39	1,912,603.20	11,414.36

PUBLIC IMPROVEMENTS IN MUNICIPALITIES.

Six years of experience proved to a demonstration that the majority of municipal governments were disposed to expend almost all the municipal revenues and receipts for salaries and wages and to devote to public improvements and betterments little, if any, of the taxes and contributions collected from the people. Careful investigation of the expenditures of municipalities shows that out of 685 municipalities 88 expended the entire general fund for salaries and not a single cent on permanent improvements. Sixty-three municipalities spent less than 1 per cent and 163 less than 10 per cent on public works and betterments. In consequence of this state of affairs the Commission felt itself obliged to curtail in some measure the autonomy of municipalities in the expenditure of municipal funds, and to limit the amount which municipalities of the various classes might expend on salaries. This limit was fixed at 50 per cent for municipalities of the first class, 60 per cent for municipalities of the second class, 65 per cent for municipalities of the third class, and 75 per cent for municipalities of the fourth class. The effect of this limitation in expenditures for municipal salaries will be, first, to oblige municipalities to expend some of the taxes and receipts collected on public betterments, and, second, to permit of the separation of many municipalities which were annexed to other municipalities in the hope that more money might be available for public improvements. Experience shows that notwithstanding the fusion of municipalities either nothing or very insignificant sums were expended on public works, and that the towns annexed to other municipalities were practically abandoned to their own devices and received no benefit whatever from the taxes paid by them.

CHANGES IN MUNICIPAL AND PROVINCIAL GOVERNMENTS.

During the fiscal year 21 new municipalities were created by reconstituting municipalities which had been annexed to others. Since the termination of the fiscal year 1907, twenty-eight additional

municipalities have been reconstituted. During the fiscal year nine municipalities were so combined with other municipalities as to reduce the number of municipalities by four. Since the termination of the fiscal year the number of municipalities has been reduced by two. The total number of municipalities in existence on the date of this report is 630.

For the purpose of establishing some form of government for the mountain people of Cagayan and Lepanto-Bontoc the subprovinces of Apayao in Cagayan and of Kalinga in Lepanto-Bontoc were created. A new boundary between the subprovince of Amburayan and the provinces of Ilocos Sur and La Union was established. The province of Agusan has been carved out of the provinces of Misamis and Surigao, and this new province in its turn has been divided into the subprovinces of Butuan and Bukidnon. The creation of the province of Agusan and the subprovinces of Butuan and Bukidnon resulted from the fact that the people residing within the limits now defined for the new province were either badly governed or received but little attention from the provincial officials of Misamis and Surigao. The province of Romblon was unable to maintain itself on the revenues available for its support and was annexed to the province of Capiz. The number of provinces is still 38. Seven of them, however, are governed under the provisions of the special provincial government act.

DISTRICT AUDITOR SYSTEM.

The lack of proper investigation of municipal accounts, and the fact that the auditor's office in Manila could not make frequent and careful examinations into the financial affairs of provincial governments, resulted in the establishment of the district auditor system. The islands have been divided into districts and to each district has been assigned an auditor whose duty it is to make frequent examinations, not only of the accounts of provincial treasurers, but also of municipal treasurers. As a result illegal collections and expenditures are now less frequent, and the expense of the system has been saved many times over to taxpayers. In addition to the examination of municipal and provincial accounts the district auditors are required, within their respective jurisdictions, to report upon damaged, lost, or surplus property of the insular government. The performance of this duty by the district auditors has made possible the prompt dispatch of property inspections and has checked to a very considerable degree the wasteful handling of government property. Property when no longer needed by the department or bureau accountable for it was frequently sold instead of being transferred to some other department or bureau in which it might have been used to advantage. This unsatisfactory condition has been largely remedied by means of

the district auditors, who, knowing to some degree the needs of the various bureaus and departments of the government, are in a position to recommend transfers rather than sales of public property.

CABLE TOLLS.

The total cable tolls paid by the government during the fiscal year 1907 amounted to ₱17,080.22, as compared with ₱19,066.76 paid during the fiscal year 1906.

FIREARMS.

During the fiscal year a consistent and persistent effort has been made to reduce the number of firearms in the hands of others than peace officers of the government. The practice of arming municipal police with rifles has also been discouraged, and municipalities not exposed to raids or assaults by bandits or marauders have been enjoined to arm their police with revolvers and clubs instead of a weapon which is of but little use at close quarters and a positive danger to the peaceful citizen if used in the centers of population. Six hundred and seventy-eight new firearm permits were issued in the provinces during the fiscal year just passed as compared with 1,005 issued during the fiscal year 1906. In addition to the 678 firearm permits issued in the provinces 920 permits were issued for firearms in the city of Manila. This is a very large number of permits, but was due to the existence of authorized gun clubs and to the fact that many of the citizens of Manila are fond of hunting. The number of permits issued in Manila during the fiscal year 1906 was 961.

The following table will show the number of new and renewed permits issued, the number of permits outstanding June 30, 1907, the number of permits canceled, the number of firearms lost, the number of firearms destroyed by fire, and the number of bonds canceled:

	Fiscal year 1906.	Fiscal year 1907.
New permits issued:		
Provinces	1,005	678
Manila	961	920
Renewed permits:		
Provinces	2,710	2,018
Manila	191	345
Permits outstanding June 30:		
Provinces	3,750	3,847
Manila	1,555	1,959
Permits canceled:		
Provinces	190	562
Manila	335	516
Firearms lost and bonds forfeited:		
Provinces		19
Manila		2
Firearms lost, cases pending:		
Provinces		
Manila		2
Firearms destroyed by fire, bond canceled:		
Provinces		
Manila		1

TRANSPORTATION OF GOVERNMENT OFFICIALS AND EMPLOYEES TO AND FROM THE UNITED STATES.

Transportation on commercial liners at the government rate was furnished to 412 government students, officials, and employees, exclusive of their families. Two hundred and ninety-seven passengers were transported on army transports at the request of the insular government. In addition to the government students, officials, and employees carried on army transports and on commercial liners, 56 indigents, vagrants, and conditionally pardoned prisoners were transported to the United States at the expense of the insular government.

PARDONS.

The pardon committee appointed by Executive order No. 24, series 1906, examined during the fiscal year 1907 the antecedents and records of 285 prisoners sentenced for bandolerismo, sedition, and insurrection. Conditional pardon was recommended in 108 cases, commutation of sentence in 76, and denial of pardon or commutation in 101 cases. During the year very considerable pressure has been brought upon the executive to pardon municipal, provincial, and insular prisoners in honor of some festal occasion or day of rejoicing. This is a survival of the old Spanish practice. The executive has declined to grant petitions on any such ground, for the reason that the establishment of any such precedent would serve to create the belief that infractions of the law were lightly regarded by the executive, and for the further reason that any such exercise of power by the executive would finally result in bringing into contempt both the legislative and judicial departments of the government. The extent to which executive clemency is sought may be realized when it is considered that during the fiscal year 1907, 1,549 petitions for pardon were carefully investigated and considered by the executive. The governor-general released 6 prisoners on parole, commuted the sentences of 110 prisoners, and issued 321 pardons. Twenty-one hundred and thirteen cases were under investigation or pending decision on June 30, 1907.

CHARGES AGAINST PROVINCIAL AND MUNICIPAL OFFICIALS.

During the fiscal year 1907 two provincial officials, both Americans, were removed for cause, and during the same period charges against 182 justices of the peace, auxiliary justices of the peace, and municipal officials were investigated. Of the 182 officials charged with misconduct or neglect of duty 127 were found guilty and 55 acquitted. Eighty of those found guilty were removed from office. The number of officials tried and removed during the year 1907 is lower than that of any year since 1904. At the close of the fiscal year 69 cases against municipal officers were pending before provincial boards and

none awaiting the action of the executive bureau. The number of cases pending against justices and auxiliary justices of the peace at the close of the fiscal year can not be given. Such cases are now handled by the judges of first instance. While the total number of officers charged is greatly reduced, the charges for abuse of authority greatly increased during the year 1907, as compared with the previous year. There were 100 charges of abuse of authority by municipal officials during the fiscal year just ended, as compared with 39 for the year 1906. It is thought that this does not show that there were more abuses of authority in 1907 than in 1906, but rather that the people are now more disposed to assert their rights and to demand relief from abuses which they had theretofore endured in silence.

ELECTIONS AND THE ELECTION LAW.

The general election law.—In view of the call for a popular assembly it became necessary to pass proper legislation for the holding of the election for delegates thereto, and, as it was apparent that the elections for delegates and for municipal and provincial officers should finally be held on the same date, and that important changes should be made in the manner and mode of electing municipal and provincial officers, a general election law was prepared and submitted to the Commission. The law as proposed was submitted to the convention of provincial governors and also to public discussion. After careful consideration of the recommendations of the provincial governors and of the amendments suggested at the public hearing a general election law was passed by the Philippine Commission on January 9, 1907. Under this law an election for municipal officials, provincial governors, third members of provincial boards, and delegates to the assembly must be held on the first Tuesday after the first Monday in November of each odd-numbered year. With the exception of those elected at the first election held under the law, provincial and executive municipal officers hold office for two years, one-half the councilors being elected biennially for a four-year term.

Qualifications of voters.—Some criticism has been made of the qualifications required of electors, and the claim has been made that the qualifications for voters are far more stringent than those prescribed in the United States. This criticism and claim would be important if true. The fact is that the qualifications fixed for voters are far more liberal in the Philippines than in any State of the Union, except those granting the suffrage to all citizens of the United States having the required residence in the State, district, and precinct. In Louisiana and South Carolina every voter must be able to read a clause of the Constitution or own property to the value of \$300. In Massachusetts and Connecticut the elector must be able

to read a clause of the Constitution without alternative, and in New Hampshire he must be able to fill out his application for registry in his own handwriting. In the Philippines any person 23 years of age, a resident of the municipality for six months, and not a citizen or subject of any foreign power may be a voter if he is the owner of real estate worth ₱500, or if he pays annually ₱30 of the established taxes, or if he speaks, reads, or writes either English or Spanish, or if he held during Spanish rule the office either of municipal captain, *gobernadorcillo*, *alcalde*, *teniente de barrio*, *cabeza de barangay*, or member of an *ayuntamiento*. No person can be an elector in the Philippines who is delinquent in the payment of taxes, or if he has violated the oath of allegiance, or has been guilty of rebellion against the United States since May, 1901, or had contributed to the same, or if he has been deprived of the right to vote by the sentence of a competent court.

Inspectors of election.—The general election law takes the registration of voters out of the hands of municipal authorities and places it under the jurisdiction of a board of inspectors composed of representatives of the two political parties polling the greatest number of votes at the previous election.

Restrictions.—Public officers must resign before they can become candidates for election to any office other than the one held. Judges of first instance, justices of the peace, provincial fiscals, and officers and employees of the constabulary and of the bureau of education are prohibited from taking any part in elections except to vote. This restriction of the right of officials to become candidates for office or to take part in elections is somewhat drastic, but it is very necessary in the Philippines, in view of the fact that the mass of the people, by reason of centuries of experience with a strongly centralized government, are inclined to be governed by the political opinions of the official rather than by their own judgments.

Changes in provincial boards.—Prior to the passage of the general election law the provincial board was composed of a provincial governor, elected by the municipal councilors and vice-presidents, and of two nonelective officials, one of whom was the provincial treasurer. Under the general election law two members of the provincial board, namely, the provincial governor and the third member, are made elective, and both are elected by popular vote instead of by the municipal councilors and vice-presidents. This is one of the most important changes accomplished in provincial governments by the new election law.

Registration under the general election law.—The registration under the general election law for the elections held on July 30, 1907, for assemblymen, and the registration for the elections held for provincial and municipal officials on the first Tuesday after the first Monday

of November, passed off without friction in most of the municipalities and provinces, and in general it may be said that the election boards acquitted themselves creditably. In one province, that of Capiz, gross frauds were perpetrated by corrupt boards, which registered many persons who were not at all entitled to vote and refused to register many others who were. These corrupt boards were promptly investigated by a representative of the attorney-general's office, and those engaged in perpetrating the frauds were prosecuted, found guilty, and sentenced to imprisonment. The registration of voters in the province of Mindoro was also very unsatisfactory. Indeed, the provincial governor reports that in several municipalities of that province "The sick, the lame, and the halt have had to be called upon to help supply material for officials of election, and the electors have even imported their candidate." The registration of voters in the Batanes Islands and in the province of Palawan was also unsatisfactory. In Mindoro only 622 votes were cast for delegate, and in Palawan only 228.

Protested elections.—The elections for governors in the provinces of Batangas, La Laguna, and La Union have been protested on the ground of ineligibility and are awaiting the decision of the executive. The elections for governors in the provinces of Cagayan, Capiz, Cavite, La Union, Pampanga, Pangasinan, Rizal, Sorsogon, and Tarlac have been contested for irregularities in holding the elections, and these contests are now awaiting decision by the courts of first instance. Unofficial notice has been received that the election for governor in the province of La Union, contested on the ground of irregularities, has been resolved in favor of the governor-elect by the court. Contests in the election of municipal officials to the number of 112 have been filed in the various courts of first instance. In 10 of the cases the elections have been annulled, in 38 the elections have been sustained, and 64 cases are awaiting trial and decision.

LAWS OF THE MORO PROVINCE.

Thirty-six certified copies of laws of the Moro Province were received by the recorder and presented to the Commission for approval in accordance with section 32 of the Moro government act (No. 787). Thirty-three of the laws so presented were approved by the Commission. Three were made the subject of correspondence with the provincial governor and were subsequently withdrawn by the legislative council of the Moro Province.

AGRICULTURAL CONDITIONS.

Rice.—The rice crop in the provinces of Abra, Albay, Antique, Batangas, Benguet, Cavite, Ilocos Norte, La Laguna, Mindoro, Nueva Ecija, Palawan, Pangasinan, Surigao, and Zambales was

excellent. The production of rice during the fiscal year 1907 in the provinces of Abra, Albay, Batangas, Benguet, Cavite, La Laguna, Nueva Ecija, Palawan, Pangasinan, and Surigao was especially notable. In the province of Ambos Camarines the crop was almost totally destroyed by mice. In Bataan, Capiz, Iloilo, Lepanto-Bontoc, Misamis, Pampanga, and Romblon much of the rice crop was lost either for lack of rains or by reason of the ravages of locusts and worms.

Abaca.—The production of abaca in the provinces of Ambos Camarines, Antique, Batangas, Bohol, Capiz, and Samar was greater than during the previous fiscal year. Due to the typhoon of 1905 the production of abaca in the provinces of Albay and Sorsogon during the year 1907 was still somewhat short of normal. Samar, one of the most important hemp-producing provinces, exported more hemp in the fiscal year 1907 than during any year since American occupation. The price of hemp has fallen from an average of ₱20 per picul to ₱13 per picul. Inferior grades of hemp will in all probability command lower prices than at any time since the war with Spain.

Copra and cocoanuts.—There was a noteworthy improvement in the production of copra in Antique, Bohol, Capiz, Palawan, Pangasinan, Romblon, and Samar. One hundred million five hundred thousand cocoanuts were gathered in La Laguna Province, 63 per cent of which were converted into copra. Locusts destroyed the product of 70,800 trees in Misamis. Nevertheless, the yield in that province was more than that of the previous year.

Tobacco.—There was an increased production of tobacco in the provinces of Nueva Ecija and Pangasinan. Due to the inundation of the Cagayan valley during the year 1906, the crop of tobacco produced in the province of the same name was very much smaller than that of previous years. The product in Ilocos Norte and Iloilo was less than during the previous year. The quality of the tobacco in the provinces of Cagayan and Isabela has deteriorated considerably and low prices have prevailed. Whether the tobacco has deteriorated as a result of low prices or whether low prices have prevailed because of the deterioration is a disputed question. I think it is fair to say, however, that to some degree low prices have contributed to the deterioration, and that to some degree the farmer himself has brought about low prices by producing bad tobacco and so impairing the reputation of his product in Europe as to cause a substantial falling off in the demand. For the purpose of improving the quality of the tobacco the Commission has offered premiums to the small farmers for the best quality of crop, for the best sorted crop, and for the best sorted and best packed crop. It is expected that the offering of these premiums and the internal-revenue regulations, which make it to

the interest of the farmer to properly sort and pack his crop, will result in restoring the reputation of Philippine tobacco and in higher prices for a better product. The lack of wrapper leaf in the Philippine Islands has placed the local manufacturers at a great disadvantage in competing with tobacco from the Dutch possessions.

Sugar.—In the provinces of Abra, Batangas, Pangasinan, and Zambales there was an increased production of sugar. These provinces, however, are not large producers of sugar. In Bataan and Pampanga the sugar crop was practically a failure. In Iloilo, Capiz, and Occidental Negros, which are sugar-producing provinces on a large scale, the production was somewhat less than normal, due to low prices and the general discouragement of sugar planters.

Maguey and sisal.—In Abra, Cagayan, Ilocos Norte, Ilocos Sur, Pangasinan, and Zambales there has been a great increase in the areas planted and considerable enthusiasm over the results obtained. The prices of maguey, however, are less than during the fiscal year 1906.

Corn.—There was an increased production of corn in Abra, Batangas, Cagayan, La Laguna, and Zambales. In Misamis one-third of the crop and in Antique the entire crop was destroyed by locusts.

Coffee.—Lepanto-Bontoc is probably the most important coffee-producing province in the islands. Its crop this year, however, was short. Batangas, which was once famous for its coffee, has abandoned further efforts to save its coffee plantations and is dedicating itself to the uprooting of the trees and to the substitution of abaca plants therefor.

Cacao.—Cacao is raised in many of the provinces, but in such small quantities that it can not be considered a very important product of the islands. It has a future, however, and the investment of capital in cacao plantations will develop a very lucrative and valuable industry.

Garden truck and fruit.—The experimental station at Baguio has proved that Irish potatoes, corn, squash, cantaloupes, celery, parsnips, tomatoes, pease, sweet potatoes, and string beans can be produced in great perfection in the province of Benguet, and many of the native peoples of that province are now devoting themselves to the raising of garden truck and vegetables. The production of yams, peanuts, melons, tomatoes, and mangoes was 50 per cent larger in Cavite than during the year 1906.

DISEASES OF ANIMALS AND AGRICULTURAL PESTS.

Rinderpest and other cattle diseases worked considerable damage in the provinces of Ambos Camarines, Antique, Bulacan, Cavite, Ilocos Sur, La Union, Misamis, Pampanga, Pangasinan, Nueva Ecija, and Zambales.

Surra prevailed in the provinces of Bohol, La Union, Misamis, Pampanga, and Zambales.

There was an outbreak of anthrax in Lepanto-Bontoc which carried off some 400 cattle. Strict quarantine and other sanitary precautions checked the ravages of this disease, and there appears to be no further danger that it will extend beyond the locality where it first appeared. It seems that many years before there had been an outbreak of anthrax at the same place at which anthrax made its appearance in the year 1907. Veterinarians who have carefully investigated the cause of the reappearance of the disease at this place are of the opinion that the soil was infected beneath the surface, and that the surface was reinfected by earthworms which made their appearance in great numbers some few weeks before anthrax developed among the cattle.

Locusts, worms, and insect pests.—Considerable damage was done to the rice crop by worms in many of the provinces. In Antique, Misamis, Occidental Negros, Oriental Negros, Romblon, and Masbate there was a great plague of locusts. Locusts also appeared in Samar but inflicted damage in only three or four municipalities.

Considering the provinces as a whole there was a decided betterment of agricultural conditions and a very decided increase in production, especially in the rice producing provinces.

PUBLIC ORDER.

In the provinces of Ambos Camarines, Albay, Abra, Antique, Bohol, Bulacan, Cagayan, Ilocos Sur, Isabela, La Union, Leyte, Misamis, Occidental Negros, Oriental Negros, Pangasinan, Pampanga, Romblon, Surigao, Sorsogon, Tarlac, and Zambales crimes of violence have been few and isolated, and it may be said that general peace and tranquillity have reigned supreme during the entire year. In Bataan the peace and good order of the province was broken but once and that through the escape of some provincial prisoners, all of whom, with the exception of two, were recaptured or killed within a month after their flight. The only disturbance of the public peace which occurred in Batangas was caused by the operations of six or seven brigands near the boundary line of the provinces of La Laguna and Tayabas. This band confined its operations to the robbing and killing of laborers who were passing from one province to another in search of work. With the exception of two, all the members of this band have been captured. In Capiz there was no disturbance of the public order save that caused in the municipality of Tupas by brigands and cattle thieves, who commenced operations after the removal of the constabulary post from that place. Compared with the previous year, the number of assaults and robberies committed in the province of Iloilo has greatly decreased. Brig-

andage, which has always existed in that province, is very much on the wane, and by provincial officials and the constabulary it is considered as good as exterminated.

In Ilocos Norte during the month of July, 1906, two prisoners, the Butardo brothers, who had just been released from Bilibid, endeavored to organize in all the municipalities an armed uprising against the constituted authorities. The plot was discovered by the provincial governor and through his efforts, aided by the constabulary, the plotters and their accomplices were captured, together with their arms, ammunition, and incriminatory papers. In this conspiracy no person of social or political prominence was implicated. With the exception of this conspiracy, which was "nipped in the bud," it may be said that perfect good order has reigned in the province of Ilocos Norte.

Since the death of Felizardo and the surrender of Montalon, Sakay, Villafuerte, and De Vega in the months of April, May, and July, 1906, there have been no disturbances in La Laguna, Rizal, or Cavite.

In Nueva Ecija a band of carabao thieves and ladrones operated during the months of May and June, 1907, but the capture of Nicolas Gutierrez, the leader of the band, put a stop to its raids, assaults, and mischievous activities.

In view of the fact that Samar had been very peaceful since the beginning of the calendar year the military were requested in the month of September to suspend military operations. It is thought that through the influence of the civil authorities and the cooperation of the constabulary the capture or destruction of Otoy and the few outlaws yet remaining in Samar can be accomplished without the aid of the military. The people of Samar, with the exception of Otoy and a small number of adherents, have returned to their usual avocations and pursuits. Otoy, however, is a constant menace to peace and good order. Indeed, a resuscitation of disorder may be expected should he be given an opportunity to settle down and devote himself to inciting the fanaticism and playing upon the credulity of the ignorant people who live in the mountains or in their vicinity.

In Leyte, Felipe Idos, the last pulahan of prominence, has surrendered and has been tried and condemned by the court. Filipinos and Americans all agree that Leyte has seen the last of pulahanism and that no further disturbances of the public order may be expected.

The people of Lepanto-Bontoc have almost ceased head-hunting and are growing more friendly to the government every day. The secretary of the interior and the governor-general traveled through this province without a guard and were received everywhere with friendly demonstrations and expressions of good will.

Under the able administration of Governor Bliss splendid progress has been made in bringing about orderly government among the Moros and other non-Christians of the Moro Province. Especial attention is invited to the report of Governor Bliss, which is included as an exhibit in the report of the executive secretary hereto annexed and marked "Exhibit No. 2."

The condition of good order and peace existing in every part of the archipelago at the writing of this report is very satisfactory. That, however, does not mean that the Philippine Islands have seen the last of organized bands of outlaws or of raids and assaults by armed fanatics. Robo en cuadrilla and band robberies have been in evidence so long that "the memory of man runneth not to the contrary." Pulahanes, Babaylanes, Diosdios, Colorum, Guardias de Honor, Santa Iglesias, and other fanatical organizations excited disorder, raided towns, and destroyed life and property long before the first American put foot upon the soil of the Philippines. Until education shall have done its work with the mass of the people, until enlightenment shall have made it impossible for the fanatic to play upon the superstition and credulity of the man of the fields, and until the children of the humble workingman have been taught to think for themselves and to realize that blind obedience to caciques is no longer necessary for their personal safety, sporadic disturbances of the public order may be expected which will be unimportant or serious according to whether they are promptly checked or permitted to gather headway.

The constabulary have made an excellent record in suppressing lawlessness and maintaining good order in the provinces, and much of their success in that behalf may be attributed to the friendly relations maintained by them with the people and with provincial and municipal officials. This good understanding is largely due to tactful and prudent dealing with the people and with provincial and municipal officials, and, above all things, to the fact that the constabulary force as a body has come to regard itself as a civil and not a military organization.

CONSULAR CORPS.

The consular representatives at the date of writing this report for the different countries, residing in Manila, Iloilo, and Cebu, are shown below:

MANILA.

Argentine Republic: Hon. Alberto Manigot, vice-consul of the Argentine Republic for Luzon, 12 Plaza Santa Ana, San Sebastian.

Austria:

Hon. P. Krafft,^a Austrian-Hungarian consul (absent in Europe), 15 Novalliches, San Miguel.

Hon. Adolf Determann,^a acting Austrian-Hungarian consul, 15 Novalliches, San Miguel.

^a Consuls de Carriere.

Belgium: Hon. Ch. Le Vionnois,^a consul for His Majesty, the King of the Belgians, 187 Calle San Marcellino.

Brazil: Hon. M. Henry, consul for Brazil, 21 Plaza Moraga.

Chile: Hon. A. Malvey, consul for Chile, 15 Marques de Comillas.

China: Hon. Su Yu-tchu,^a His Imperial Chinese Majesty's consul-general, 48 P. Calderon de la Barca.

Denmark: Hon. Francis Stuart Jones, acting consul for His Majesty, the King of Denmark, 16 Carenero.

France:

Hon. F. L. M. Labrousche,^a consul for the Republic of France, 51 Calle Soledad.

Count Leo Sleyes de Veynes, vice-consul for the Republic of France.

Germany: Dr. Franz Gruenenwald,^a His Imperial Majesty the German Emperor's consul, 346 Real Malate.

Great Britain:

Hon. W. J. Kenny,^a His Britannic Majesty's consul-general, 100 Anloague.

Hon. Hugh Horne,^a His Britannic Majesty's vice-consul, 100 Anloague.

Hon. J. N. Sidebottom,^a His Britannic Majesty's proconsul, 2 Carenero.

Italy: Hon. F. Reyes, consul for Italy, 59 Calle Noria.

Japan: Hon. Shosuke Akatsuka,^a His Imperial Japanese Majesty's consul, 776 Calle Iris, Quiapo.

Liberia: Hon. R. Summers, consul for Liberia, 68 Calle Herran, Malate.

Mexico: Hon. José Rosales, consul for Mexico, 15 Marques de Comillas.

Netherlands:

Hon. P. K. A. Meerkamp van Embden, consul for the Netherlands (absent), 227 Muelle de la Reina.

Hon. A. C. Crebas, vice-consul for the Netherlands (acting consul), 227 Muella de la Reina.

Nicaragua:

Hon. Trinidad Lacayo, consul for Nicaragua, 7 Calle Magallanes, Int.

Hon. Jullo Danon, vice-consul for Nicaragua.

Norway: Hon. W. G. Stevenson, His Norwegian Majesty's consul, 319 Muella del Rey.

Portugal: Hon. M. Osorio y Cembrano, Most Faithful Majesty's consul, 4 Calle Olivares, Binondo.

Russia: Hon. F. L. M. Labrousche, acting consul for Russia, 51 Calle Soledad.

Spain:

Hon. Arturo Baldasano,^a His Catholic Majesty's consul-general, 162 Calle Alix.

Hon. C. Bargiela y Perez,^a His Catholic Majesty's vice-consul-general, 350 Gral Solano.

Hon. Adelardo Fernandez Arias,^a His Catholic Majesty's vice-consul at Manila.

Sweden: Hon. W. G. Stevenson, His Swedish Majesty's acting consul, 319 Muelle del Rey.

Switzerland:

Hon. E. Sprungli, consul for Switzerland (absent in Europe).

Hon. Johs. Preisig, vice-consul for Switzerland (in charge during Sprungli's absence), 95 Calle Noria, Quiapo.

^a Consuls de Carriere.

ILOILO.

Great Britain: Hon. Talbot Knowles,^a His Britannic Majesty's vice-consul at Iloilo, Iloilo.

Spain: Hon. Hilarion Gonzales del Castillo, His Catholic Majesty's consul, Iloilo.

CEBU.

Great Britain: Hon. Charles Agustin Fulcher, His Britannic Majesty's vice-consul, Cebu, Cebu.

FIRE LOSSES.

During the period from September 28, 1901, down to and including June 30, 1907, 170 fires were reported to have occurred in the Philippine Islands outside of the city of Manila. Twelve thousand one hundred and forty-two buildings were destroyed by these fires and a loss of more than ₱5,700,000 inflicted.

In 1902 the town of Dumaguete suffered a loss by fire of ₱200,000. In 1904 Biñan, La Laguna, suffered a loss of ₱200,000. In 1905 the city of Cebu suffered a loss of ₱2,000,000. In 1906 the town of Tacloban, Leyte, suffered a loss of ₱500,000. In 1907 the town of Laoag suffered a loss of ₱300,000.

From August 9, 1901, down to and including June 30, 1907, 893 fires occurred in the city of Manila, involving a loss of ₱2,782,504.80, of which only ₱571,586 was covered by insurance. The loss by fire in the city of Manila during the fiscal year 1907 amounted to the sum of ₱665,211, or about one-fourth of the entire loss caused to it by fire since August 9, 1901. The total loss from fire in the Philippine Islands from August 9, 1901, down to and including June 30, 1907, is estimated at ₱8,500,000. Manila's loss represents about one-third of this amount.

As a rule municipalities made no provision whatever for protection against fires, and therefore the Commission by act No. 1733 required the organization of a volunteer fire department in each municipality not having a paid fire department. The bill provides that the police force of such municipalities and such volunteers as may desire to enlist will constitute the fire department of the municipality. The law provides that the fire department shall drill at least once a week and requires each municipality to furnish 24 buckets, 12 ladders of suitable lengths, 24 bolos, 12 axes, 1 two-man cross-cut saw, and such other apparatus as may be found necessary for the purpose of combating and extinguishing fires. A volunteer fireman is exempt from the cedula tax provided he has attended 75 per cent of all drills and fires during the year and has drilled at least one hour at each drill attended.

For a further and more detailed report as to the operations of the executive bureau and of the provinces and municipalities falling under the jurisdiction of the governor-general, reference is hereby made to the report of the executive secretary, which is hereto annexed, made a part hereof, and marked "Exhibit No. 2."

^a Consuls de Carriere.

BUREAU OF AUDITS.

The report of the insular auditor as to the operations of his bureau is not complete at this time and only covers the financial status of provinces and municipalities. A reference to the report of the insular treasurer will, however, furnish full information as to the financial operations of the government and as to the condition of the various funds with which that official is charged. The financial condition of provinces and municipalities as reported by the insular auditor has already been discussed in this report and in that of the executive secretary, to which reference is hereby made.

The report of the insular auditor, when completed, will be annexed to and made a part of this report and marked "Exhibit No. 3."

CITY OF MANILA.

DEPARTMENT OF ENGINEERING AND PUBLIC WORKS.

Streets.—The streets of the city of Manila have an extension of 146.5 kilometers and a total area of 1,360,354 square meters requiring repair from time to time. Of the total street area 1,307,989 square meters are macadamized, 17,433 square meters are paved with wooden and 34,932 meters with granite blocks. The material used for macadamizing streets is secured by the city from its quarries on Talim Island, Laguna de Bay.

Two steam rollers and one traction engine are employed on street work. The daily cost of operating the traction engine is ₱21.99, and the running expenses of each road roller amount to ₱11.36 per day. A careful account kept during the year shows that the cost of hauling per ton-mile with the traction engine is 13 centavos as compared with 40 centavos per ton-mile by wagon.

One thousand four hundred and seventy-seven lineal meters of curbing were constructed during the year at an average cost of ₱1.80. This work should be extended as the cost of maintenance of paved streets is considerably reduced by curbing and guttering. Experience has demonstrated that the Australian wood block decays rapidly and that in the tropics it is a failure as a street paving. Experiments with the native molave block show that it resists tropical conditions and that it is better suited for paving purposes than other wood thus far tried. Arrangements have been made for experimenting with other Philippine woods, and it is hoped that for paving purposes some wood cheaper than molave will be found, or, at all events, that some native wood may be encountered which if treated with creosote and resin will prove resistant to the decaying influences of heat and humidity. Asphalt has proved serviceable and satisfactory as a surfacing on the Ayala bridge. As a paving it is too slippery,

however, for inclines or approaches to bridges and it should be used only on level stretches where the traffic is comparatively light. Until the construction of sewers, the laying of water pipes, and other underground work at present under way or contemplated have been finally completed it would not be advisable to undertake the laying of permanent pavements. The tearing up of the streets for the purpose of laying pipe for the new sewer and water system has caused great damage to the streets in the city, and the cost for street repairs will be considerably increased for the next two or three years.

The force actually engaged in street construction during the previous year was 267 men per day, not including 258 laborers employed at the quarries and on barges and launches engaged in transporting stone. The average wage per day per man is ₱1.11. The total amount expended for street construction and maintenance during the fiscal year 1907 was ₱338,570.21.

Bridges.—Manila has 54 bridges and 17 culverts which from time to time demand the attention of the department of engineering and public works. Five of the bridges are steel, 29 masonry arch, 16 wood, one wood floor carried on I-beams, and 2 I-beams and concrete arches. The bridges enumerated do not include the suspension bridge crossing the Pasig River which is owned and operated by a private corporation, but is subject to inspection by the municipal authorities. The wooden bridges require frequent repairs and are a constant source of worry and expense.

The new Ayala bridge was opened to public traffic on the 13th of August last year and cost the city as follows:

Substructure	₱78, 714. 00
Superstructure	129, 726. 00
Inspection and incidentals.....	3, 686. 67
Approaches to bridge, widening the same, and constructing retaining walls	19, 749. 91
Total.....	231, 876. 58

The total cost of bridge construction, repairs, and maintenance, exclusive of approaches to the Ayala bridge, was ₱238,201.48.

Water supply.—For the rubber valves heretofore used on the four pumping engines at the Santolan pumping station metal valves have been substituted, and as a consequence a large economy in maintenance and increased efficiency of the pumps have resulted. The coal consumed in pumping during the year 1907 was 530 tons less than during the year 1906, thereby saving the municipal government about ₱9,000.

The conduit leading from the river to the pumping wells was cleaned out and repaired, and a new intake constructed to allow a greater quantity of water to enter the conduit. A careful examination of the conduit leading from the pumping station to the deposito

disclosed that the masonry was badly cracked and in many places the conduit was filled with mud and débris which had fallen from the broken roof. The conduit was cleaned from end to end of all débris, and cracks and other defects repaired, thereby saving the escape of a large quantity of water pumped from Santolan and protecting the water supply at the deposito from seepage water and the consequent danger of pollution.

Seven installations of new water pipe, amounting to 2,179 lineal meters, were made during the year at a cost of ₱14,737.55. All the new installations made, with the exception of a 2-inch main on Calle Balic-Balic, are of a permanent nature and will form a part of the new water system. Four of the new installations are in outlying districts not previously supplied with water mains. The other three installations were made to increase the flow through existing pipes and to cut out dead ends.

It is expected that with the exception of the dam the construction of the Manila waterworks will be completed about the first of July of the coming year. In all probability the completion of the dam will be delayed until the next dry season, but it is hoped that work thereon will have progressed so far that water can be supplied from the new system by July 1, 1908.

The collections on account of water supply during the fiscal year 1907 were ₱221,187.98, an increase of ₱10,449.29 over that collected for the fiscal year 1906.

Sewers.—During the year 1907 there was expended the sum of ₱6,019.56 on the maintenance and cleaning of existing sewers as against ₱16,295.60 for the same account during the preceding year. The reduction in repairs and cost of maintenance is due largely to the fact that many of the old sewers, the principal office of which was to carry off surface water, have been replaced during the last two years with properly designed and constructed storm water drains, which are less costly than sewers to maintain and keep in repair. The cost of new storm water drains during the year was ₱11,937.40.

Fourteen miles of the most difficult part of the sewer work has been completed, and although the total extension of the sewers is estimated at 52 miles, it may be well said that the 14 miles already constructed represent in time fully one-half of the entire work.

Bids have been requested for the furnishing and installation of the necessary electrically driven pumps and motors for the six pumping stations of the new sewer system.

The system will not be fully completed until about December 1, 1908, at which time the pumping stations will be ready for operation.

The estimated outlay for the sewer and water systems is \$4,371,000 gold.

The following statement shows the amounts realized from the sale of bonds issued for sewer and waterworks construction, and expenditures made therefrom:

DE.

To amounts previously expended and reported.....	₱597, 840. 76
To sundry expenditures during fiscal year 1907, as shown by report of disbursing officer.....	2, 113, 895. 82
To balance on deposit in New York at 4 per cent.....	3, 000, 000. 00
To balance on deposit in New York at 3 per cent.....	414, 010. 70
To balance in treasury here.....	299, 513. 42
Total	6, 425, 260. 70

CR.

By proceeds of sale of \$1,000,000 gold bonds of the issue of June 1, 1905.....	2, 191, 250. 00
By proceeds of sale of \$2,000,000 gold bonds of the issue of January 1, 1907.....	4, 234, 010. 70
Total	6, 425, 260. 70
By balance brought down.....	3, 713, 524. 12

In addition to this balance there are \$1,000,000 of gold bonds authorized to be sold January 1, 1908, for this account.

Drafting and surveys.—Plans and street maps for the districts of San Nicolas, Binondo, Santa Cruz, Quiapo, San Miguel, Ermita, Malate, and Paco have now been completed on a scale of 1 to 1,000. When the plans and street maps for the districts of Sampaloc and Tondo are finished a city map on a scale of 1 to 1,000 will be prepared. Block maps on a scale of 1 to 400 have been made for the districts of Binondo, San Nicolas, Santa Cruz, and Quiapo. These block maps, when completed, will show all details of house lines, service mains, conduits, sewers, and public utility constructions of every kind.

Street monuments have already been installed on the principal streets of San Nicolas, south Tondo, and Binondo, and on the most important streets of other districts throughout the city. When street lines have been permanently marked much expense, trouble and annoyance now caused to private property owners in establishing the boundaries of their property will be avoided.

Repairs to public buildings.—During the fiscal year 1907 there was expended for repairs to public buildings as follows:

Repairs to school buildings.....	₱5, 913. 95
General repairs to police stations.....	775. 99
Repairs and betterments to fire department stations.....	6, 322. 37
General repairs to city stables, city pound, crematory, markets, city slaughter house and other buildings used by the department of sanitation and transportation.....	18, 402. 74

Repairs to the city shops and other buildings under the jurisdiction of the department of engineering and public works.....	₱1, 013. 25
Repairs to the city hall, the audiencia, city tenement houses, Chinese tribunal, cuartel melic and the band stands.....	19, 951. 04
Total for repairs and betterments to public buildings.....	47, 379. 34

New buildings.—Permits for the construction of 809 new buildings of strong materials and 1,119 of light materials have been granted. The aggregate cost of these structures will be over ₱1,000,000.

City shops.—On March 31 the city repair shops, with the exception of the carpenter and water supply shops, were discontinued, and the plant transferred to the insular government for use in Bilibid prison. The buildings vacated by reason of the transfer of the city shops were turned over to the bureau of education and are now occupied by the school of arts and trades.

POLICE DEPARTMENT.

During the year there were 11,337 arrests made. Of this number 2,899 were arrested for gambling, 901 for disorderly conduct, 551 for cruelty to animals, 426 for violation of sanitary regulations, 374 for violation of the opium law, 350 for obstructing streets, 300 for theft, 243 for violation of license regulations, 211 for vagrancy, 203 for larceny, 111 for assault, 15 for embezzlement, 6 for murder, 4 for assault with deadly weapons, 3 for homicide, 2 for rape, and 1 for attempted suicide.

As will be noted from the foregoing statement, there were very few crimes of personal violence committed in the city of Manila.

Of the persons arrested 9,570 were males and 1,767 were females.

The following is a comparative statement of the cost of the police department during the fiscal years 1906 and 1907.

	1906.	1907.
Salaries and wages.....	₱1, 097, 536. 57	₱ 744, 986. 99
Contingent expenses.....	58, 381. 32	58, 780. 20
Total.....	1, 155, 917. 89	803, 747. 28

This decrease in cost was due principally to the reduction in force which was made on the recommendation of the committee on reorganization.

FIRE DEPARTMENT.

During the year the fire department responded to 118 alarms of fire, a decrease of 6 as compared with the preceding year. The total loss by fire, however, was very much larger than during any pre-

vious year since 1903 as may be seen from the following table showing losses by fire for the five fiscal years last past:

Fire losses in Manila since 1903.

1903.....	₱1, 670, 860
1904.....	468, 911
1905.....	135, 921
1906.....	78, 192
1907.....	677, 709

The loss for 1907 is divided as follows:

Buildings.....	₱165, 262
Contents.....	512, 447

The destruction of Stevenson & Company's bodega on March 27, 1907, involved a loss of ₱420,000. The destruction of 240 houses in the nipa district of Paco, 72 houses in the nipa district on calle Rivera, and 83 houses in the nipa district on calle Cervantes caused a loss of about ₱120,000.

The cost of maintaining the fire department has steadily decreased since 1904 as may be seen from the following table:

Fire department expenditures.

Fiscal year 1905.....	₱318, 195. 82
Fiscal year 1906.....	294, 809. 63
Fiscal year 1907.....	279, 236. 64

Most of the fire alarm system, apparatus and hose have been in service from three to six years, and it is almost certain that expensive renewals will be required during the fiscal year 1908. As nothing was added to fire equipment during the fiscal year just ended it is very probable that the expense of the department for 1908 will be considerably greater than that incurred for 1907.

The fire department force is made up of 1 chief, 1 city electrician, 1 deputy chief, 1 chief engineer, 1 mechanic, 6 linemen, 8 captains, 13 lieutenants, 5 first-class engineers, 9 second-class engineers, 45 first-class firemen, and 50 second-class firemen.

DEPARTMENT OF ASSESSMENTS AND COLLECTIONS.

Taxes on real estate.—The total value of taxable real estate in the city of Manila, as shown by the tax rolls of 1907, is ₱81,689,785, an increase of ₱1,164,550 over the tax valuation for the fiscal year 1906. This increase is due to the erection of new buildings and to the addition to the tax rolls of certain small properties which had escaped taxation in previous years. The total valuation of all real estate in the city of Manila, whether taxable or not, amounts to the sum of ₱127,887,366, of which, however, ₱46,197,581 is exempt from taxation

by reason of government ownership or because the property is used for religious, charitable, scientific, or educational purposes and not held for profit. The exempt property may be classified as follows:

Insular government.....	₱15, 522, 185
Claimed by United States Army.....	7, 347, 688
City of Manila.....	4, 745, 504
Government ownership (insular or municipal not determined)---	3, 149, 356
Catholic churches.....	5, 607, 849
Protestant churches.....	322, 386
Religious orders.....	9, 437, 763
Miscellaneous.....	64, 870

Of the total population of the city of Manila, 11,921 are real estate owners. Small houses of the value of ₱50 or less are not assessed, and the owners are therefore not included in the figures above cited. Sixty-two persons or firms own 30 per cent of all the taxable real estate. Fifteen persons or firms own 16 per cent. There are 5 persons or firms each of which owns taxable real estate to the value of ₱1,000,000 or over; 15 persons or firms each of which owns taxable real estate to the value of ₱500,000 or over, and 31 persons or firms each of which owns taxable real estate to the value of ₱100,000 or more.

It will be remembered that in 1903 property owners of the city of Manila requested that for one year only the tax rate be reduced from 2 per cent to 1½ per cent. This was conceded, but far from satisfying the property owners it has brought about petitions for further reduction. The requests for reduction have been based largely on the claim that real estate in Manila has been assessed too high. This may be true as to unimproved real estate lying on the outskirts of the city, although it is remarkable that two boards of tax revision and one equalization board have not so decided. Of the 15,780 parcels of property subject to taxation appeals were taken from the assessments imposed on 298 parcels, and only 34 reductions were made by the board of tax appeals. Only 5 appeals were taken to the board of central equalization under the provisions of act No. 1474, none of which were sustained. From information gathered by the city assessor and collector as to rentals received for several thousand parcels of property in all parts of the city, it appears that the average rental received is over 17 per cent per annum. The special assessments levied for sewers and street improvements on real property in almost all the cities of the United States are not imposed in Manila and in view of this fact it does seem that the present tax rate of 1½ per cent is very, very far from being excessive.

Licenses.—During the year 1907 ₱216,850.40 were collected for licenses for liquors, business, entertainments and peddlers, vehicles,

dogs and bicycles. The following table will show the amounts collected under these headings during the fiscal years 1906 and 1907:

Class of license.	1906.	1907.
Liquors.....	P184,278.64	P163,178.50
Business.....	6,770.57	25,085.59
Entertainments and peddlers.....	8,392.50	8,740.50
Vehicles.....	13,621.10	14,518.70
Dogs.....	4,826.50	5,327.11
Bicycles.....	68.85	
Total.....	217,958.16	216,850.30

The reduction in receipts from liquor licenses is due almost wholly to the closing of many wholesale and some retail liquor houses which in its turn is largely due to a pronounced reduction during the last few years in the number of consumers residing in Manila or in the provinces who secured their supplies from Manila.

Markets.—The following table will show the receipts and running expenses of the slaughter house and public markets during the fiscal year just ended:

Market.	Receipts 1907.	Expenses of collections.	Outlay for lighting, cleaning, repairs, etc.	Net receipts.	
				1907.	1906.
Divisoria.....	P131,895.31	a P10,104.42	P11,085.06	P110,705.81	P128,542.58
Quinta.....	57,337.05	2,890.55	5,557.15	48,889.35	60,914.34
Arranque.....	24,757.35	1,426.65	8,505.99	14,824.71	13,703.47
Samploc.....	8,559.50	357.34	2,184.66	6,017.50	4,561.14
Herran.....	11,180.90	1,747.99	2,086.06	7,346.85	9,421.53
Anda.....	1,287.50	489.94	1,103.58	806.02	118.13
Santa Ana.....	1,455.45	311.68	347.20	796.57	757.51
Gagalangin.....	1,094.05	468.44	333.20	292.41	37.48
Pandacan.....	1,144.35	309.33	203.20	631.82	438.75
Bay, Tettuan, and Esteros.....					7,509.69
Total.....	238,711.46	18,106.34	31,406.12	189,199.00	215,768.36
Slaughter house.....	164,962.53	10,084.79	3,837.17	151,040.57	149,353.46
Grand total.....	403,673.99	28,191.13	35,243.29	340,239.57	365,121.82

* This includes, as in former years, the salaries of the chief inspector of markets and 2 clerks and the hire of 1 vehicle, all amounting to P5,760.

* These are deficit items.

DEPARTMENT OF CITY SCHOOLS.

There are 272 teachers employed in the city schools of Manila. The enrollment in city, day and night schools for the month of June from the year 1902 to the year 1907 is shown by the following table:

Month and year.	Day Schools.	Night Schools.
June, 1902.....	2,244	1,556
June, 1903.....	3,046	2,628
June, 1904.....	5,767	5,043
June, 1905.....	7,803	5,834
June, 1906.....	8,311	(*)
June, 1907.....	8,436	(*)

* Closed for lack of funds.

* Not open on account of rainy season.

During the school year 1907 the attendance was 95 per cent of the enrollment, a very remarkable showing. The seating capacity in the city schools is taxed to the uttermost and more school buildings are badly needed.

Industrial work is made a special feature of the school carried on at Cuartel Meisic. There are 1,260 students enrolled with an average attendance of 1,165. Boys are engaged in the manufacture of hats, mats, baskets, curtains, fans, and the treatment and preparation of raw fibers. Girls are taught plain and fancy needlework, including all classes of embroidery, drawn work, Indian lace making, bead work, and Ilocano blanket weaving.

SUMMARY OF RECEIPTS AND EXPENDITURES.

The following table will show the receipts and expenditures of the city of Manila for the fiscal year 1907, exclusive of expenditures for sewer and waterworks construction:

Account.

NET EXPENDITURES.

To municipal board, advisory board, public charities, etc.....	P199, 547. 93
To law department: including city attorney's office, sheriff's office, register of deeds, municipal court, and justice of the peace courts.....	76, 513. 08
To office of prosecuting attorney.....	38, 600. 03
To fire department.....	278, 630. 17
To police department.....	794, 130. 60
To department of engineering and public works.....	843, 437. 10
To department of sanitation and transportation.....	734, 253. 02
To department of assessments and collections.....	142, 286. 54
To department, city schools, not including cost of reconstruction of Cuartel Meisic, other repairs and water and electric light...	265, 394. 15
To permanent public improvements.....	143, 356. 03
To Luneta extension.....	49, 009. 03
Total net expenditures by disbursing officer.....	3, 565, 157. 68
To interest on sewer and waterworks bonds.....	160, 000. 00
To sinking fund.....	38, 740. 00
To insular government for New York exchange.....	1, 500. 00
To insular government, balance due on purchase of land, transportation, etc.....	106, 567. 24
Total net expenditures.....	3, 871, 964. 92
Excess of receipts over expenditures.....	231, 255. 88
	4, 103, 220. 80

NET RECEIPTS.

By city assessor and collector, as per itemized statement.....	2, 590, 254. 30
By register of deeds.....	13, 474. 74

By insular treasurer:		
Miscellaneous collections	₱4,872.84	
Seventy per cent of the interest collected on balances belonging to sewer and waterworks account on deposit in New York	100,102.24	
		₱104,975.08
By disbursing officer:		
Transportation service, insular government	106,567.24	
Interdepartment collections	139,980.92	
		246,548.16
Total collections		2,955,252.28
Less refunds paid by disbursing officer	3,567.82	
Less refunds paid by Auditor	10,053.14	
		13,620.96
Net collections		2,941,631.32
By Insular government contribution, 30 per cent of ₱3,871,964.62 ..		1,161,589.48
Total		4,103,220.80
By balance brought down		231,255.88

The following table shows a comparative statement of collections for the fiscal years 1906 and 1907 and the estimated collections for the year 1908:

Source of revenue.	Fiscal year 1906.	Fiscal year 1907.	Estimated re- ceipts for fiscal year 1908.
Real estate tax	₱1,208,265.31	₱1,302,855.00	₱1,250,000.00
Matadero fees	180,049.25	164,962.53	170,000.00
Market fees	269,430.88	238,054.41	270,550.00
Municipal licenses	217,958.16	216,850.40	230,000.00
Live stock, registered and transferred	785.80	771.40	800.00
Vehicle equipment	1,231.30	1,215.80	1,200.00
Rents, city property	18,730.29	19,950.32	20,000.00
Municipal court fines and fees	68,500.77	53,331.43	50,000.00
Weights and measures	6,410.40	715.40	.....
Miscellaneous burial funds (Board of Health)	4,935.60	4,012.00	4,000.00
Justice of peace fees	6,757.90	5,968.57	6,000.00
Sheriff fees	13,689.36	16,762.65	15,000.00
Sales, city land	2,644.30	18,397.63	25,000.00
City attorney fees	192.26	.....	200.00
Electrician fees	7,868.70	5,495.75	5,000.00
Pound fees	4,077.00	4,065.14	5,000.00
Franchise tax (Manila Electric Railroad & Light Co.) ..	28,662.85	40,861.54	45,000.00
Secretary, municipal board fees	69.00	43.50	50.00
Internal revenue dividend	74,876.93	135,656.76	140,000.00
Miscellaneous	13,811.70	5,128.10	7,000.00
Industrial tax	1,191.81	.....	.....
Certificates of registration	846.00	.....	.....
Pail system	59,327.16	43,508.26	50,000.00
Vault cleaning	38,691.85	39,199.00	35,000.00
Transportation of meat	3,470.74	8,995.16	9,000.00
Cementerio del Norte	13,425.09	10,996.50	10,000.00
Rent of niches (Board of Health)	10,112.40	9,752.60	10,000.00
Building permits	17,958.90	15,314.47	15,000.00
Water rents	210,738.69	221,187.98	225,000.00
Boiler inspector fees	1,070.00	1,212.00	1,200.00
Total collections by city assessor and collector ..	2,465,780.40	2,590,254.30	2,600,000.00
Register of Deeds	14,850.11	13,474.74	14,000.00
Miscellaneous collected by insular treasurer	60.00	4,872.84	.....
70 per cent of interest collected by insular treasurer ..	.....	100,102.24	86,000.00
Land transportation furnished the insular govern- ment .....	.....	.....	96,000.00
Grand total	2,480,690.51	2,708,704.12	2,796,000.00

The above totals do not include inter-department collections by Disbursing Officer.

The following table shows a comparative statement of expenditures for the fiscal years 1906 and 1907 and the estimated expenditures for the year 1908:

	Fiscal year 1906.	Fiscal year 1907.	Fiscal year 1908. estimated.
Municipal board, advisory board, disbursing office, public charities and care of city prisoners.....	₱204,828.74	₱199,547.93	₱203,000.00
Department of law, including office of city attorney, prosecuting attorney, office of sheriff, office register of deeds, municipal court and justice of the peace courts.....	151,396.91	115,113.11	109,240.00
Fire department.....	295,030.63	278,630.17	297,920.00
Police department.....	1,158,380.85	794,130.60	750,000.00
Engineering and public works.....	1,102,897.49	843,437.10	721,455.00
Sanitation and transportation, including street sprinkling, street cleaning, care of parks, cemeteries and public grounds.....	907,147.61	734,253.02	742,700.00
Department of assessments and collections.....	116,372.45	142,286.54	100,000.00
City schools, not including rents, repairs, water and electric light for 1906-7.....	272,771.42	265,394.15	344,728.00
Public works.....	782,610.58	143,356.03	46,000.00
Luneta extension.....	260,020.08	49,009.03	50,000.00
Interest on bonds.....		160,000.00	260,000.00
Sinking fund.....		38,740.00	116,220.00
Exchange.....		1,500.00	2,820.00
Payment on account of purchase of land transporta- tion.....	114,796.73	106,567.24	.....
Total.....	5,366,253.49	3,871,964.92	3,744,083.00

Sewer and waterworks construction account not included in the above.

For further and more complete details as to the administration of the city of Manila reference is hereby made to the report of the municipal board which is hereto annexed, made a part hereof, and marked "Exhibit No. 4."

Respectfully submitted.

JAMES F. SMITH,
Governor-General.

TO THE PHILIPPINE COMMISSION,
Manila, P. I.

EXHIBIT No. 1.

REPORT OF THE DIRECTOR OF CIVIL SERVICE.

MANILA, P. I., September 30, 1907.

SIR: I have the honor to submit the following seventh annual report relating to the operation of the civil service law and covering the work performed by the bureau of civil service during the fiscal year ended June 30, 1907:

EXAMINATIONS.

During the year covered by this report, 5,764 applicants were examined in Manila and in the provinces for entrance to the service and for promotion, transfer, or reinstatement therein, as compared with 5,293 for the preceding fiscal year, an increase of 471.

The following summary does not include examinations to test fitness of skilled laborers and mechanics for appointment or employment. The number of Filipinos who entered examinations given in English was 3,078, of whom 631, or 21 per cent passed, as compared with 2,231 for the preceding fiscal year, of whom 401, or 18 per cent, passed, an increase of 847, or 38 per cent, in the number of Filipinos examined in English. The number of Filipinos examined in Spanish during the year was 1,863, of whom 675, or 36 per cent passed, as compared with 1,973, of whom 816, or 41 per cent, passed, during the preceding fiscal year, a decrease of 110, or 6 per cent. During the year 642 Americans were examined, of whom 322, or 50 per cent, passed, as compared with 702 examined during the preceding fiscal year, of whom 398, or 57 per cent, passed, a decrease of 60, or 9 per cent.

It will be noted from the above that there was a large increase (38 per cent) in the number of Filipinos taking examinations in English, a decrease of 6 per cent in the number of Filipinos examined in Spanish, and a decrease of 9 per cent in the number of Americans examined. As Filipinos gain a better knowledge of English and of other subjects necessary to qualify them in performing duties other than those of a mere routine clerical order, modifications of former examinations are prepared from time to time to meet conditions as they arise.

Assistant provincial treasurer examination.—In the hope that it would attract to the provincial service young men of good antecedents and high grade qualifications, an effort was made during the past year to obtain a list of eligibles from which selection might be made for appointment to the position of assistant provincial treasurer; examinations for this position were held in Manila and in the provinces on February 18, 19, and May 31–June 1, 1907. The examination is practically the same as that before given for appointment to the position of provincial treasurer, except that the former examination was given in English or in Spanish at the option of the applicant, whereas in the examination recently given the questions were in English only, it being allowable to write the answers in English or in Spanish. The former examination resulted in obtaining a number of eligibles for original appointment to the service, several of whom were Filipinos. In the latter examination only competitors who were already in the service and took the examination for promotion secured eligible ratings. It is regretted that competitors not in the public service with sufficient ability to qualify for this position did not enter the examination. The following extract from the first announcement of the assistant provincial treasurer examination shows clearly its purpose:

“The attention of young men not in government service who are seeking a career which offers adequate reward, both as to money compensation and permanent official position, is earnestly invited to the exceptional opportunities now offered them in the treasury service of provincial governments. The entire treasury personnel, with the exception of a few minor positions, is in the

classified service, thereby insuring permanent tenure of office to all officials and employees who render efficient, satisfactory service, and certainty of promotion to those who demonstrate capacity of a high order. Appointment from the eligible list resulting from the examination announced above will be made to the position of deputy provincial treasurer, with immediate assignment to duty either in a provincial treasurer's office or as treasurer of one of the more important municipalities. Ordinarily one full year of practical experience in the various branches of work to which a deputy may be assigned will be required before consideration for promotion to the position of assistant provincial treasurer (now termed chief clerk or chief deputy) in one of the smaller provinces. From the position of assistant provincial treasurer in a small province promotion will ordinarily be to a similar position in one of the larger provinces. After demonstration of exceptional efficiency and fitness in the position of assistant provincial treasurer in a large province an opportunity will be given for independent work as acting provincial treasurer of some province the treasurer of which is absent on accrued leave. From among assistant provincial treasurers who have demonstrated their fitness for advancement after trial as acting provincial treasurer, selection will be made for permanent appointment to vacancies occurring in the position of provincial treasurer, appointment being first to one of the smaller provinces, and subsequent promotion being to vacancies occurring in larger provinces. The frequency with which vacancies occur in the various grades in the personnel of the treasury service is such as to insure promotion as rapidly as candidates may, by practical experience, fit themselves therefor."

Junior stenographer examination.—During the past year there has been great difficulty in securing from the United States enough stenographers to meet the needs of the service. A new examination, called the junior stenographer examination, was prepared and announced, with a view of testing the fitness of Filipinos who have some knowledge of stenography, but who are not sufficiently expert to take rapid dictation. While none of the competitors has thus far qualified in this examination, several have received temporary employment as junior stenographers or appointment as clerks with a knowledge of stenography; with experience gained in the offices to which assigned, they have made sufficient progress to warrant the expectation that with the acquirement of a better knowledge of English and the increasing thoroughness of instruction in the commercial schools it will be possible to use a larger number of Filipinos in stenographic positions.

Junior surveyor examination.—This examination is intended to test the fitness of Filipinos for surveying work in the bureau of lands. While no Filipinos succeeded in obtaining eligibility in the first examination held, the indications are that they will be able to qualify with a little more training and experience. They obtain their preparation in the public schools and through apprenticeship served in the bureau of lands. It is designed to introduce into the service young Filipinos who, under the guidance and instruction of competent surveyors, will be able to perform a considerable portion of the work now being done by American surveyors.

Internal-revenue agent examination.—An examination designed to test fitness of applicants for the position of internal-revenue agent was prepared and held during the year in Manila and in the provinces. Appointments to the position of agent were formerly made as a result of a first grade or equivalent examination, which, with respect to the permanent appointment of internal-revenue agents, has now been modified by the addition of practical questions relating to internal-revenue laws and decisions. Thus far no person has been regularly appointed as a result of this examination who had not rendered from several months to two years of service as a temporary agent in the bureau of internal revenue.

District inspector examination (bureau of posts).—This examination was prepared to test fitness of applicants for appointment to the position of telegraph inspector and several appointments have been made as a result thereof. Before the transfer of the telegraph division from the constabulary to the bureau of posts, no adequate and thorough tests of fitness were given for appointment to this position.

APPOINTMENTS IN THE CLASSIFIED SERVICE.

The total number of appointments made in the Philippine classified civil service during the year was 3,812. Of this number 550 were made in the

islands for original entrance into the service; 3,059 in the islands by promotion, reduction, transfer, and reinstatement; and 203 by appointment in the United States.

The number of Filipinos and Americans receiving original appointment in the islands, as compared with the preceding year, were as follows:

	1906.	1907.
Filipinos:		
From English registers.....	174	204
From Spanish registers.....	300	226
Total.....	474	430
Americans:		
From English registers.....	119	120
Total original appointments.....	593	550

The number of appointments made in the islands during the year through changes in the service by promotion, reduction, transfer, and reinstatement was 3,059, as compared with 2,804 during the preceding year; this increase is due to the larger number of promotions, there having been 2,351 promotions during the year covered by this report, as compared with 2,069 during the preceding year. Reference is made to the frequency of promotions under the head of salary adjustment.

The total number of appointments made in the United States to this service was 203, including 3 appointments by transfer from the Federal service and 16 by reinstatement, as compared with a total of 154 for the preceding year. The number of teachers appointed in the United States was 97, as compared with 109 for the preceding year; 23 of the 97 teachers were appointed as a result of the assistant examination and the remainder as a result of the teacher examination. The number of stenographers and typewriters appointed in the United States during the year was 22, as compared with 7 for the preceding year; twice the number appointed and sent to the islands during the year would have been hardly sufficient to meet the requisitions from various bureaus and offices. Special difficulty has also been encountered during the past fiscal year in obtaining from the United States a sufficient number of civil engineers, surveyors, and other technical men to meet the needs of the service. This is due to several reasons, but principally to the fact that the entrance salaries offered here during the past year or two for these classes of officers and employees have been but little higher than salaries paid for similar work in the United States. Substantial recognition of this fact in providing in the current appropriation bill for larger entrance salaries for these classes of officers and employees will, it is believed, materially aid in securing from the United States a higher grade of men in sufficient numbers to meet the immediate needs of the service.

Appointments in the Federal service, Philippine Islands.—During the year 77 appointments, 64 original and 13 by promotion, transfer, and reinstatement, were made in the Federal service in these islands on certification of this office, as compared with 65 for the preceding year. In the absence of eligibles, it has also been necessary to authorize the temporary employment of a considerable number of persons to fill clerical positions. The number of transfers from the Federal service in the Philippines to the insular service has been offset by approximately an equal number of transfers from the insular service to the Federal service. It is proper to state that the bureau of civil service has had the continued cooperation of Federal officers in applying the provisions of the civil-service law and rules to positions in the Federal service in these islands. There has been little attempt on the part of either Federal or insular officers to induce employees in one service to transfer to the other, when such transfer might embarrass the office in which the employee was serving. The policy adopted by the insular government of employing Filipinos, so far as practicable, in the interest of good administration and economy, is receiving favorable recognition by Federal officers. Some of them have recently expressed the intention of appointing Filipinos from the registers of eligibles, and several have already been appointed.

Relative number of Filipinos appointed to the service increasing yearly.—The civil-service law contemplates the appointment of a maximum number of Fili-

pinos and a minimum number of Americans at salaries commensurate with qualifications and duties; whenever a Filipino is found to be qualified to perform creditably and satisfactory the duties of any position held by an American he should be appointed to the first vacancy occurring in that position. Under the examination system of making appointments it is contemplated that the Filipino people shall be given every opportunity to participate in the work of government through selection and appointment on a merit system basis. The process of substituting Filipinos for Americans has been progressive since 1902. On January 1, 1903, the number of Americans in the service above the grade of laborer was about equal to the number of Filipinos. There were in the service on January 1, 1907, 2,616 regularly appointed Americans, and 3,902 regularly appointed Filipinos, as compared with 3,307 Americans, and 4,023 Filipinos on January 1, 1905, and 3,228 Americans and 3,377 Filipinos on January 1, 1904; no statistics were prepared for January 1, 1906. From this it will be seen that in two years the number of regularly appointed Americans in the service has been reduced by approximately 700. During these two years, however, there was a larger number than usual of Americans employed temporarily.

A considerable portion of the routine work is now being done by Filipinos, enabling the government materially to reduce the number of Americans employed in the lower grades by appointing Filipinos as vacancies occur. There has been a considerable increase in the number of Filipinos who entered and passed the second grade examination in English, and a still greater increase in the number receiving appointment. The eligibles obtained as a result of this examination are trained principally in the public schools, have a good conversational knowledge of English, spell, and read fairly well, and, as a rule, have a good knowledge of arithmetic and excel in penmanship. With careful supervision and training many of them in a few months develop into fair junior clerks and junior typewriters, and some of them eventually do superior work. There is little doubt that the expenses of the government could be further reduced in some bureaus by employing more Filipinos to assist in carrying on the ordinary routine work.

In previous reports reference has been made to the capability of Filipinos as tracers or copyists of drawings. This work is now being satisfactorily done by them in the bureaus of lands, coast and geodetic survey, and public works. In mechanical trades positions also Filipinos have shown special aptitude, as is being so amply demonstrated in the bureau of printing and in other bureaus. Filipinos have not been well trained in skilled occupations as artisans and mechanics. Mere theoretical teaching in the public schools is not likely *per se* to prepare adequately a sufficient number of Filipinos to meet in full the demands of industrial activity, unless such teaching is supplemented by a widely existent apprenticeship system, under which there may be practical application of knowledge gained in schools. Aside from reducing the cost of ordinary routine clerical work, the expenses of the government may in the near future be materially reduced by the further employment of Filipinos in manual trades positions at salaries commensurate with their needs and qualifications.

SALARY ADJUSTMENT.

In a published article relating to the employment of Filipinos the director of education states:

"There has been in some branches of the government service a tendency on the part of the Filipino employee, as soon as his training fitted him to do the work previously done by an American employee, to demand the same salary as was paid to the American. In some cases this has been given, and Filipinos are being paid salaries of \$1,000, \$1,200, and even \$1,400 gold per year for the simple reason that these salaries were paid to Americans who formerly filled the same positions and did the same work. At first thought it might appear that this was only a just recognition of the equality, which must permeate the civil service. But further consideration shows conclusively how impossible a policy this is. The Americans in these islands are paid practically double what their services would command in the United States. That is, they are paid the large salaries that must always be paid the skilled employees in foreign service. That they are not paid too much is sufficiently evidenced by the fact that it has been difficult to secure first-class American employees at the salaries which have been offered. The proper compensation for a Filipino in the

Philippine Islands should certainly be not higher than that paid to an American for the same class of service in the United States. * * * The principle upon which the government in the Philippines is proceeding, and which is eminently fair to the Filipino teachers, is that as rapidly as the work done by Americans can be done by Filipinos the Americans will be dismissed and the positions filled by Filipinos. But the compensation for the Filipinos accepting office under these circumstances should not by any reason be the high compensation which must be held out to an American in order to induce him to interrupt his career in the United States to enter a service in the Philippine Islands necessarily insecure and involving sacrifices."

One of the difficult problems of government in the Philippines is that of fixing appropriate salaries or rates of compensation—difficult of proper adjustment for the reason that a false salary schedule is necessitated to compensate adequately Americans in the service, who must of necessity be paid salaries considerably higher than are paid in the United States. The majority of Filipinos enter the service through the second or third grade junior clerical or copyist examinations. When appointed as a result of passing the second grade or junior clerical examination given in English, under existing regulations their salaries may be increased to \$900 per annum without further examination. Those who succeed in passing the stenographer, bookkeeper, translator, interpreter, or clerk examination given in English become eligible, so far as examinations are concerned, for probational appointment to grades or positions heretofore generally filled by Americans with rates of compensation above \$900 per annum. The salaries of some Filipinos who have succeeded in passing one or more of these latter examinations have been further increased since the director of education prepared the paper above quoted. Naturally others are anxious to receive the salaries heretofore paid, apparently ignoring the fact that the salary schedule for the American is of necessity an artificial one.

An appropriate basis of comparison to determine proper salaries of Filipinos would be the rates of compensation paid in private life to Filipinos for corresponding work, or in private or public life in other oriental countries, or even in the United States. The salaries of Filipinos should accord with the salaries paid to them in private life in the Philippines and in private and public life in other oriental countries to natives with similar qualifications. If for no better reason, the revenues of the Philippine Islands do not justify the payment for the accomplishment of routine clerical work of larger salaries than are usually paid by private individuals in the islands for similar classes of work, and certainly not larger than are paid in the United States. With this basis of comparison it appears that the salaries paid Filipinos in some cases are disproportionately large already and that the number of these cases is steadily increasing.

To enable Filipinos to participate in the work of government and to bring about a reduction in salary expenditure, the policy of appointing Filipinos as rapidly as they qualify to fill positions vacated by Americans who voluntarily resign or are removed for cause has been adopted and generally observed. Nevertheless, the needs of the service have continued to demand the appointment annually of several hundred Americans. Notwithstanding the substitution of Filipinos in considerable numbers, the salary expenditure is above the normal. Promotion is allowable under the civil service rules at the expiration of the probationary period of six months and thereafter yearly. It is believed that the periods of promotion yearly after the first six months tentatively fixed in the rules should be lengthened and the examination restrictions extended, or the Government will soon find itself paying to Filipinos larger salaries for corresponding work and ability than are paid even in the United States, where salaries and wages are higher than in most other countries in the world.

ACCRUED LEAVE.

In determining rates of compensation for employees in the Philippine civil service it is proper to take into consideration also the liberal annual leave allowances to employees, averaging from six weeks to two months. These annual allowances in addition to Sundays and holidays reduce the working days to an average of little more than two-thirds of the year, while the salary allowance is for a full year's work.

In its last annual report this office recommended that the leave law be so amended as not to permit the indiscriminate granting of "accrued" leave for use in the islands. Governor-General Ide, in his report covering the fiscal year

1906, recommended that the matter be taken up for consideration by the Commission, suggesting that some plan ought to be adopted for the protection of the treasury and the service generally, and in comment thereon stated:

"Accrued leave was primarily intended to enable employees to visit the United States, whereby Americans could regain their strength and vigor, and the Filipino employees could gain a knowledge of American institutions and become acquainted with the customs of the American people, which would be of great value in the service. The maximum annual liability for accrued leave is nearly ₱1,000,000. Much of the accrued leave enjoyed by employees is now passed in the Philippine islands, thereby defeating the purposes of the original intention of the law."

The revised civil service act, recently passed, contains a provision for granting leave with permission to visit foreign countries with practically the same traveling expense and half pay allowances as are granted in connection with visits to the United States. It is hoped that this may result in increasing the amount of accrued leave spent abroad, but unless the granting of accrued leave for use in the islands is restricted the greater part of such leave will be spent in the islands as heretofore and the primary purpose for giving accrued leave will not be realized. Chiefs of bureaus complain that frequent absences for short periods interfere with the proper accomplishment of the work of their bureaus. The law provides that accrued leave shall be granted "subject to the necessities of the public service." It is believed that a chief of bureau may properly decline to approve applications for accrued leave to be taken in the islands when there is no apparent necessity for the absence and when the granting of the leave applied for would interfere with the work of the bureau. The vacation leave provided by law is ample for recreation purposes; accrued leave is intended primarily to enable employees to visit the United States and foreign countries, or to cover absences in the islands on account of illness or urgent necessity when vacation leave is exhausted. The fact remains, however, that this government is allowing for forty-one to sixty-three days' leave per annum, which in the majority of cases covers absences in the islands requested ostensibly for the purpose of recreation or recuperation, but used by some in working for private parties. No other government, so far as this office is aware, allows its officers and employees to be absent from duty so many days in the year on full pay as does the Philippine Government. As the annual liability on account of leave amounts to approximately ₱1,000,000, no small responsibility rests upon this office, which is primarily charged with the proper application of the law.

ECONOMY AND EFFICIENCY REQUIRE PERMANENCY OF PERSONNEL.

Exclusive of officials in Manila, a considerable number of appointments have been made from time to time of persons who had been employed in the United States civil service prior to appointment in the Philippine civil service. The records show that this method of recruiting for the Philippine civil service has not been uniformly productive of satisfactory results. Out of 87 of such transferees appointed in 4 bureaus only 33 remain. While some should have been retained by better rates of compensation, the return of others to the United States was not detrimental to the interests of the service.

In the report of this office to the governor-general for the year ended June 30, 1905, it was stated under the caption of character and permanency of personnel:

"A high grade of efficiency in the public service can not be attained with a transitory personnel. Continuity of service is essential to efficiency. Adequate preparation and special training supplemented by long experience tend to produce a personnel whose services become increasingly valuable.

"A transitory personnel not only does not contribute to a high degree of efficiency, but it adds greatly to the expense of administration. Where officers and employees are, without adequate preparation and experience, placed in positions of responsibility, mistakes are bound to be more or less frequent, and some of them expensive and serious. From the standpoint of economy, therefore, as well as efficiency, appointment in a dependency especially should contemplate a long period of service. The constant withdrawal from the Philippine service of competent men who are just reaching the point where their services would be most valuable and useful to the Government is not in the interests of economy, efficiency, or good government. The Philippine civil service, no less than the military and naval services of the United States, should offer oppor-

tunity for an honorable career for well-trained men. The continuance in the service of self-reliant, well-trained, and efficient young men of good character must be deemed essential to successful administration and good government in the Philippine Islands."

It is a matter of regret to report that the percentage of withdrawals from the service of competent and desirable men has been greater during the past year or two than theretofore, while there have been fewer separations of the incompetent and undesirable. On January 1, 1907, there were 2,616 Americans having regular appointment in the service. During the fiscal year ended June 30, 1907, approximately 500 Americans resigned, about double the number withdrawing from the service during the preceding fiscal year. Of the 500 over 100 were university or college graduates, including scientists, civil engineers, surveyors, physicians, teachers, and subordinate officials, as against 40 university or college graduates for the preceding year. Of the remaining 400, a considerable number were graduates of high or normal schools. The loss to the government of these trained and experienced men is in many instances irreparable. Good men were evidently discouraged, and apparently lost hope that the Philippine public service promised a career which would justify their remaining in it. Whatever the cause, the withdrawal of so many competent Americans is greatly to be regretted, and suggests that encouraging conditions must prevail or well-trained and efficient young men will continue to leave the service and the hope of establishing firmly a dignified and efficient civil service in these islands composed of men above mediocrity and grafting tendencies must be abandoned, to the detriment of good government and to the disappointment of the friends of civil-service reform.

RELATION OF TENURE AND PROMOTION TO CAREER.

The promise of an opportunity for an honorable career is essential to the retention of the best type of young manhood in this service, as indeed it is in any public service. The policy of the American Government from the beginning contemplated the laying of a foundation deep and strong for the superstructure, an efficient public service as good as the best, and a worthy achievement of American honesty and industry in the field of government endeavor. Whenever the competent man feels that tenure of office is insecure or that there is no certainty of promotion of the most competent to the higher positions, he will if he have laudable ambition and capability look forward to an early return to the home land instead of giving his undivided attention to carving out a career for himself by striving to render the best possible service. The American as well as the Filipino must be assured that tenure is permanent, if his service is faithful and satisfactory; otherwise, the best type of American manhood will rarely enter the service and few will remain. If the merit system is adhered to such assurance can unhesitatingly be given. As shown hereinbefore, the needs of the service continue to require the appointment of hundreds of Americans every year. When the time comes that no more Americans need be appointed to carry on the work of government, the tenure of reliable officers and employees remaining in the service will not be affected, as vacancies will continue to occur as rapidly as Filipinos qualify to fill them.

The matter of promotion must depend upon capability and fitness and not on personal influence or favor in any form. Appointments and promotions not made in accordance with the letter and spirit of the civil service law must inevitably tend to demoralization and to lower the general average efficiency in any public service. Integrity and efficiency must therefore be the touchstones to securing impartial consideration in promotion. By adhering to the true principles of the "merit system" and avoiding the adoption of false ones the advantage gained in the splendid progress heretofore made toward good government in the Philippines need not and will not be lost.

PROMOTION EXAMINATIONS.

The only practical method by which promotions on merit may be assured is by means of competitive promotion examinations. No promotion to any position in this service is made without passing the examination required for original appointment thereto. This requirement of eligibility in examination taken non-competitively for promotion prevents promotion of the really incompetent and the practical breaking down of the merit system, but does not insure the promotion of the most competent and trustworthy. Competitive promotion exam-

inations can not be generally applied to this service without increasing the appropriation for this Bureau, as the examiners as well as other employees of the Bureau are required constantly to work overtime to keep abreast of current work. Without strict adherence to the spirit as well as the letter of the law, the public service will suffer by the appointment or advancement of the mentally, morally, or physically unfit. Constructive work can not be done by the incompetent and positions of financial trust and responsibility should not be given to men whose habits of life and political and social relations are likely to outweigh principles of honesty and integrity. No position, high or low, the duties of which presuppose capability to administer actually, honestly, and intelligently the affairs of the position or to perform the work required to be done, can in the interests of good government be filled by an unfit person or by a political or personal appointee who has not the proper qualifications to perform the duties creditably. The actual money loss caused by the payment of government revenues to the incompetent and unreliable is probably less harmful than the deadly effect on the esprit of the service and the disgust and resulting resignations of really competent and reliable men. The possession of brains by a government official or employee is important, and so is the possession of good morals. It has been repeatedly demonstrated that without the latter there is no assurance of reliability and integrity. The interests of good administration require the reasonable observance by employees of the ordinary rules of conduct everywhere approved by right-thinking and law-abiding persons.

THE NEED OF FURTHER APPLICATION OF THE EXAMINATION SYSTEM.

Of the whole number of subordinate officials who have been removed from the Philippine civil service for cause, only 5 per cent entered the service through civil service examination. There are approximately 250 unclassified positions in the constabulary filled by Americans of the grade of officer, which constitute a majority of the unclassified positions in the Philippine civil service filled by Americans. Of the total number of Americans, approximately 600, appointed as officers in the constabulary, about 150, or 25 per cent, have been separated from the service for cause, some 200 have resigned, and about 250 are now in the service. These positions are specifically excepted from the examination requirements of the civil service law, and selections for appointment, being left to the director of constabulary, have been made without testing fitness through a rigid, thorough, and systematic examination system. While free from some of the restrictions of the civil service law, constabulary officers have all the privileges of that law and other special privileges. In addition to leave privileges, constabulary officers are given quarters in kind or commutation thereof, and are allowed under certain regulations expenses while in hospital; a special pension and retirement system is provided for them; periodical increases in salary for length of service and promotions to higher grades and classes are more frequent than in other branches of the insular service. These favorable conditions of service would ordinarily be expected to be productive in a higher degree of honesty and efficiency. Nevertheless, there has been an unusual number of failures among constabulary officers and consequent separations from the service on account of defalcations or other delinquency or misconduct. If appointments and service in the constabulary were subject to the requirements of the civil service act and rules, improvement in character and efficiency of the personnel would undoubtedly follow in this branch of the service, as has heretofore followed with every extension of the law to other grades of positions in the unclassified service. Nothing in this discussion is to be construed as detracting one iota from the record made by those constabulary officers who have rendered creditable and satisfactory service.

In this connection it may be noted that of the employees brought out from the United States by 2 of the large constructing companies in the Philippines over 50 per cent were practically failures and have been "let out" for cause.

It seems quite clear that the statement frequently heard to the effect that the selection of appointees for the public service by chiefs of bureaus without the intervention of a disinterested civil service officer, or the selection of employees by heads of business concerns, without the application of an examination system in either case, secures a better and more satisfactory personnel than the government obtains through the operation of civil service law impartially and rigidly enforced, is not verified by the facts. Results conclusively show that the highest average in general efficiency, integrity, and reliability is

secured through the open competitive examination system of making appointments. The favorable comments of some officials on the operation of the Philippine civil service law are found in the appendix of this report.^a The unqualified indorsement of the "merit system" by hundreds of officials all over the world may be found in published government reports.

CRITICISM OF OFFICERS CHARGED WITH THE ENFORCEMENT OF A CIVIL-SERVICE LAW
INEVITABLE.

In the publications of this office it is shown that: First, important preliminary evidence of fitness is obtained in the data required in making application for examination; second, if application is acceptable, further evidence of fitness is obtained through appropriate tests of knowledge of subject-matter relating to the position for which application is made; and third, the final test of fitness is given through actual trial by a bureau chief for six months—the probationary period. If not discharged during the probationary period, discharge during this period being discretionary with the bureau chief, it is presumed that the appointee is competent. Occasionally it is discovered that employees thus permanently appointed after the expiration of the probationary period prove to be inefficient. Complaint of a chief of bureau against the examination system with respect to such appointees is not well founded, as the official has ample opportunity to determine the appointee's qualifications during the probationary period.

No civil-service director or commissioner, whether or not he does his duty, is able to escape adverse criticism sooner or later. He may for a brief period undertake to justify partiality of action for special, more often specious, reasons, and accede to the wishes of many; but if he does so the inevitable day comes, all too soon, when he finds himself in the mazes of an inextricable tangle of unhappy precedents of his own creation, all to the detriment of the public service. Nor will he escape criticism if he does his duty in faithfully and consistently enforcing the provisions of a thoroughgoing civil-service law, which means fair competition and no favor for entrance to the public service and advancement therein on merit, and opportunity for the government to obtain the best men.

A single case of hardship, and perhaps a mere *prima facie* one at that, is quite sufficient for some to declare the civil-service law a failure, though such conclusion is contrary to all rules of logic and evidence. As here in the Philippines, so probably elsewhere, on presentation of the facts and reasons for the action taken by the civil-service office adverse criticism is generally found to be without "rhyme or reason." The attitude of those opposed to any comprehensive civil-service examination system, however meritorious that system may be, will render a continuance of the usual amount of adverse criticism unavoidable in individual cases. While the civil-service officer can not escape criticism, he may, by courageous and judicious action, if his mental and moral vision is clear, steer a safe course past Scylla and Charybdis.

TO MAINTAIN AN EFFICIENT SERVICE A CIVIL-SERVICE LAW MUST APPLY TO THE
PERSONNEL AS WELL AS TO ENTRANCE TO THE SERVICE.

A study of the civil-service laws of other countries is convincing to any fair-minded person that were the operation of a civil-service law to cease with original appointment to the various bureaus and departments of a public service there could not be uniform and impartial treatment of the entire personnel, as varying privileges and practices affecting the personnel would arise in each of the several departments. Hence all these laws provide for general supervision over the service by the executive head of a government, carried out by him through the operation of rules and regulations not only having application to entrance to the service, but also intended to secure uniformity in privileges and practices in all the departments, i. e., uniform treatment of the entire personnel with respect to appointments, promotions, transfers, reinstatements, removals, fines, suspensions, leaves of absence, etc.

In the exercise of the power vested in the executive head of a government to promulgate rules and regulations as provided by law for the purpose of securing and maintaining a dignified, economical, and efficient public service, being prima-

^a These have been omitted and are on file in the Bureau of Insular Affairs, War Department.

rily responsible for wise administration or good government, he appoints a civil-service body whose members are directly responsible to him for the proper performance of their duties. Critics of a comprehensive civil-service law who are sincerely in favor of limiting its application have probably failed to keep abreast of the civil-service reform movement and have overlooked the significant fact that in addition to the examination requirements for entering the civil service the merit system is in most countries being wisely applied to the personnel of the service, and that the degree of efficiency and good government the world over largely depends upon the extent and thoroughness of the application of this system to the personnel of the public service. With respect to the objection raised by some that the powers of chiefs of bureaus are circumscribed by the civil-service law and rules, and that the director of the Philippine civil service is invested with too much authority in addition to the purely examination functions of his office, provisions of civil-service laws enacted during the last half dozen years by State and municipal governments in the United States and elsewhere, defining the powers of civil-service commissioners, are interesting and illuminating. Trial has demonstrated that under the just and equitable operation of civil-service law and rules efficiency and economy in the public service have greatly increased in every country where uniformity, fairness, and impartiality are thus secured by the executive head of a government to the entire personnel of the service during the period of employment as well as for entrance into the service.

FAVORABLE CONDITIONS OF SERVICE.

It is believed the conditions essential to give promise of a career in the Philippine service are:

Tenure of office for the efficient must be as secure as it is in any other branch of the United States public service—military, naval, or civil.

No positions should be filled by Americans when competent and reliable Filipinos are available who are capable of filling creditably such positions. If competent and available, Filipinos should be given preference as provided in the civil service act. Neither American nor Filipino should receive the salary of a position which he is not capable of properly filling, while subordinates do his work.

Vacancies in the higher grades must be filled by promotion of the most competent as contemplated by the civil service act.

As in the United States Army, Navy, and Marine Corps, there should be, as stated below, a pension on retirement from the service for disability and retirement pay after a fixed period of service.

PENSION AND RETIREMENT SYSTEM.

In the annual report of this office for the fiscal year ended June 30, 1904, it was stated that a mass of data covering the general subject of pensions and retirement had been obtained by direction of the governor-general, and it was further reported:

"Officers and enlisted men of the military and naval services of the United States receive pay after retirement, and many municipalities in the United States provide for pensioning policemen and firemen on retirement. Some business corporations in the United States have adopted pension systems.

"European nations apparently consider the pension system essential to successful administration in their colonies. The comments of writers and observers on the value of a pension and retirement system are favorable to its adoption.

"It is improbable that a stable and efficient civil service in the Philippine Islands can be established without the adoption of a pension and retirement system. The board therefore recommends that the matter be given favorable consideration.

"Such investigation of the subject as the board has been able to make seems to warrant the conclusions that for a pension system to be successful: (1) The cost must be divided between the government and the personnel; and (2) employees over 40 years of age when appointed shall not be pensionable."

Governor Wright, in referring to this matter in his report for the fiscal year 1904, stated:

"The policy of providing for a system of retirements and pensions for faithful and efficient civil officers and employees who have passed their entire life

in the service has been the subject of discussion between the chairman of the civil service board and myself, and at my instance he has given the matter considerable study and investigation. While in the United States such a system has been often a topic of discussion, it has never passed that stage, but it has been adopted in some form by Great Britain and the nations of continental Europe. I shall not attempt at this time to enter into a discussion of the subject or to give the arguments pro and con, or to make any specific recommendation, inasmuch as the finances of the islands do not now warrant incurring obligations for increased expenditures and the matter is not pressing. I may say, however, that it is a subject which at some future time should be taken up and fully considered upon its merits. We can only expect to establish a stable and efficient civil service in the islands by offering inducements to well-educated young men of high character to make their life career in the insular service."

This office has been unable to reach a definite conclusion as to whether or not the Philippine government should adopt immediately a pension and retirement system for this service. It is not needed to secure permanency in the Filipino personnel of the civil service. Moreover, the liberal allowance of accrued leave and other allowances provide a certain amount of money on retirement in addition to full pay for all absences during service, which includes periods of illness of average duration and a maximum absence of six months on account of wounds or injuries incurred in the performance of duty. Racial and temperamental characteristics and other conditions make the comparatively mild and healthful climate of Benguet most available and advantageous for Filipinos at a minimum of expense. A change of climate so radical as to necessitate physiologic adaptation is not desirable. Moreover, the great majority of Filipino employees will not go abroad, either from disinclination or for other reasons. On the other hand, a new environment and absence from home render periodical returns to the home land on the part of Americans both desirable and necessary. Americans, therefore, need and use accrued leave to visit the United States, and the money equivalent thereof is required to meet the necessary expenses incident to making the long journey to their homes.

Since 1904 the matter of providing for a pension and retirement system for the United States civil service has been receiving very careful and thorough consideration. It is understood that a plan has finally been worked out which meets the approval of the executive and administrative officers of the government, and that the subject will be presented to the Congress for action. In the event that a pension and retirement system is adopted for the Federal service by the United States Government, it is believed that there is no insuperable obstacle to extending the privileges of the system to Americans serving in the Philippine Islands under the Philippine government. Both the United States civil service rules and the Philippine civil service rules provide for transfers from one service to the other. There are now in the Philippine service a number of officers and employees who before coming to the Philippines were in the United States civil service. Many officers and employees of this service have already been transferred to the United States service, and it is probable that many others will be so transferred. The inclusion of such officers and employees within the provisions of the proposed pension and retirement system for the United States would preserve any equitable rights earned by them as officers and employees of the Government of the United States, whether serving in the United States or in the Philippine civil service. There will be, year by year, a steady decrease in the number—approximately 2,000—of pensionable Americans in the Philippine civil service. The period of service required of the American in the Philippines for retirement should, of course, be shorter than in the United States or than in the Philippine Islands for Filipinos. It is believed that the insular government might well be asked to provide for making up any deficiency on account of the shorter period of service in the Philippines. If provision were thus made by the United States Government for Americans in this service, conditions of appointment and service would offer a career, and the declared purpose of the civil service act, "the maintenance of an efficient and honest civil service in all the executive branches of the government of the Philippine Islands," would be practically assured of fulfillment. The inclusion of this service within the provision of the proposed pension plan for the United States service would not require the United States Government to increase the appropriation to initiate the system, in view of the fact that comparatively few of the American officers and employees of this service have passed the meridian of life and none of them are old men.

THE REVISED CIVIL SERVICE ACT.

In the last annual report of this office reference was made to certain provisions in appropriation bills, exempting from the operation of the civil-service act and rules several hundred positions, by fixing compensations at other than a per annum rate. This objectionable procedure was changed by the provisions of the revised civil-service law recently enacted, which is a compilation and revision of all previously existing laws relating to the Philippine civil service, including and combining the civil-service act proper and the leave act. In this new act all prior legislation affecting the civil service was specifically repealed, and the positions exempted from examination requirements by appropriation bills as above mentioned were replaced in the classified service. Employees exempted from examination requirements naturally are not satisfied with their status, and after gaining a little experience, chiefs of bureaus are constantly endeavoring to get them into regular classified positions by noncompetitive examinations or without any examination, on the ground that they have become valuable and the office can not afford to lose them. It is apparent that were these unclassified employees not required to compete with all other applicants in the regular prescribed competitive examinations for entrance to the classified service, the competitive feature of examinations (the backbone of the merit system) would be evaded, and employees thus selected by the chief of a bureau would secure regular appointment through noncompetitive examination, while better men were waiting for certification and appointment. Another evil flowing from exempted positions, is the constant temptation of chiefs of bureaus to assign to classified positions such unclassified employees in violation of law and rules.

The experience of those sincerely in favor of the competitive examination system has led them to the conclusion that the power of exemption should be sparingly exercised, as few regular permanent positions can be exempted from examination in the interest of the service. Bearing in mind the important and far-reaching consequences resulting from the exemption of positions filled by employees who enjoy none of the benefits and privileges of the civil service law and are not subject to any of its restrictions, and in particular the transference to a bureau chief of all control over appointment and employment, it is obvious that exemption from examination requirements should be limited to those positions where in the public interest exemption is absolutely necessary.

Those provisions of law which were found by years of experience to be desirable were retained in the revised civil-service act, some of them in modified form, while other provisions of former acts were eliminated as obsolete. Aliens may be appointed only when Filipinos or citizens of the United States are not available. The provision for reduction of office hours during the so-called heated season is repealed. Officers and employees may visit foreign countries with practically the same travel time and expense allowances as have heretofore been given to those granted leave to visit the United States. Skilled laborers who receive less than \$1,000 per annum, messengers, watchmen, and detectives hereafter appointed are not allowed leave under the revised act. Provision is made by which the governor-general and heads of departments may delegate to the director of civil service authority to approve appointments and to grant leaves of absence, thus saving much unnecessary paper work relating to leaves of absence and appointments, without in any way lessening their administrative control over these matters.

PUBLICATIONS.

During the year two editions of the "Manual of Information" were published, and the "Official Roster for 1907" was prepared and 700 copies printed for distribution. The last annual report of the bureau of civil service was published in Washington; a reprint of the appendix of the report, containing the civil service laws and rules, was also published by the Bureau of Insular Affairs for distribution to prospective applicants in the United States.

Respectfully submitted.

WILLIAM S. WASHBURN,
Director of Civil Service.

The GOVERNOR-GENERAL, Manila, P. I.

APPENDIX.

THE REVISED CIVIL SERVICE ACT.

[No. 1698.]

AN ACT For the regulation of the Philippine civil service.

By authority of the United States, be it enacted by the Philippine Commission, that:

SECTION 1. This act shall apply to appointments to all positions and employments in the Philippine civil service, insular or provincial, or of the city of Manila, now existing or hereafter to be created, the compensations of which are authorized at an annual, monthly, or daily rate, or otherwise, except the employment of semiskilled or unskilled laborers whose rate of compensation is seven hundred and twenty pesos or less per annum, and the employment of all other persons whose rate of compensation is two hundred and forty pesos or less per annum: *Provided*, That the examination requirements of this act for entrance into the civil service or for promotion therein shall not apply to positions filled by the following:

- (a) Elected officers.
- (b) Employees of the Philippine Assembly selected by it.
- (c) Persons appointed by the governor-general with the advice and consent of the Philippine Commission, unless otherwise specifically provided by law.
- (d) One private secretary to the governor-general and to each of the other members of the Philippine Commission.
- (e) Persons in the military, naval, or civil service of the United States who may be detailed for the performance of civil duties.
- (f) Officers and employees in the department of commerce and police whose duties are of a quasi-military or quasi-naval character.
- (g) Officers and employees in the office of the supervising railway expert who are exempted by the governor-general from compliance with the civil-service law and rules.
- (h) Postmasters and customs inspectors whose rates of compensation do not exceed six hundred pesos and three hundred and sixty pesos per annum, respectively, and who may lawfully perform the duties of postmaster or customs inspector in connection with other official duties or in connection with their private business, such duties of postmaster or inspector requiring only a portion of their time; postmasters who are required to perform the duties of telegraph operators: *Provided*, That in the discretion of the director of posts such postmasters may be appointed subject to the examination requirements of this act; postmasters at army posts whose compensation does not exceed twelve hundred pesos per annum each; and operators and linemen in the bureau of posts.
- (i) Detectives, secret agents, sheriffs, and deputy sheriffs.
- (j) Temporary and emergency employees: *Provided*, That when the work to be performed is temporary in character, or whenever an emergency shall arise requiring work to be done before it is practicable to obtain the prior approval of the director of civil service, the chief of a bureau or office may immediately employ any person, giving preference to eligibles if available, but he shall without delay request approval of such temporary or emergency employment, and the employment of a noneligible shall cease when the director of civil service certifies an available eligible who accepts temporary or probational appointment.

SEC. 2. It shall be the duty of the director of civil service—

- (a) To keep a record of all officers and employees filling positions in the classified service and of all officers and employees in the unclassified service who

are entitled to leave of absence provided for in this act, and for the purpose of this record he is hereby authorized to require each chief of a bureau or office to furnish the necessary information, in such form and manner as the director of civil service shall prescribe with the approval of the governor-general. An official roster shall be published at intervals to be fixed by the governor-general.

(b) To keep a record of the absences of all officers and employees entitled to the leave of absence provided for in this act, and for the purpose of this record he is hereby authorized to require each chief of a bureau or office to cause to be kept a record of the attendance of such officers and employees and to report to the director of civil service, in the form and manner prescribed by him and approved by the governor-general, all absences from duty of such officers and employees from any cause, whatever.

(c) To render an annual report, on or before the first day of July of each year, to the governor-general showing the work performed by the bureau of civil service, the rules which have been certified by the director of civil service and approved by the governor-general and the practical effect thereof, and suggestions for carrying out more effectually the purpose of this act, which is hereby declared to be the maintenance of an efficient and honest civil service in all the executive branches of the government of the Philippine Islands.

(d) To supervise the preparation and rating and have control of all examinations in the Philippine Islands under this act. The director of civil service, with the approval of the governor-general or proper head of department, may designate a suitable number of persons in the Philippine civil service to conduct examinations and to serve as members of examining committees. When examiners with special, technical, or professional qualifications are required for the preparation or rating of examination papers the director of civil service may designate competent persons in the service for such special duty. The duties required of members of examining committees, or of special examiners, shall be considered as part of their official duties and shall be performed without extra compensation. When persons can not be found in the Philippine service with the necessary qualifications for such special examining work as may be required, the director of civil service is authorized to employ at a reasonable compensation persons not in public employment for such work, which compensation shall be paid on the order of the director of civil service out of the general funds appropriated for the purposes of the bureau of civil service.

(e) To make investigations and report upon all matters relating to the enforcement of this act and the rules adopted hereunder. In making such investigations the officers and duly authorized examiners of the bureau of civil service are empowered to administer oaths, to summon witnesses, and to require the production of official books and records which may be relevant to such investigation, and they may also administer such oaths as may be necessary in the transaction of any official business of the bureau of civil service.

(f) To prepare and certify to the governor-general rules adapted to the carrying out of the provisions of this act. It shall be the duty of all officers in the Philippine civil service to aid, in all proper ways, in carrying said rules and any modifications thereof into effect: *Provided*, That the rules so prepared and certified shall not take effect until approved by the governor-general and promulgated by his executive order.

Sec. 3. The rules to be prepared and certified by the director of civil service shall, among other things, provide—

(a) For the preparation and holding in Manila and in the provinces of open competitive examinations for testing the fitness of applicants for appointment to the classified service, and for the preparation and the holding of examinations in the United States under the auspices of the United States civil service commission.

(b) For the holding of competitive examinations when practicable: *Provided*, That appointment to those positions requiring technical, professional, or scientific knowledge may be made as a result of competitive or noncompetitive examination: *And provided further*, That noncompetitive examinations may be given when applicants fail to compete after due notice has been given of an open competitive examination, or when in the opinion of the director of civil service the holding of a competitive examination would not result in securing competitors.

(c) For the selection of skilled workmen by such examinations, competitive or noncompetitive, as may be practicable, and which need not relate to more than the capacity of the applicants to labor, their habits of industry and sobriety, and their honesty.

(d) For the examination of applicants in Spanish and English whenever a knowledge of both languages is essential to an efficient discharge of the duties of the position sought.

(e) For a thorough physical examination by a competent physician of every applicant for examination in the United States, for such physical examination in the Philippine Islands as in the discretion of the director of civil service may be necessary, and for rejection of every applicant found to be physically disqualified for efficient service in the Philippine Islands.

(f) For the allowance in examinations of credit for experience.

(g) For certification by the director of civil service to the different bureaus and offices of those rated highest according to average percentage on the civil-service list of eligibles.

(h) For a period of probation before the appointment or employment is made permanent.

(i) For competitive or noncompetitive promotion examinations whenever practicable.

(j) For transfers from one branch of the classified service to another, or from the Federal classified civil service of the United States to the classified civil service of the Philippine Islands, under limitations to be fixed by the rules.

(k) For the conditions under which reinstatements in the service may be made.

(l) For fixing age limits of applicants for entrance into the classified service.

(m) For eliciting from all applicants for examination and from persons now in the service full information as to their citizenship, nativity, age, education, physical qualifications, and such other information as may reasonably be required affecting their fitness for the service.

(n) For the procedure in making appointments to the service, separations therefrom, and suspensions and reductions therein.

(o) For regulating hours of labor and the allowance of leaves of absence (including the withholding of salary for leave granted) and of traveling expenses and half salary for persons entitled thereto.

SEC. 4. The bureau of civil service shall have a permanent office in the city of Manila. When examinations are held by the bureau of civil service, either in Manila or in the provinces, officers having the custody of public buildings shall allow the reasonable use thereof for the purpose of holding such examinations.

SEC. 5. (a) No person shall be appointed or employed in the civil service of the Philippine Islands except as provided by law, or, in the provincial service, by a resolution of the proper provincial board approved by the executive secretary, and in accordance with this act. No person appointed to or employed in the classified service in violation of law or of civil-service rules shall be entitled to receive salary or wages from the government, but the chief of the bureau or office who makes such unauthorized appointment or employment shall be personally responsible to the person illegally appointed for the salary which would have accrued to him had the appointment or employment been made in accordance with law and civil-service rules, and payment shall be made to him out of the salary of such chief of the bureau or office by the disbursing officer. When the director of civil service shall find that any person is holding a position in the classified civil service in violation of law, he shall certify information of the fact to the insular auditor and to the disbursing officer through whom the payment of salary or wages to such person is by law required to be made. If the insular auditor shall find that a disbursing officer has paid or permitted to be paid salary or wages to any person illegally holding a classified position, the whole amount paid shall be disallowed and the disbursing officer shall not receive credit for the same unless the insular auditor shall find that the chief of the bureau or office is responsible, as above provided, for the payment of salary or wages to such person and that such payment is not due to the failure of the disbursing officer to obtain proper evidence as herein required. In case the disbursing officer is not responsible for the illegal payment, he shall be directed to withhold from the salary of the chief of the bureau or office responsible for the illegal employment an amount equal to that disallowed by the insular auditor. A disbursing officer, the head of any department, bureau, or office, or the insular auditor, may apply for, and the director of civil service shall render, a decision upon any question as to whether a position is in the classified or in the unclassified civil service, or whether the appointment of any person to a classified position has been made in accordance with law, which decision, when rendered, shall be final unless reversed by the governor-general on appeal.

(b) No person appointed to any unclassified position shall be assigned to or employed in a position the duties of which are clerical, nor shall he be assigned to or employed in any other position in the classified service.

(c) No person appointed to a position in the classified service shall, without the approval of the director of civil service, be assigned to or employed in a position of a grade or character not contemplated by the examination from the results of which appointment was made, unless otherwise provided by law.

SEC. 6. In the appointment of officers and employees under the provisions of this act, the appointing officer in his selection from the list of eligibles furnished to him by the director of civil service shall, where other qualifications are equal, prefer—

First. Natives of the Philippine Islands or persons who have, under and by virtue of the treaty of Paris, acquired the political rights of natives of the islands.

Second. Persons who have served as members of the Army, Navy, or Marine Corps of the United States and have been honorably discharged therefrom.

Third. Citizens of the United States.

Provided, however, That with the approval of the governor-general, persons other than those hereinbefore named in this section may be appointed.

SEC. 7. If competent persons are found in the service who in the judgment of the appointing power are available and possess the qualifications required, vacancies in the position of chiefs and of assistant chiefs of bureaus and offices and in the position of superintendent shall be filled by promotion of such persons without examination: *Provided, however,* That an examination may be given when requested by the governor-general or proper head of department.

SEC. 8. Any person who shall willfully and corruptly, by himself or in cooperation with one or more persons, defeat, deceive, or obstruct any person in the matter of his right of examination by the bureau of civil service; or who shall willfully or corruptly make a false rating, grading, estimate, or report upon the examination or standing of any person examined hereunder, or aid in so doing; or who shall willfully or corruptly make any false representations relative thereto or concerning the persons examined; or who shall willfully and falsely or corruptly use or furnish any information for the purpose of injuring the prospects or chances of employment, appointment, or promotion of any person so examined or to be examined, or who shall willfully furnish any special or secret information which will give to the person to be examined an unfair advantage in the examination, shall for each offense be punished by a fine not exceeding two thousand pesos, or by imprisonment for a period not exceeding one year, or by both such fine and imprisonment, in the discretion of the court.

SEC. 9. Any person who shall willfully become the beneficiary of an act in violation of the last preceding section shall be punished as provided in that section.

SEC. 10. No person in the Philippine civil service shall be under obligation to contribute to a political fund or to render any political service, nor shall he be removed or otherwise prejudiced for refusing to contribute or render any such service, and no officer or employee in the Philippine civil service shall directly or indirectly solicit, collect, or receive from any other officer or employee subject to his orders or under his jurisdiction, any money or other valuable thing to be applied to the promotion of any political object whatever. Any person violating any of the provisions of this section shall be removed from office and shall be punished by a fine not exceeding one thousand pesos or by imprisonment not exceeding six months, or by both such fine and imprisonment in the discretion of the court.

SEC. 11. No inquiry shall be made and no consideration whatever shall be given to any information relative to the political or religious opinions or affiliations of persons examined, or to be examined, for entrance into the service, or of officers or employees in the matter of promotion: *Provided, however,* That disloyalty to the United States of America as the supreme authority in these islands shall be a complete disqualification for holding office in the Philippine civil service: *And provided further,* That no person shall be eligible for examination or appointment under the provisions of this Act who, after the thirtieth day of April, nineteen hundred and one, has been in arms against the authority of the United States in the Philippine Islands, or who has given aid and comfort to enemies of the United States or who after the passage of this act shall have been in arms against the authority of the United States in the Philippine Islands or shall have given aid and comfort to the enemies of the United States; this provision shall not apply to those persons who were in arms

against the authority and sovereignty of the United States in the Philippine Islands, or their aiders or abettors, prior to July fourth, nineteen hundred and two, who came within the provisions of the proclamation of amnesty of the President of the United States issued upon said date, and who have complied with the terms of said proclamation.

SEC. 12. Every applicant for admission to the Philippine civil service shall, before being admitted to examination in the islands, take and subscribe the following oath before a notary public or other officer authorized to administer oaths:

" OATH OF APPLICANT.

" I _____, having applied for admission to the civil service of the Philippine Islands, do solemnly swear (or affirm) that I recognize and accept the supreme authority of the United States of America in these islands and will maintain true faith and allegiance thereto; that I will obey the laws, legal orders, and decrees promulgated by its duly constituted authorities; that I impose upon myself this obligation voluntarily, without mental reservation or purpose of evasion. So help me God. (The last four words to be stricken out in case of affirmation.)

(Signature) " _____

" Subscribed and sworn to (or affirmed) before me this _____ day of _____ 19____

" _____"

The oath of the applicant shall be filed with his application for examination.

SEC. 13. The officers and employees in the Philippine civil service shall be arranged in the following classes, and, unless otherwise provided by law, it shall be understood that the minimum amount specified for each class indicates the annual salary of each officer or employee in that class:

CLASS 1. All persons receiving an annual salary of six thousand pesos or more, or a compensation at the rate of six thousand pesos or more per annum.

CLASS 2. All persons receiving an annual salary of five thousand five hundred pesos or more, or a compensation at the rate of five thousand five hundred pesos or more, but less than six thousand pesos per annum.

CLASS 3. All persons receiving an annual salary of five thousand pesos or more, or a compensation at the rate of five thousand pesos or more, but less than five thousand five hundred pesos per annum.

CLASS 4. All persons receiving an annual salary of four thousand five hundred pesos or more, or a compensation at the rate of four thousand five hundred pesos or more, but less than five thousand pesos per annum.

CLASS 5. All persons receiving an annual salary of four thousand pesos or more, or a compensation at the rate of four thousand pesos or more, but less than four thousand five hundred pesos per annum.

CLASS 6. All persons receiving an annual salary of three thousand six hundred pesos or more, or a compensation at the rate of three thousand six hundred pesos or more, but less than four thousand pesos per annum.

CLASS 7. All persons receiving an annual salary of three thousand two hundred pesos or more, or a compensation at the rate of three thousand two hundred pesos or more, but less than three thousand six hundred pesos per annum.

CLASS 8. All persons receiving an annual salary of two thousand eight hundred pesos or more, or a compensation at the rate of two thousand eight hundred pesos or more, but less than three thousand two hundred pesos per annum.

CLASS 9. All persons receiving an annual salary of two thousand four hundred pesos or more, or a compensation at the rate of two thousand four hundred pesos or more, but less than two thousand eight hundred pesos per annum.

CLASS 10. All persons receiving an annual salary of two thousand pesos or more, or a compensation at the rate of two thousand pesos or more, but less than two thousand four hundred pesos per annum.

CLASS A. All persons receiving an annual salary of one thousand eight hundred pesos or more, or a compensation at the rate of one thousand eight hundred pesos or more, but less than two thousand pesos per annum.

CLASS B. All persons receiving an annual salary of one thousand six hundred and eighty pesos or more, or a compensation at the rate of one thousand six

hundred and eighty pesos or more, but less than one thousand eight hundred pesos per annum.

CLASS C. All persons receiving an annual salary of one thousand four hundred and forty pesos or more, or a compensation at the rate of one thousand four hundred and forty pesos or more, but less than one thousand six hundred and eighty pesos per annum.

CLASS D. All persons receiving an annual salary of one thousand two hundred pesos or more, or a compensation at the rate of one thousand two hundred pesos or more, but less than one thousand four hundred and forty pesos per annum.

CLASS E. All persons receiving an annual salary of one thousand and eighty pesos or more, or a compensation at the rate of one thousand and eighty pesos or more, but less than one thousand two hundred pesos per annum.

CLASS F. All persons receiving an annual salary of nine hundred and sixty pesos or more, or a compensation at the rate of nine hundred and sixty pesos or more, but less than one thousand and eighty pesos per annum.

CLASS G. All persons receiving an annual salary of eight hundred and forty pesos or more, or a compensation at the rate of eight hundred and forty pesos or more, but less than nine hundred and sixty pesos per annum.

CLASS H. All persons receiving an annual salary of seven hundred and twenty pesos or more, or a compensation at the rate of seven hundred and twenty pesos or more, but less than eight hundred and forty pesos per annum.

CLASS I. All persons receiving an annual salary of six hundred pesos or more, or a compensation at the rate of six hundred pesos or more, but less than seven hundred and twenty pesos per annum.

CLASS J. All persons receiving an annual salary of four hundred and eighty pesos or more, or a compensation at the rate of four hundred and eighty pesos or more, but less than six hundred pesos per annum.

CLASS K. All persons receiving an annual salary of less than four hundred and eighty pesos, or a compensation at the rate of less than four hundred and eighty pesos per annum.

SEC 14. All appointments to and removals from subordinate positions in the Philippine civil service shall be made by the chiefs of bureaus or offices subject to the approval or direction of the governor-general or proper head of department: *Provided, however,* That semiskilled or unskilled laborers whose employment is authorized by law may be employed and discharged by chiefs of bureaus or offices under the general control of the governor-general or proper head of department. The employment or discharge of temporary or emergency employees shall be made and reported in accordance with the provisions of this act.

SEC. 15. In case of the temporary absence or disability of the chief of any bureau or office, or in case of a vacancy in such position, any officer or employee in such bureau or office may be designated by the governor-general or proper head of department temporarily to perform the duties of such chief of bureau or office without additional compensation unless there is a vacancy in the position or the chief is absent from duty without pay and unless the order designating such person shall provide additional compensation, in which latter case the person designated shall receive the compensation provided in said order, not exceeding the salary authorized by law for said position. In case of the temporary absence or disability of any subordinate officer or employee in any bureau or office, the chief of such bureau or office may designate any other subordinate officer or employee in his bureau or office temporarily to perform the duties of the officer or employee who is thus absent or disabled, and it shall be the duty of the person so designated to perform the duties so assigned to him without additional compensation. Whenever any officer or employee shall be designated by proper authority for the temporary performance of the duties of chief or of any subordinate officer or employee of a bureau or office, the person so designated shall be reimbursed for any additional expense which he is obliged to incur on account of a bond premium in the position to which he has been so designated, and such reimbursement shall be made from the appropriation for the department, bureau, or office in which the services are rendered by reason of such designation: *Provided,* That no reimbursement shall be made to persons receiving the full compensation attached to the position the duties of which they are designated to perform as herein set forth.

SEC. 16. For neglect of duty or violation of reasonable office regulations, or in the interests of the public service, chiefs of bureaus or offices are hereby authorized to reduce the salary or compensation of any subordinate officer or

employee, to deduct from his pay a sum not exceeding one month's pay, or as a punishment to suspend him without pay for a period not exceeding two months: *Provided, however*, That if the officer or employee thus punished is in the classified service or is entitled to the accrued leave provided for in this act such deduction from pay or such suspension without pay as a punishment shall receive the approval of the governor-general or proper head of department, after having been submitted to the director of civil service for recommendation: *And provided further*, That any reduction in salary or deduction of pay or any punishment by suspension without pay as provided for in this section shall not affect the right of the person thus disciplined to accrued leave of absence, but in the event of his suspension from duty no accrued leave of absence shall be allowed for the time he is thus suspended as a punishment: *And provided further*, That when the chief of a bureau or office suspends an officer or employee pending investigation of charges against such officer or employee, and subsequently restores such officer or employee to duty, no payment shall be made for the period of suspension unless otherwise directed by the governor-general or proper head of department.

Sec. 17. Nothing herein shall be construed to prevent the Philippine Commission from making appointments to or removals from positions in the Philippine civil service of its own motion under the general powers conferred upon it by the instructions of the President of the United States.

Sec. 18. Upon the approval of the governor-general or proper head of department first had, a vacancy in a position of any class may be filled by the appointment of one person or more of a lower class: *Provided*, That the aggregate of salaries paid is not greater than the salary authorized by law for that position.

Sec. 19. With the approval of the governor-general or proper head of department, and after the recommendation of the director of civil service has been had as to the matter, any chief of bureau or office may make changes in the authorized positions and salaries of his bureau or office: *Provided*, That the total charge for salaries and wages shall not exceed the amount authorized by law: *And provided further*, That the positions or salaries of officials appointed by the Secretary of War, or by the governor-general with the advice and consent of the Philippine Commission, shall not be subject to change as hereinbefore provided.

Sec. 20. Whenever in his judgment the public interest will be promoted by the consolidation of two or more appointive positions, the governor-general may declare such positions to be consolidated, may fix the salary of the position resulting therefrom at not to exceed seventy-five per centum of the sum of the salaries of the positions consolidated, and may apportion the salary so fixed among the branches of the government served by the officer or employee receiving the same.

Sec. 21. Whenever two or more appointive positions have been consolidated as provided in the preceding section of this act, the governor-general may restore them to their previous status when in his opinion the public interest is no longer served by such consolidation, and thereupon the salaries payable to the separated positions shall be the same as were authorized at the time of consolidation.

Sec. 22. The required office hours of all bureaus and offices in the Philippine civil service shall be fixed by executive order of the governor-general, but they shall not be less than six and one-half hours of labor each day, not including time for lunch and exclusive of Sundays and of days declared public holidays by law or executive order: *Provided*, That when the nature of the duties to be performed or the interests of the public service require it, officers and employees may, by direction of the chief of the bureau or office, be required to work on Sundays and holidays without additional compensation unless otherwise specifically authorized by law. It shall be the duty of chiefs of bureaus or offices to require of all employees, of whatever grade or class, not less than the number of hours of labor authorized by law or executive order, but the head of any department, bureau, or office may, in the interests of the public service, extend the daily hours of labor therein specified for any or all of the employees under him, and in case of such extension it shall be without additional compensation unless otherwise provided by law: *Provided, however*, That on Saturdays throughout the year the governor-general may, by executive order, reduce the required number of hours of labor to five hours. This executive order shall not oblige the head of a department, bureau, or office in the Philippine civil service to reduce the hours of labor to five hours, but it shall be within his discretion to reduce the number of hours if consistent with the needs of the

public service; nor shall this provision be regarded as conferring a right upon officers or employees. Unless specifically authorized by law no payment may be made for overtime work. The length of sessions of the courts shall be regulated by existing law, and the provisions of this section shall not apply to judges. The number of hours for the daily sessions of the public schools shall be fixed by the secretary of public instruction, but they shall not be less than five hours a day.

SEC. 23. (a) After at least two years' continuous, faithful, and satisfactory service, the governor-general or proper head of department shall, subject to the necessities of the public service, and upon proper application therefor, grant each regularly and permanently appointed officer or employee in the civil service, insular or provincial, or of the city of Manila, except as hereinafter provided, accrued leave of absence with full pay, inclusive of Sundays and of days declared public holidays by law or executive order, for each year of service in accordance with the following schedule: An employee receiving an annual salary of less than eighteen hundred pesos shall be granted twenty days' leave; an employee receiving an annual salary of from twelve hundred to eighteen hundred pesos with board and quarters, and an officer or employee receiving an annual salary of eighteen hundred pesos or more, but less than three thousand six hundred pesos, shall be granted thirty days' leave; an officer or employee receiving an annual salary of three thousand six hundred pesos or more, shall be granted thirty-five days' leave. Leave shall accrue while an officer or employee is on duly authorized leave of absence with pay.

(b) If an officer or employee elects to postpone the taking of any or all of the leave to which he is entitled under this section, such leave may accumulate and if his salary changes he shall receive the same amount of leave and pay as if he had taken the leave while receiving the salary at which it accrued; *Provided, however*, That after January first, nineteen hundred and five, no person shall at any time have to his credit more than the accrued leave allowed for five years' service.

(c) An officer or employee who has served in the islands for three years or more, and who has accumulated to his credit the accrued leave allowed for two full years, may be granted permission to visit the United States or any other country in the discretion of the governor-general or proper head of department, with the half-pay and traveling-expense allowances hereinafter provided: *Provided*, That such permission shall not be granted oftener than once in every three years.

(d) A person in the teaching service shall not be granted accrued leave in accordance with the schedule provided in this section, but in lieu thereof he may be granted leave on full pay during vacation periods, with permission to spend a vacation period in the United States or in any other country with the approval of the secretary of public instruction, not oftener than once in every three years.

(e) In case an officer, teacher, or other employee is granted leave to visit the United States, he shall be allowed, with half pay in addition to the leave granted, sixty days for the time occupied by him in going to and returning from the United States if he is serving in Manila, and if serving in the provinces sixty days plus the actual and necessary time consumed from date of departure from station to date of departure from Manila, and on returning, from date of arrival at Manila to date of arrival at station, such half salary to be paid on return to duty; if he is granted permission to visit any other country he shall be allowed under the same conditions, and in lieu of the sixty days' half pay above provided, actual and necessary travel-time with half pay not exceeding sixty days. On the completion of two years of continuous, faithful, and satisfactory service, after returning to the islands from leave of absence to visit the United States granted for three or more years' service, he shall be allowed his actual and necessary traveling expenses from his place of residence in the United States to Manila if he come by the route and steamer directed, and if returning from any other country or from the United States, not residing therein, he shall be allowed his actual and necessary traveling expenses to Manila from the port of embarkation in the United States or such other country not exceeding four hundred pesos.

(f) The following classes of persons shall not be entitled to the leave provided in this section:

1. Semiskilled and unskilled laborers and skilled laborers hereafter appointed whose rate of compensation is less than two thousand pesos per annum.

2. Temporary and emergency employees.
3. Persons whose compensations are authorized at other than a per annum rate, except officers detailed from the military, naval, or civil service of the United States.
4. Persons enlisted for a term of years.
5. Detectives hereafter appointed except where appointment is by transfer from a leave-earning position, and secret agents.
6. Messengers and watchmen.
7. Postmasters who are required to perform the duties of telegraph operators except postmasters who are appointed subject to the examination requirements of this act, postmasters at army posts whose compensation does not exceed one thousand two hundred pesos per annum each, and operators and linemen in the bureau of posts.
8. Persons who receive compensation for official duties performed in connection with private business, vocation, or profession, such duties requiring only a portion of their time.

(g) The provisions of this section shall be retroactive in effect so as to entitle officers and employees of the Philippine civil service, whether serving as such by regular appointment or by detail from the Army, the Navy, or the civil service of the United States, previous to the passage of this act, to any accrued leave to which they would have been entitled had act numbered eighty, as amended, been applicable to them at the date of their employment or detail, computing the leave in the case of an officer on the basis of the salary and allowances received while on detail, and in the case of an enlisted man on the basis of first salary received in the Philippine civil service. No application for leave of absence presented by an officer or employee shall be considered if his application is not presented within six months of the date of the acceptance of his resignation.

(h) An officer or employee separated from the service for cause, or who commits an act which requires his separation from the service, shall not be granted leave or any of the other privileges provided in this section and in the following sections:

SEC. 24. After at least six months' continuous, faithful, and satisfactory service the governor-general or proper head of department may, in his discretion, grant to each officer or employee entitled to the accrued leave provided in this act, in addition to such accrued leave, vacation leave of absence with full pay, inclusive of Sundays and of days declared public holidays by law or executive order, for each calendar year of service, in accordance with the following schedule: An officer or employee receiving an annual salary of less than two thousand pesos may be granted twenty-one days' vacation leave; an officer or employee receiving an annual salary of two thousand pesos or more, or a trained nurse, may be granted twenty-eight days' vacation leave. Vacation leave must be taken within the calendar year in which it is earned, or in the first two months of the following calendar year. The vacation leave provided for only one calendar year may be allowed in connection with accrued leave granted. In cases of resignation, vacation leave shall not be allowed in addition to accrued leave. All applications for vacation leave shall be made on a form prescribed by the director of civil service.

SEC. 25. (a) Absence from duty of teachers, due to illness, shall be charged against their vacations, and with the consent of the secretary of public instruction they may remain on duty during vacations for a period equal to that lost on account of illness, in which case no deduction of pay shall be made on account of absence caused by illness.

(b) Absence of other regularly and permanently appointed officers and employees in the Philippine civil service on account of illness shall be charged first against vacation leave and then against accrued leave, until both are exhausted, when further absence shall be without pay.

(c) Payment of salary to an officer or employee for any absence during his first six months of service properly chargeable to vacation leave, or during his first two years of service properly chargeable to accrued leave, shall be withheld until such leave may properly be taken under the provisions of this act: *Provided, however,* That in case of absence due to illness the governor-general or proper head of department may direct that payment for such absence be not withheld if not in excess of the vacation and accrued leave to his credit.

(d) In case an officer or employee in the civil service, insular or provincial, or of the city of Manila, permanent or temporary, is wounded or injured in the performance of duty, the governor-general or proper head of department may direct that absence during the period of disability caused by such wound or

injury shall be on full pay for a period not exceeding six months: *Provided*, That if the officer or employee is entitled to the vacation leave provided in section twenty-four of this act, absence for this reason shall be charged first against such vacation leave: *And provided further*, That the governor-general or proper head of department may, in his discretion, authorize payment of medical attendance, necessary transportation, and hospital fees for officers and employees so wounded or injured: *And provided further*, That payments made under this paragraph shall not be made from the appropriation for general purposes when the bureau or office concerned has an available appropriation for contingent expenses or public works, as the case may be, from which such payments can be made, nor shall the provisions of this section be construed to cover sickness as distinguished from physical wounds.

SEC. 26. If a regularly appointed officer or employee in the Philippine civil service who has rendered faithful and satisfactory service shall die while in the service, the unused accrued leave that might have been granted at the time of death shall be determined, and the salary equivalent of the accrued leave shall be paid to the person or persons entitled to receive his estate.

SEC. 27. The governor-general or proper head of department may, in his discretion, commute accrued leave of absence granted to persons entitled thereto and vacation granted to teachers, and authorize the payment of the amounts so granted in a gross sum from the appropriation from which their salaries should properly be paid: *Provided*, That whenever upon the resignation or death of an officer or employee it is in the interests of the public service that the position occupied by him be immediately filled, the governor-general or proper head of department may direct that the leave granted him be commuted from any unexpended available funds appropriated for salaries and wages in the bureau, office, or province from which separated: *And provided further*, That except on retirement from the service, leave of absence shall not be commuted to any officer or employee who remains in the islands during the period of his leave: *And provided further*, That no officer or employee whose leave of absence has been commuted shall be permitted to return to duty before the expiration of the period covered by such leave until he has refunded to the proper disbursing officer the money value of the unused portion of the leave of absence so commuted: *And provided further*, That in the case of an officer or employee separated from the service through lack of work or the abolition of his position, the governor-general or proper head of department may, in his discretion, allow the reinstatement of such officer or employee without requiring the refund of the money value of the unused portion of the leave of absence hereinbefore mentioned.

SEC. 28. All applications for accrued leave of absence shall be made on a form prescribed by the director of civil service, and shall first be acted upon by the chief of the bureau or office, and by him submitted to the director of civil service for recommendation. The application shall then be forwarded to the head of the department in which the applicant is employed for his final decision, except in respect to those bureaus or offices not under any department, in which case it shall be forwarded to the governor-general for his final decision: *Provided, however*, That the governor-general or proper head of department may authorize the director of civil service to grant accrued or vacation leave of absence in all cases in which he approves the recommendations of the chief of the bureau or office in regard to such leave.

SEC. 29. The appointment of all persons residing in the United States to the Philippine civil service, whether by transfer from the United States civil service or otherwise, shall be subject to the following conditions:

(a) A person residing in the United States who is appointed to the Philippine civil service may pay his traveling expenses from the place of his residence in the United States to Manila: *Provided*, That if any part of his traveling expenses is borne by the government of the Philippine Islands, ten per centum of his monthly salary shall be retained until the amount retained is equal to the amount borne by the government: *And provided further*, That if he shall come by the route and steamer directed his actual and necessary traveling expenses shall be refunded to him at the expiration of two years' satisfactory service in the Philippines.

(b) He shall be allowed half salary from the date of embarkation and full salary from the date of his arrival in the Islands: *Provided*, That he proceed directly to the islands; otherwise he shall be allowed half salary for such time only as is ordinarily required to perform the journey by the route directed: *And provided further*, That such half salary shall not be paid until after the expiration of two years of satisfactory service in the Philippines.

(c) A person residing in the United States accepting an appointment to a position in the civil service of the government of the Philippine Islands, under the conditions named in this act, shall, before receiving such appointment, execute a contract and deliver it to the chief of the bureau of insular affairs, War Department, wherein the appointee shall stipulate that he will remain in the service of the government of the Philippine Islands for at least two years unless released by the governor-general or proper head of department. A breach of the conditions provided in the contract or a removal for cause shall require the proper officer to withhold payment of all salary and traveling expenses due to the person employed and who has violated the conditions of his contract or been removed for cause, and shall debar such person from ever entering again the public service of the Philippine government in any of its branches. In such case an action shall lie for the recovery of the amount expended by the government in bringing the employee to the Philippine Islands.

(d) Irrespective of leave granted, a regularly appointed officer or employee who has rendered continuous, faithful, and satisfactory service for three years or more after arrival in the Philippine Islands, shall, upon his retirement from the service, be allowed half salary for thirty days in addition to full salary for the period which may be granted him as leave of absence under the provisions of this act; and if appointed prior to January twelfth, nineteen hundred and four, he shall also be furnished transportation from Manila to San Francisco, or transportation of equal cost to the government by any other route: *Provided*, That such transportation must be used within six months after retirement from the service.

SEC. 30. The provisions of this act shall not apply to judges of the supreme court, the courts of first instance, or the court of land registration, but their leaves of absence and traveling expenses shall be governed by existing law or such law as may be hereafter enacted.

SEC. 31. All special contracts made with appointees of the Philippine civil service prior to the passage of this act shall remain unaffected by the terms and provisions of this act.

SEC. 32. Act numbered five as amended by act numbered forty-seven, section two of act numbered seventy-eight, sections three and four of act numbered one hundred and sixty-seven as amended by sections one and two of act numbered three hundred and six, act numbered one hundred and sixty-eight, act numbered two hundred and twenty, act numbered three hundred and six, act numbered five hundred and eighty-nine, and act numbered one thousand and seventy-two; act numbered twenty-five as amended by act numbered three hundred and one, act numbered three hundred and twenty-nine, act numbered five hundred and eighty-eight, and act numbered one thousand and ninety-six; sections one and nineteen of act numbered one hundred and two; act numbered three hundred and ninety-two; act numbered four hundred and eight as amended by act numbered eleven hundred and ninety-seven; act numbered six hundred and twenty-six; act numbered one thousand and forty as amended by act numbered twelve hundred and seventy-six; act numbered sixteen hundred and seven; act numbered sixteen hundred and seventy-four; sections three, four, five, and six of act numbered sixteen hundred and seventy-nine; and all other acts or parts of acts inconsistent with this act; are hereby repealed: *Provided*, That nothing in this section shall be deemed to revive act numbered eighty or any other act repealed by any of the acts herein mentioned.

SEC. 33. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the Commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 34. This act shall take effect on August thirty-first, nineteen hundred and seven, and shall be known as the revised civil service act.

Enacted, August 26, 1907.

OPINIONS OF THE ATTORNEY-GENERAL.

An officer or employee who is separated from the service for cause loses all rights to leave of absence.

Under sections 2 and 3 of act No. 1040 the granting of leaves of absence * * * presupposes that the employee's service has been satisfactory. When an official has been separated from the service for "cause" he has evidently not rendered satisfactory service, and consequently loses all his rights to any leave. (Opinion of Apr. 14, 1904; 382-A.)

Municipal treasurers acting as deputy provincial treasurers are not entitled to leave of absence.

Municipal treasurers acting as deputy provincial treasurers are not entitled to leave of absence under act No. 1040. Subsection *c* of section 1 of act No. 999 provides "the municipal treasurer may also act as a deputy of the provincial treasurer and receive such additional compensation therefor, to be paid from the provincial funds, as the provincial board may fix and the treasurer of the Philippine Islands approve, anything in existing laws to the contrary notwithstanding."

Under this section a municipal treasurer who is acting as deputy to the provincial treasurer is employed both by the municipality and the province and receives pay from both, devoting a part of his time to his municipal office and a part to his provincial office. Such being the case, there are two reasons why he should not be granted leave of absence under act No. 1040. In the first place, it is very doubtful if such an employee works for the province the number of hours required by section 1 of act No. 1040. In the second place, I think that the spirit of subsection *f* of section 2 of act No. 1040 would apply, which provides that persons who receive compensation for official duties performed in connection with private business, such duties requiring only a portion of their time, shall not be entitled to leave.

Although it can not be said that the position of municipal treasurer is strictly private business, yet this position is the employee's regular employment, and his duties as deputy provincial treasurer are performed in connection with it. In other words, the important position is that of municipal treasurer, and afterwards that of provincial deputy. (Opinion of Sept. 7, 1904; 987.)

Elective officers are not entitled to leave of absence.

In my judgment, elective provincial officers are not entitled to leave under the civil-service or leaves of absence acts. Act No. 5, entitled "An act for the establishment and maintenance of an efficient and honest civil service in the Philippine Islands," section 5, as originally passed, contains the provision that said act "shall apply * * * to all appointments of civilians to executive positions;" and said section of said act, as amended July 16, 1901, November 29, 1901, and January 9, 1903, contains the provision that the act "shall apply * * * to all appointments of civilians in the bureaus and offices of the government of the Philippine Islands;" and the other sections of said act No. 5, as originally passed and as subsequently amended, refer in many places to the entry of persons into the civil service by appointment, and nowhere to such entry by election.

Act No. 80 is entitled "An act regulating the hours of labor, leaves of absence, and transportation of appointees under the Philippine civil service," and relates to "employees" in the "offices in the Philippine civil service;" and the same is true of said act as amended on January 28, 1902, August 30, 1902, November 11, 1902, February 27, 1903, April 7, 1903, and May 18, 1903. Act No. 1040, repealing act No. 80 and all acts amendatory thereof, and entitled "An act regulating the hours of labor, leaves of absence, and transportation of officers and employees in the Philippine civil service" * * * expressly provides in subsection *a* of section 2 thereof that "accrued leave of absence" shall be granted "each regularly and permanently appointed officer or employee in the civil service, insular or provincial, or of the city of Manila, except as herein-after provided;" and the other sections and subsections of said act No. 1040 refer in many places to the persons to whom said act applies as being those who have entered the service by appointment. Elective officers are not referred to in any of the acts above mentioned, either as originally passed or as amended, in any way. I am therefore of the opinion that (to quote from subsection *g* of section 2 of act No. 1040) "officers and employees of the Philippine civil service, whether serving as such by regular appointment or by detail from the Army, the Navy, or the civil service of the United States," and no other persons, are entitled to leaves of absence under said acts. (Opinion of Feb. 6, 1904; 3243-1.)

A person reinstated to the Philippine civil service can not be allowed vacation leave prior to the expiration of six months from the date of his reinstatement.

Section 3 of act No. 1040 provides in part: "After at least six months' continuous, faithful, and satisfactory service, the civil governor or proper head

of a department may, in his discretion, grant each officer or employee entitled to the accrued leave provided in section 2 of this act, in addition to such accrued leave, vacation leave of absence with full pay."

Under the provisions of this section, six months' continuous service is plainly a condition precedent to the granting of any vacation leave. In the present case the employee resigned and thereby severed all his relations with the government. This constitutes a distinct break in his services. Therefore he has not rendered six months' continuous service, and no vacation leave can be properly granted him until he has done so.

Subsection *c* of section 4 of act No. 1040 provides in part: "Payment of salary to an officer or employee for any absence during his first six months of service, properly chargeable to vacation leave * * * shall be withheld until such leave may properly be taken under the provisions of section two or three of this act."

According to this subsection, payment for vacation leave shall be withheld until the leave may be properly taken under the above-quoted section 3 of act No. 1040. As previously stated, the employee in question can not properly take vacation leave until six months after his reinstatement. Therefore, in accordance with the provisions of said subsection *c* of section 4, payment must be withheld for the vacation leave taken by a duly reinstated employee until six months after his reinstatement. (Opinion of Mar. 27, 1905; 5647-A.)

When the resignation of an employee before the expiration of two years' service is accepted on account of illness, or other cause, no accrued or vacation leave can be allowed, nor can a proportional part of traveling expenses and half salary en route to the islands from the United States be paid.

Vacation leave is granted to employees for the purpose of allowing them to recuperate, and always presupposes that the employee is still in the government service. Likewise, the phrase "in cases of resignation, vacation leave shall not be allowed in addition to accrued leave" is a general statement, and as it is nowhere modified it covers all cases. Therefore, vacation leave can never be granted on resignation. This, however, does not mean that an employee who has been ill may not charge absences from duty prior to his resignation to vacation leave.

In regard to accrued leave, paragraph *a*, section 2, of act No. 1040 makes two years' continuous, satisfactory service a condition precedent to the granting of any accrued leave, but paragraph *c* of section 4 of the same act modifies this condition to the extent that in case of absence during his first two years' service due to illness, etc., the civil governor or proper head of a department may direct that salary due from such accrued leave need not be withheld. This covers only those cases in which the employee overstays his vacation leave from illness. It is intended as maintenance to an employee who is still in the service, but does not provide for commuting leave on resignation for any cause. I am, therefore, of the opinion that accrued leave can not be granted before two years' service.

Section 9, paragraph *a*, of act No. 1040 makes it an absolute condition that traveling expenses borne by an employee shall not be refunded until after two years of service. There is no provision in the law for any proportional payment of any kind. I am therefore of the opinion that such a proportional part of travelling expenses and half salary provided by paragraphs *a* and *b* of section 9 of act No. 1040 can not be paid to persons who have served less than two years, no matter what the reason for their resignation. (Opinion of June 30, 1904; 3235.)

The thirty days on half pay granted on resignation after three years' service begins at the end of accrued leave allowed, and leave does not accrue on such thirty days. Leave of absence on half pay for sixty days allowed in connection with leave of absence to visit the United States, begins at the expiration of the accrued and vacation leave granted.

In a case where an employee has rendered continuous, faithful, and satisfactory service for three or more years after arrival in the Philippine Islands resigns, and in addition to his regular leave is granted thirty days on half pay while going to the United States, does leave accumulate on said thirty days?

It has been held by the civil-service board, and approved by the civil governor, that leave does not accrue on such thirty days.

Do the thirty days above mentioned begin prior to or at the end of accrued leave?

It has also been decided in the same manner as the first question, that such leave begins at the end of the accrued leave.

The further question is raised by the letter of the auditor of August 22, inclosed herein, as to when the sixty days allowed by section 2, paragraph e, of act No. 1040 should be charged.

It has also apparently been held by the civil-service board, and approved by the governor, that said sixty days are allowed at the end of vacation and accrued leave. It is my opinion that all of these rulings are final and are supported by the spirit and letter of the law: hence there is no need for a further discussion of same. (Opinion of Oct. 20, 1904; 3258.)

An employee appointed in the United States does not earn accrued leave during the period of travel from San Francisco to Manila.

The question submitted in the within papers is as follows: Does an employee appointed in the United States under the provisions of act No. 1040 earn accrued leave during the period of travel from San Francisco to Manila?

As a general rule, all employees from the United States are provisionally appointed there and their appointment made final upon arriving in the islands. The exact facts are not set out in the within paper, but it is presumed that such is the present case. Paragraph a of section 2 of act No. 1040 provides that "permanently" appointed employees are entitled to accrued leave. Until the employee arrives in the islands he is not such a permanent employee, but is a provisional employee. Therefore, under the provisions of this section the employee would not be entitled to have accrued leave while en route from San Francisco to Manila.

Also section 5 of Rule V provides: "If the eligible was provisionally appointed in the United States, his regular appointment will be effective the day following the date of his actual landing in the Philippine Islands, provided he reports immediately at the office of the board, and leave shall not accrue prior to date of regular appointment." These rules were promulgated by the governor-general and within their scope are binding on all officials.

As the above section, in accordance with the provisions of act No. 1040, provides that leave does not accrue until after a regular appointment in the islands, no leave should accumulate while the employee is en route. (Opinion of Mar. 23, 1905.)

Payment for leave of absence of an officer or employee who has served in more than one bureau or office during the period for which leave is allowed should be made for the entire leave taken from the funds of the bureau or office in which he is serving at the time the leave is granted.

I have the honor to acknowledge receipt of the inclosed papers relating to the commutation of the accrued leave of George N. Hurd, assistant attorney in this office. Unquestionably in equity the greater part of this accrued leave should be paid by the city of Manila, in whose service Mr. Hurd was at the time the same was earned. However, the provisions of act No. 1040 and the uniform ruling of the auditor's office would seem to require that the same be paid by the bureau of justice. Act No. 1040, section 6, specifically provides that upon the resignation or death of an officer or employee, payment for the accrued leave shall be made from the salary appropriated for the position last filled by him. It is true that Mr. Hurd is still living, and has not resigned, but in all reason this accrued leave should come from the same fund as in the case of his death or resignation.

In this connection attention is called to the fact that at the time of the passage of act No. 1040 the recorder of the Commission was instructed to prepare an act providing that accrued leave should be paid pro rata by the departments where the same was earned. The bill was prepared, but at the earnest solicitation of the auditor and of the chairman of the civil-service board it was abandoned.

The reasons stated by the civil-service board for its objection to the proposed measure were as follows: "The board concurs with the auditor in opposing a pro rata division of leaves, believing with him that upon the transfer of an officer or employee all obligations in the way of leaves of absence should be assumed by the bureau, province, or city to which transfer is made. As stated by the auditor, payments of salary on account of leave would eventually be approximately equalized, and the assuming of all obligations for leave by the bureau, province, or city to which transfer is made would tend to prevent transfers except where the transfer is made on account of the special fitness of the officer or employee for the position to be filled."

The uniform rulings of the civil-service board and of the auditor since the passage of act No. 1040, so far as I have been able to obtain them, have been to require the bureau in which the applicant is employed at the time the leave is granted to pay the same. This ruling is manifestly in accordance with the law, and it would seem that even if the law did not require it that it would be inequitable at this date to change it, and that less injustice would be done by following the rule than by abandoning it.

I am therefore of the opinion that the accrued leave of Mr. Hurd should be paid by the bureau of justice. (Opinion of June 19, 1905. Concurred in by the acting auditor, June 23, 1905; 5133-A.)

The civil-service board has authority to require eligibility in an appropriate examination as a condition precedent to increase in salary of a classified employee without an examination status.

Section 4 of act No. 5 provides in part: "The board shall prepare rules adapted to carry out the purpose of this act," etc.

"Paragraph c of section 6 of act No. 5 as amended provides: 'The rules to be prepared and certified by the board shall provide * * * for competitive or noncompetitive promotion examinations, as the board shall determine.'

"In pursuance of said section 4 the rules of the civil-service board have been promulgated annually since 1901. Section 1 of said rules says: 'The board shall have authority to prescribe such regulations in pursuance of and in execution of these rules and of the civil-service act as may not be inconsistent therewith.'

The distinction, therefore, must be clearly kept in mind between the rules to be prepared by the board and promulgated by the governor-general under the authority of act No. 5, and the regulations to be prepared and promulgated by the civil-service board under authority of the rules. In raising this question the distinction between the "rules" and "regulations" was confused, and I think this is responsible for the difficulty. The exact language used was as follows: "A question arises whether the board has lawful authority to impose any promotion test pending the adoption of the regulations authorized by section 6, paragraph c, supra, of the civil-service act. The power to adopt promotion regulations is especially conferred by the section and paragraph quoted. But what law authorizes the board to exact promotion tests pending the adoption of such regulations? Is this not exercising a power before it accrues?"

Or, in other words, the adoption of the regulations mentioned is a condition precedent to any promotion test.

However, said paragraph c, section 6, does not provide for the promulgation of regulations, but for the promulgation of rules. Section 6 of Rule IX was so promulgated, and provides:

"Until the promotion regulations herein authorized have been promulgated by the board for any department, bureau, office, or branch of the service, and the board has notified such department, bureau, office, or branch of the service that it is prepared to conduct the promotion examinations authorized under the civil-service act and rules, promotions therein may be made upon any tests of fitness not disapproved by the board which may be determined upon by the appointing officer: *Provided*, That pending the adoption of such regulations, in case of proposed promotion from one class to another class of an employee who has not entered the service through the examination prescribed for the class to which promotion is proposed, such employee shall be required to obtain an eligible rating in such prescribed examination taken noncompetitively, and the appointment by promotion thus made shall not become effective prior to the date of taking the examination in which an eligible rating is obtained."

Under this section, the governor-general has specifically authorized the civil-service board to hold noncompetitive examinations for promotion from one class to another of employees who enter the service without examination, and did not place any condition precedent upon this authority. The board then had authority to act immediately upon the promulgation of the rule regardless of regulations. The regulations referred to in said rule are not such a condition precedent and have apparently been confused with the rule itself.

I am therefore of the opinion that the civil-service board clearly has the authority to exact a promotion test from an employee who entered the service without examination before that employee may be promoted in salary. (Opinion of May 26, 1905; 2058.)

RESOLUTIONS OF THE PHILIPPINE COMMISSION.

An employee must have served three full years or more, irrespective of any accrued leave that may be due him, before becoming entitled to the privileges of subsection (d), section 29 of act No. 1698.

The true construction of paragraph 4 of section 4 of act No. 80, as amended [now subsection (d), section 29 of act No. 1698], requires that an employee in the Philippine civil service must have served three full years or more after the passage of the civil-service act, irrespective of the time of his accrued leave of absence, before he becomes entitled to be furnished with transportation from Manila to San Francisco and half salary for thirty days in addition to full salary for the period to which he may be entitled as leave of absence. (Resolution of November 10, 1903; 4069.)

Transportation due under subsection (d), section 29 of act No. 1698, must be used within six months after date of separation from the service or it is forfeited; if an employee desires to return to the United States via Europe, commutation of the value of such transportation may be made.

By the provisions of act No. 80 it was not contemplated that an employee of the civil government who had rendered faithful and continuous service for three years or more should be permitted to commute his transportation in the event that he did not intend to return to the United States, but that he was to receive passage in kind. Act No. 1040 permits him to receive the cost of transportation by any other route to the extent that it would cost the Government to furnish him direct transportation from Manila to San Francisco. As it is desirable to establish a fixed rule as to the time within which applications for return transportation may be made, it is hereby directed that such applications must be filed within six months after the resignation of the employee entitled to such transportation. In the event the officer or employee resigning after service of three years or more desires to return to the United States via Europe, the executive secretary is authorized to make arrangements for his transportation upon the payment by the officer or employee concerned of the difference between the cost of transportation which would have to be furnished by the insular government from Manila to San Francisco and the cost of the transportation by the desired route. (Resolution of February 14, 1905; 4622.)

Original appointments or promotions dependent upon an appropriation act shall not be made effective prior to the date of passage of the appropriation act; save in exceptional cases, appointments and promotions shall not be retroactive.

In all cases in which the salary of a position is increased or a new position created by an appropriation act, appointment to such new position or increased salary shall not be of date prior to the date of the passage of the appropriation act, or such other date as may have been fixed specifically by law or resolution of the Philippine Commission for the increase in salary or the creation of the new position, as the case may be.

Aside from exceptional cases, appointment shall not be effective as of date prior to that upon which the appointment or promotion is actually made. (Resolution of July 27, 1906; 11953.)

Examination requirements relating to appointment and promotion.

Third grade, English----	{ Probational appointments and promotions as a result of eligibility in either of these examinations shall not be made to positions the salary or compensation of which is above Class J.
Third grade, Spanish----	
Second grade, Spanish----	{ Probational appointments and promotions as a result of eligibility in either of these examinations shall not be made to positions the salary or compensation of which is above Class E.
Junior typewriter-----	
Second grade, English----	{ Probational appointments and promotions as a result of eligibility in any of these examinations shall not be made to positions the salary or compensation of which is above the minimum of Class D; promotions shall not be made to positions the salary or compensation of which is above Class A. The basic subjects of the junior translator examination and the junior interpreter examination are given in English only, and promotions as a result of eligibility in either of these examinations with basic subjects in Spanish shall not be made to positions the salary or compensation of which is above Class E.
First grade, Spanish----	
Junior translator-----	
Junior interpreter-----	
Typewriter-----	{ Probational appointments and promotions as a result of eligibility in this examination shall not be made to positions the salary or compensation of which is above Class A.

Interpreter-----	{ Probational appointments and promotions as a result of eligibility in this examination shall not be made to positions the salary or compensation of which is above Class 10.
First grade, English-----	
Assistant-----	{ Probational appointments and promotions above Class 10 require eligibility in one of these examinations, or in an equivalent examination.
Teacher-----	
Bookkeeper-----	
Stenographer-----	
Translator-----	

The basic subjects of the translator examination and the interpreter examination are given in English only, and promotions as a result of eligibility in either of these examinations taken with basic subjects in Spanish shall not be made to positions the salary or compensation of which is above Class 10.

Recapitulation of examinations.^a

	For original appointment.			For promotion or transfer.			Total.		
	Number examined.	Number passed.	Per cent passed.	Number examined.	Number passed.	Per cent passed.	Number examined.	Number passed.	Per cent passed.
During the year:									
English-----	3,347	890	24	373	133	36	3,720	953	26
Spanish-----	1,534	583	38	329	92	28	1,863	675	36
Total-----	4,881	1,403	29	702	225	32	5,583	1,628	29
Previously examined:									
English-----	10,890	4,454	41	2,798	1,357	49	13,688	5,811	42
Spanish-----	13,386	6,222	46	2,103	853	41	15,489	7,075	46
Total-----	24,276	10,676	44	4,899	2,210	45	29,175	12,886	44
Total English-----	14,237	5,274	37	3,169	1,490	47	17,406	6,764	39
Total Spanish-----	14,920	6,805	46	2,432	945	39	17,352	7,750	45
Grand total-----	29,157	12,079	41	5,601	2,435	43	34,758	14,514	42

^a The report in detail as to examinations held, number examined, etc., has been omitted and is on file in the Bureau of Insular Affairs, War Department.

Recapitulation of appointments made in the Philippine classified civil service during the year ended June 30, 1907.^a

Nature of appointment.	From English registers.	From Spanish registers.	Total.
During the year:			
Original, in Philippine Islands-----	324	226	550
Through changes in the service-----	1,417	1,642	3,059
Original, in the United States-----	184	-----	184
By transfer from the United States classified civil service-----	3	-----	3
By reinstatement in the United States-----	16	-----	16
Total-----	1,944	1,868	3,812
Previously appointed-----	9,777	7,443	17,220
Grand total-----	11,721	9,311	21,032

^a The details of these reports have been omitted and are on file in the Bureau of Insular Affairs, War Department.

Recapitulation of appointments made in the United States civil service in the Philippine Islands upon certification by the bureau of civil service during the fiscal year ended June 30, 1907.

Position.	Number.
ORIGINAL.	
Butcher.....	1
Clerk.....	36
Engineer, chief.....	1
Mate.....	2
Messenger.....	16
Pack master.....	1
Stenographer.....	1
Storekeeper.....	3
Storeman.....	3
Total original.....	64
By promotion, transfer, or reinstatement.....	13
Grand total.....	77

*Table showing the number of Americans and Filipinos in the Philippine civil service on January 1, 1907, and the salaries paid.**

Position.	Salary.	Number of—		Salaries of—	
		Americans.	Filipinos.	Americans.	Filipinos.
Class 1.....	P30,000	1	-----	P30,000	-----
	24,000	1	-----	24,000	-----
	21,000	3	-----	63,000	-----
	20,000	4	3	80,000	P60,000
	15,000	1	-----	15,000	-----
	14,000	2	-----	28,000	-----
	12,000	9	1	108,000	12,000
	11,000	2	1	22,000	11,000
	10,000	16	9	160,000	90,000
	9,000	11	5	99,000	45,000
	8,500	1	-----	8,500	-----
	8,000	11	-----	88,000	-----
	7,500	6	-----	45,000	-----
	7,200	1	-----	7,200	-----
	7,000	8	1	56,000	7,000
	6,500	5	-----	32,500	-----
	6,000	27	7	162,000	42,000
Class 2.....	5,500	11	-----	60,500	-----
Class 3.....	5,400	2	-----	10,800	-----
	5,200	1	-----	5,200	-----
Class 4.....	5,000	44	11	220,000	55,000
	4,900	-----	1	-----	4,900
	4,800	8	1	38,400	4,800
	4,600	-----	1	-----	4,600
Class 5.....	4,500	56	5	252,000	22,500
	4,400	2	-----	8,800	-----
	4,200	2	-----	8,400	-----
	4,060	1	-----	4,060	-----
Class 6.....	4,000	109	15	436,000	60,000
	3,960	1	-----	3,960	-----
	3,900	1	-----	3,900	-----
	3,620	-----	1	-----	3,620
Class 7.....	3,600	188	8	676,800	28,800
	3,500	2	-----	7,000	-----
	3,400	10	1	34,000	3,400
	3,300	1	-----	3,300	-----
	3,200	240	14	768,000	44,800
Class 8.....	3,120	1	-----	3,120	-----
	3,000	81	15	243,000	45,000
	2,800	343	21	960,400	58,800
	2,790	1	-----	2,790	-----
Class 9.....	2,760	1	-----	2,760	-----
	2,740	-----	1	-----	2,740
	2,700	4	5	10,800	13,500
	2,640	1	-----	2,640	-----
	2,600	117	2	304,200	5,200
	2,520	2	-----	5,040	-----
	2,400	590	61	1,416,000	146,400

* A large number of tables showing this information in detail have been omitted and are on file in the Bureau of Insular Affairs, War Department.

Table showing the number of Americans and Filipinos in the Philippine civil service on January 1, 1907, and the salaries paid—Continued.

Position.	Salary.	Number of—		Salaries of—	
		Americans.	Filipinos.	Americans.	Filipinos.
Class 10.	P2,300	2	1	P4,600	P2,300
	2,280	137	2	312,360	4,560
	2,200	89	16	195,800	35,200
	2,160	53		114,480	
	2,080		1		2,080
	2,040	19		38,760	
	2,000	159	21	318,000	42,000
Class A.	1,992	1		1,992	
	1,920	1	1	1,920	1,920
	1,800	152	66	273,600	118,800
Class B.	1,680	16	24	26,880	40,320
Class C.	1,600		8		12,800
	1,560	2		3,120	
	1,500		1		1,500
	1,440	27		38,880	90,720
Class D.	1,420		63		1,420
	1,400		4		5,600
	1,320		8		10,560
	1,300		1		1,300
	1,200	10	175	12,000	210,000
Class E.	1,188		1		1,188
	1,100		2		2,200
	1,080		84		90,720
Class F.	1,060		1		1,060
	1,020		2		2,040
	1,000		7		7,000
	980		3		2,940
	972		1		972
	960	2	199	1,920	191,040
Class G.	940		5		4,700
	920		1		920
	916		1		916
	900		63		56,700
	888		1		888
	880		2		1,760
	864		1		864
	852		2		1,704
	840		242		206,280
Class H.	836		1		836
	824		5		4,120
	816		5		4,080
	800		16		12,800
	792		1		792
	780		20		15,600
	760		2		1,520
	744		4		2,976
	732		2		1,464
	720	1	565	720	406,800
Class I.	714		1		714
	700		7		4,900
	696		1		696
	680		1		680
	680		1		680
	660		55		36,300
	648		1		648
	640		4		2,560
	616		1		616
	612		1		612
	600	2	390	1,200	239,400
Class J.	599		3		1,797
	594		1		594
	592		2		1,184
	588		3		1,764
	580		18		10,440
	576		5		2,880
	560		2		1,120
	550		4		2,200
	544		18		9,792
	540		32		17,280
	534		2		1,068
	532		1		532
	528		2		1,056
	525		2		1,050
	522		2		1,044
	520		20		10,400
	516		2		1,032
	504		5		2,520
	500		6		3,000

Table showing the number of Americans and Filipinos in the Philippine civil service on January 1, 1907, and the salaries paid—Continued.

Position.	Salary.	Number of—		Salaries of—	
		Americans.	Filipinos.	Americans.	Filipinos.
Class J.....	P496		3		P1,488
	492		2		984
	486		3		1,458
	480		500		240,000
Class K.....	475		1		475
	472		2		944
	460		2		920
	456		6		2,736
	450		7		3,150
	444		8		3,552
	432		8		3,456
	420		67		28,140
	408		6		2,448
	400		22		8,800
	396		10		3,960
	390		3		1,170
	384		3		1,152
	375		2		750
	372		11		4,092
	360	8	211	P1,080	75,900
	350		2		700
	348		1		348
	336		8		2,688
	330		1		330
	324		1		324
	320		3		990
	318		1		318
	300		83		26,400
	288		2		576
	276		1		276
	262		16		4,032
	240	2	128	480	30,720
	228		5		1,140
	225		1		225
	216		3		648
	204		1		204
	200		8		1,600
	192		2		384
	180	5	79	900	14,220
	174		1		174
	160		2		320
	150		2		300
	144		3		432
	135		1		135
	120	4	233	480	27,960
	108		7		756
	100		1		100
Total.....		2,616	3,902	7,809,242	3,234,494

NOTE.—The revised civil service rules to be inserted when approved have not been received at the time of going to press.

EXHIBIT NO. 2.

REPORT OF THE EXECUTIVE SECRETARY.

MANILA, P. I., October 20, 1907.

SIR: I have the honor to submit the following report covering, except where otherwise stated, the fiscal year ended June 30, 1907.

BUREAU PERSONNEL.

The organization of the bureau has been somewhat modified during the year, as will appear more at length under the caption "The law division."

During the year there have been the following changes in the office force:

	Americans.	Filipinos.
Probational or regular appointments.....	8	4
Temporary appointments.....	2	31
Transfers to bureau.....	10	7
Reinstatement.....		1
Total additions to force.....	20	43
Resignations.....	14	9
Temporary employment no longer required.....	2	10
Transfers from bureau.....	4	4
Removals *.....		3
Dropped from rolls, unexplained absence.....		1
Total separations.....	20	27

* The 3 Filipinos who were removed from the service were all messengers.

In addition to the separations above set forth, 7 private secretaries to the Commissioners were, by act No. 1527, eliminated from the bureau appropriation, and are now carried under the appropriations made for "Executive" and "Philippine Commission."

The personnel of the bureau on June 30, 1907, consisted of 3 officials, supervisor of land assessments, recorder of the Commission, 6 chiefs of division, 1 assistant chief of division, 97 clerks, 34 messengers, 2 special employees, janitor, watchman, and 14 laborers, a total of 161. Of the bureau force there are 31 Americans and 66 Filipinos classified as clerks. The total force of the bureau, including officials, comprises 43 Americans and 118 Filipinos.

INSTABILITY OF THE SERVICE.

For several years I have commented upon the unsettled condition of the service in this bureau and throughout the civil service generally. There is little to add as to the causes of this condition, but it is noteworthy that matters do not seem to be improving. The director of civil service informs me that during the fiscal year there were 500 voluntary separations from the service by Americans, of whom 100 were college graduates. While it is probable that not all of these places were refilled with Americans, a large proportion must have been, and when the expense of getting and bringing out new men, and of training them to their new work is considered, the wastefulness of the present system is evident.

The Secretary of War has advocated the allowance of retirement pensions to those employees who shall have continued in the service a certain number of

years, and a bill to carry out his suggestion will soon be introduced in the legislature. There is no doubt that proper provision for the support during their declining years of servants who have worn themselves out in the service will do much to remedy matters.

CONVENTION OF PROVINCIAL GOVERNORS.

When the Secretary of War visited Manila in August, 1905, he conferred with a number of provincial governors present in the city to greet him, upon many subjects relating to provincial administration. The governors recommended an annual assembly of the heads of provincial governments in Manila to discuss matters of importance and interest to the provinces. The Secretary of War favored the proposition.

About one month prior to the inauguration of Governor-General Smith (September 20, 1906), Governor George Curry, of Samar, suggested by wire to Governor-General Ide the advisability of holding the first convention on that occasion. Governor-General Ide replied that the amount of work on hand attending the change of administration would render it impossible to give attention to the matter.

On the day following Governor-General Smith's inauguration the subject was again broached by a delegation of provincial governors while paying their respects to him. On September 22, 1906, the governor-general telegraphically advised all provincial governors that the convention would be held in Manila on October 1, and that, if conditions warranted, they were authorized to absent themselves from their provinces in order to attend.

The convention was called to order in the office of the vice-governor at the ayuntamiento at 9 o'clock on the morning of October 1, by the executive secretary, 17 provinces being represented, as follows: Albay, Bataan, Batangas, Bulacan, Capiz, Cavite, Cebu, Iloilo, La Laguna, Leyte, Nueva Ecija, Nueva Vizcaya, Occidental Negros, Pampanga, Samar, Tarlac, and Tayabas.

The executive secretary addressed the convention, stating the purposes for which it had been called to be to confer on economical and industrial conditions, and to consider the proposed election law and related matters; the construction of roads; financial condition of provincial governments; the land tax; relations to the constabulary, and necessity for economy in municipal expenses and other matters. He said that what the insular government especially desired were the views and recommendations of the members of the convention upon the construction and maintenance of roads incidental to the adoption and operation of the road law, especially such amendments as would make it operative for two years. Light was sought upon the economical and industrial conditions of each province, and general recommendations as to what legislation, either Congressional or insular, would aid in improving such conditions. Incidental to this latter question the opinions of the governors were solicited as to the financial condition of each municipality, as to the amount of the indebtedness of the haciendas in each province, and as to the areas in cultivation at the time as compared with those in 1896. It was hoped that attention would be given to organizing in the various provinces of committees, to act in conjunction with a committee in Manila, for the purpose of aiding and assisting in securing a modification of the tariff in the United States. The subject of improvement in sanitary conditions and the best method of disseminating information among the people on sanitary matters was suggested as of paramount interest. Finally the governors were invited to discuss the advisability of forming a permanent organization to meet once a year, irrespective of the fact that the Philippine assembly would also meet each year, and to reach a conclusion as to the best time to hold the convention.

The convention then proceeded to the election of officers. Señor Sergio Osmeña, provincial governor of Cebu, was elected chairman and Señor Gregorio Nieva, of the staff of the executive bureau, secretary. After the organization had been effected by the election of these officers the governor-general was invited to address the convention, which he did by welcoming the members to Manila, placing all governmental facilities at their disposition, and expressing his confidence that their deliberations would be such as to harmonize with the importance of the matters submitted to them for discussion, to justify their being called together, and to commend to Congress and the Government any measures they might adopt. The convention then entered upon the discussion of matters relating to its internal régime.

Additional governors arrived later on the same day, and by the end of the fourth day the membership of the convention had swelled to 29, by representation of the provinces of Ambos Camarines, Benguet, Bohol, Ilocos Norte, Ilocos Sur, La Union, Mindoro, Misamis, Pangasinan, Rizal, Sorsogon, and Surigao.

Daily meetings were held for three weeks and the greatest interest shown in the subjects treated. The convention adjourned October 22, meriting from the governor-general the encomiums set forth in the following document:

EXECUTIVE ORDER, } THE GOVERNMENT OF THE PHILIPPINE ISLANDS,
No. 40. } EXECUTIVE BUREAU, Manila, October 23, 1906.

The thanks of this government are hereby tendered to the provincial governors, 29 in number, who at great personal inconvenience and sacrifice have attended the recent convention of governors in Manila, for their assiduity in the arduous work of dealing with the more than 70 questions of great public importance which were submitted to the convention for discussion and recommendation, for the ability and acumen shown in the discussion and recommendations made, and for the public and unselfish spirit manifested. The convention has proved a valuable adjunct to the government as well as a benefit to the provinces represented.

I hereby designate and appoint Governors Sergio Osmeña, of Cebu; Manuel Quezon, of Tayabas, and Jaime C. de Veyra, of Leyte, a committee, to remain in Manila until further orders, for the purpose of compiling the resolutions of the assembly and arranging them in proper and convenient form for consideration by the Philippine Commission, and for the further purpose of consultation with the latter body when needed to elucidate and explain questions which may arise in the interpretation and consideration of said resolutions.

JAMES F. SMITH,
Governor-General.

The committee named in the above order remained in Manila for some time engaged in the discharge of the duties assigned to it, and its members appeared before the Philippine Commission during the debates on the proposed election law. This committee, however, has not filed any formal report up to this time, except on the proposed election law, and hence I am unable to give any extensive record of the work and recommendations of the convention. Several of the amendments to the law named, suggested by the convention, were accepted by the Commission, and form part of it as finally enacted; others could not be accepted, as they related to portions of that law taken bodily from the act of Congress of July 1, 1902, and hence only amendable by that body. Other recommendations of the convention of provincial governors are mentioned under the next subhead.

PROVINCIAL AFFAIRS.

The changes which have occurred during the year in the relations between this office and the provincial governments have been wholly along the line of increased autonomy and corresponding responsibility of those governments.

Doubtless the most radical step which has been taken in this regard since the establishment of the civil régime was the enactment by the Commission on October 20, 1906, of an amendment to the provincial government act providing that after the next provincial elections the majority of the board should become elective instead of appointive, as heretofore.

Upon the establishment of provincial governments in 1901 the board comprised: (1) The provincial governor, elected for a term of two years by the municipal vice-presidents and councilors in convention; (2) the provincial treasurer, and (3) the provincial supervisor (engineer), both of the latter being appointed by the governor-general with the approval of the Commission. Upon the assumption by the bureau of public works, through its district engineers, of the purely engineering duties of the provincial supervisor, and the abolition of the latter position, October 4, 1905, provision was made for filling the vacancy thus caused on provincial boards by the appointment of the division superintendent of schools to perform the duties of member of the provincial board in addition to his regular duties as the provincial representative of the bureau of education. This arrangement was eminently satisfactory in practice in many cases. However, there was a general feeling that because of the considerable amount of time required by the necessarily rather frequent ses-

sions of provincial boards, as well as for other reasons, the duties of the division superintendent and of member of the provincial board were, if not incompatible, at least a combination of doubtful wisdom under existing conditions. The necessity for the application of disciplinary measures by provincial boards in the supervisory control of municipal officials tended to prejudice, sometimes quite seriously, the efficiency of the division superintendent in his work of popularizing our public school system. Furthermore, the offices of provincial treasurer and division superintendent of schools, being filled by Americans, resulted in all cases in placing upon provincial boards a majority not only of appointive officers, but of Americans, and therefore it followed that there was little popular interest in the administration. The matter of changing the provincial board organization so that it might have an elective majority had been the subject of more or less discussion almost from the beginning of the present government, and it naturally was one of the first subjects that claimed the attention of the convention of provincial governors.

After discussing the matter, this convention recommended to the governor-general the enactment of the amendment above referred to (act No. 1545), which provides in substance that provincial boards should comprise: (1) the provincial governor, elected; (2) the provincial treasurer, appointed by the governor-general, and (3) a third member, who shall be appointed by the governor-general until the next regular provincial election at which a successor might be chosen, qualify, and take office at the same time as the successor to the provincial governor should be elected and assume office. It was further provided that no election shall be held for third member of the provincial board when, in the opinion of the governor-general, such action might be necessary and advisable for the public interest, and that should the governor-general decline to confirm the person elected, he shall order a new election, and should he decline to confirm the person elected at the second election he shall, with the consent of the Philippine Commission, appoint some suitable person, who shall be a citizen of the United States or of the Philippine Islands, resident in the Philippine Islands, to the position. It was also provided that by unanimous resolution of the provincial board setting forth the grounds upon which it is adopted, when approved by the governor-general, the third member may be required to perform the duties of provincial treasurer, or any ministerial duty required by the board. The investigation of the charges against municipal officials, and other investigations coming within the purview of provincial boards, was the object of this latter provision. As compensation, the third member is allowed such per diem of not less than ₱5 nor more than ₱15 for each day of actual attendance, as the provincial board may fix. The rates which have been fixed vary greatly. In some cases the minimum named in the law has been adopted; in others, the maximum, and in some, a medium rate. The expenses of the office of third member will average about ₱600 per annum.

With a view to greater economy in the salary expense of provincial governments and to reduce the number of officials, thereby rendering less divided official responsibility, upon the recommendation of the convention of provincial governors the Commission abolished the office of provincial secretary and transferred the duties of the position to the office of the provincial governor, who is required to designate one or more employees of his office to perform the duties formerly pertaining to the office of provincial secretary. The responsibility for the acts of such employee or employees rests upon the provincial governor. The economy resulting from this change amounts to an average of about ₱1,000 annually per province.

Upon recommendation of the convention of provincial governors, the provincial government act was also amended by authorizing provincial boards:

(1) To make loans to municipal governments at an interest not exceeding 8 per cent per annum, and in amounts, including other indebtedness of municipal governments, not to exceed 5 per cent of the assessed valuation of the property within the municipality.

(2) To provide, in its discretion, for the continuance of regular compensation to unclassified employees of the provincial government, including laborers, during periods of disability not exceeding ninety days, whenever such employees or laborers are injured in the line of duty; and to pay from provincial funds the necessary expenses of medical attendance, transportation, and hospital fees, and in case of death from such injuries, reasonable burial expenses.

(3) To appropriate moneys pertaining to the provincial road and bridge fund, for the purpose of providing and maintaining wharves, piers, and docks,

in accordance with plans and specifications furnished by the bureau of port works, and for removing obstructions to navigation within the limits of the province, and

(4) To appropriate moneys from any of its funds, except those the use of which is otherwise specifically fixed by law for other purposes, having in view the general welfare of the province and its inhabitants, subject to approval by the governor-general.

The occasion for authorizing provincial governments to grant loans, within certain limitations, to municipal governments, was the necessity which has occurred occasionally to afford such relief in cases where, by reason of public calamity or other sufficient cause, temporary monetary assistance is essential to avoid a suspension of those branches of the public service which are maintained by municipal governments, particularly primary schools and local police. The provision for continuing during a limited period the compensation of laborers and other similar employees, and their medical and hospital expenses, when injured in line of duty, was necessary in order that the government might make such provision as humanity and good administration require for the unfortunate objects of not infrequent accidents which occur in connection with the prosecution of public works. The authority to expend moneys from the provincial road and bridge fund for the purpose of providing and maintaining wharves, piers, and docks, and removing obstructions to navigation within the limits of the province, was necessary in the public interest in provinces where, by reason of the location of cultivated areas, water, rather than land transportation is now not only available and preferred, but because of the topographical features of those provinces, will so continue for many years. The public interest clearly demanded such authorization, in order that the proceeds of taxation might be used for those projects which will give the greatest public benefit and future return for expenditure. The authority to appropriate moneys from provincial funds for any purpose having in view the general welfare of the province and its inhabitants is analogous to the authority granted municipal governments upon their establishment in 1901, and furnishes that factor of elasticity in the law which will enable a provincial government lawfully to solve any problem within its purview that may present itself, and which it is elementary to say may not be foreseen, and hence can not be provided for specifically in the law. Ample safeguard against the appropriation of public funds for improper purposes is afforded by the requirement that appropriations under this authority shall be subject to approval by the governor-general, whose prompt action is assured by the provision that such appropriation will become effective, if not disapproved by the governor-general, within thirty days after he shall have received due notice thereof. In effect, it is the veto power as vested under the American system in the executive in relation with the legislative branch of government.

LAND TAX.

As stated in the report for the preceding year, the suspension of the land tax was continued for the calendar year 1907. It was, however, upon the basis of reimbursement to provincial governments from the insular treasury in an amount equal to but 50 per cent of that which might be collected under the new assessment. This suspension of the tax for another year was premised upon the fact that it would be impossible to complete the new assessment prior to some date in the latter half of 1907, and that in a few of the provinces agricultural conditions were such as to render the continuation of the suspension necessary in the public interest; and the further fact that in view of the general feeling on the part of the property owning class against the land tax it seemed wise to allow local governments some practical experience in endeavoring to conduct their affairs with a reduced revenue.

As it would be impossible to ascertain the amount of the new assessment in each province until some time after July 1, reimbursement was authorized during the first half of the year upon the basis of one-half the collections actually made during the year 1905, which was the last year the tax was in effect, and requiring the auditor, upon receipt of certification of the total assessed value of each province, to make such adjustment between payments previously made and those due during the year as would effect the reimbursement for the entire year, as stated, at 50 per cent of the amount which might be collected upon the new assessment. The effect of the reduced revenue has been to cause a number of provincial and municipal governments to request

authority to collect, in addition to the reimbursement from the insular government, at least a portion of the seven-eighths of 1 per cent authorized by the provincial and municipal government acts on the assessed value of real estate. These requests have been in the majority of cases informal applications for information as to the attitude of the Commission upon the subject before making formal request for such authorization. But in view of the hoped for results through the adoption of the policy of acceding to the requests which were at the beginning almost unanimous for suspension, and of the fact that it would be of doubtful legality to permit the adoption, even temporarily, of a system of taxation which might be deemed lacking in uniformity, reply was made to all inquiries that the collection of the land tax or any portion thereof for the current year would not be authorized. In practically all the provinces and municipalities the work of collecting delinquent taxes corresponding to prior years was taken up, and as a result of active steps, without however resorting to the sale or confiscation of real estate, it seems certain that before December 31 next, practically the entire delinquent land-tax list in every province and municipality will have been cleared up.

It is believed that it would be wise to allow the land tax to become effective January 1 next, and to authorize provincial governments to suspend it for any year when, by reason of general crop failure or for other sufficient cause, the public interest seems to demand such action. The proceeds of this tax being purely provincial and municipal revenue, it will thus be possible to meet extraordinary conditions as they occur in individual provinces without applying the same measures alike to provinces in which agricultural conditions are excellent and to those in which great depression exists. As an illustration of the necessity for considering each province individually and not the entire archipelago as a whole in determining the matter of enforcing or suspending the land tax, the present agricultural conditions afford excellent examples: In the provinces of Occidental Negros and Iloilo, by reason of the continuance of cattle plague, the lack of capital at reasonable rates of interest, and the impossibility of bringing the soil under cultivation without ample financial means, owing to the landholdings being almost universally very large, there is little room to question the suspension of the land tax. But in the provinces of Bulacan, La Laguna, Nueva Ecija, Pangasinan, Tayabas, and many others, the abundant rice crops and the unusually high market prices of rice and copra have afforded an extraordinary degree of prosperity, and the more intelligent and progressive landowners express regret that the land tax is suspended, for, as a consequence, but little money is available for the construction of roads and bridges, the necessity of which they recognize to secure cheap transportation of their products to market. The vesting of the veto power in the governor-general should be ample safeguard against the suspension of the land tax without due investigation and on insufficient grounds. After a careful study this office prepared and submitted to the Commission a proposed law covering the matter as outlined above, which was enacted September 18, 1907 (act No. 1713).

The new assessment of real estate, the beginning of which was mentioned in the last annual report of this office, was carried out quite satisfactorily, considering the many difficulties and obstacles naturally flowing from the facts that relatively few parcels of land had been carefully surveyed; that in the great majority of cases landowners have quite indefinite ideas as to the area of their property; that the majority of parcels of land are held with little or no documentary evidence of ownership, and still less correct description of location, the lack of experienced or, indeed, of capable persons in many municipalities for appointment on the local board of assessors, and the great amount of time that is consumed in the transmission of correspondence in answer to queries and other incidents of supervision from provincial capitals and the city of Manila of the work in the municipalities. Notwithstanding all these difficulties it is felt that the work was performed even better than might be expected under existing conditions, and in the provinces from which final reports have been received it is clearly a material improvement over the previous assessment.

On May 1 the work in all the provinces had reached a point which permitted the central equalizing board to begin its duties. Its regular sessions were held in Manila. Its members visited all the provinces for the purpose of hearing appeals from decisions of the provincial boards of tax appeals, and of equalizing assessed values throughout the archipelago as a whole. This board was in session until July 31, 1907. The assessment therefore is now completed, with

the exception of the readjustment which must be made by provinces in which the central equalizing board has ordered an increase or decrease in the values fixed by the provincial board of tax appeals. Provincial boards as a rule adopted schedules which afford fair valuations, but in a few instances it was necessary to reduce or increase somewhat the values fixed. It is of interest to know that while there has been a general tendency to lower the rate of assessment, which was probably excessive in many provinces under the previous assessment, yet because of the larger number of parcels of land and the increased areas reported in many parcels, the total assessed value in many provinces, if not in the whole archipelago, will be greater than under the previous assessment.

There is indeed a tendency generally on the part of the people to accept the land tax as the most just form of taxation which is at present utilized by any government, and as the small property owners and the masses generally become enlightened, this sentiment promises to increase, particularly because many owners of relatively large haciendas either can not or will not bring them under cultivation. While these proprietors of large landed estates are the most bitter opponents of the land tax, more particularly because it is based upon the capital investment rather than upon the rental value, it is safe to say that unless some unexpected social or financial movement occurs the popular demand will be for a form of real estate tax which will be directed wholly at capital investment in land.

INTEREST BEARING DEPOSITS OF PROVINCIAL FUNDS.

In my last report mention was made of a plan to place excess funds and current balances of provincial treasurers, as far as practicable, upon interest bearing deposit with local commercial banks which have qualified as government depositories, with a view to making available for commerce currency which otherwise would be held in the safes and vaults of treasury officials throughout the islands. It was there stated that apparently at least ₱1,500,000 of such funds might be so deposited. The matter was taken up subsequently with the qualified depositories in the city of Manila, having branches in Cebu and Iloilo, which are the chief commercial centers of the archipelago. Arrangements were effected by which they would receive these funds in such amounts as might be available for fixed deposit at $3\frac{1}{2}$ per cent per annum, and special surety bonds covering these deposits were executed. Later the matter was taken up with provincial boards and treasurers, and notwithstanding the reduced revenues of provincial governments during the year, these deposits reached an aggregate sum of ₱1,580,050 on June 30, 1907, affording an additional revenue amounting to ₱55,317.50 per annum to the provincial governments without increasing any of the existing forms of taxation. These deposits will be further increased during the ensuing year, and as officials become more familiar with the system, by distributing their deposits in convenient amounts which will mature from time to time during the year, they will be able to reduce their cash on hand to a further extent. From present indications these fixed interest bearing deposits will reach an aggregate of not less than ₱2,000,000 within the next few months, and produce a revenue for provincial governments on these accounts alone of more than ₱70,000 per annum.

ECONOMIES IN SALARY EXPENSE.

Under authority of law the positions of provincial fiscal in several provinces have been merged by creating districts comprising two or more provinces under the charge of a district fiscal, and in some instances there has been effected or is projected the abolition, temporarily at least, of the position of provincial fiscal, and the assumption of the duties of the position by the office of the attorney-general, whose appropriation will be reimbursed by the province itself in such amounts as may represent the actual expenditure on account of salaries and travelling expenses incident to the service. In this way those provinces which do not furnish sufficient work to occupy the entire time of a fiscal will be relieved from the expense of paying the salary of such an officer, except when service is actually rendered, and, by utilizing the personnel of the bureau of justice, one attorney will be able to attend to the requirements of two or more provincial governments, and to perform considerable service to which he is regularly liable for assignment as a member of the staff of that bureau.

In this general connection mention may be made of the fact that one of the most important problems for solution has been deemed the reduction of the number of the officers and employees of the government to the minimum consistent with the interest of the public service, and the adjustment of salaries upon such a basis that the government may secure as the public interests demand the best available personnel for its service. This matter has received much attention and has been the subject of many conferences and much correspondence with officials and private persons, not only in Manila, but throughout the provinces. The conclusion has been reached that in government service as in commercial enterprises it is wholly impracticable to lay down an inviolable rule and scale of salaries. There has accordingly been prepared and submitted to the Commission, whose action it awaits, a draft of a proposed act authorizing the consolidation of two or more appointive positions in any branch or branches of the government service, the determination of the salary of the new position at such rate as may be deemed adequate and just, provided it shall not exceed 75 per cent of the salaries of the positions combined, and the subsequent restoration of one or more of the combined positions to their original status, when such action is, in the discretion of the governor-general, in the public interest. Under this authority it will be possible to combine two or more positions which are not incompatible, and the duties of no one of which require the entire time and best efforts of the officials or employees concerned. As an example of the action which would be taken if the proposed act be passed, in many of the smaller provinces where the duties of clerk of the court of first instance and clerk to the provincial governor are not sufficient to occupy the time of two employees, the positions would be combined at a salary sufficient to secure a competent and honest employee and, at the same time, a saving of at least 25 per cent in the present expense. It is believed, although there is a divergency of opinion on the subject between interested officials, that this plan of consolidation of offices might be carried into effect with not only economy to the public treasury, but advantage and convenience to the taxpaying public, by the consolidation at each provincial capital and in each municipality outside of the city of Manila of all offices concerned in the collection of public funds, with the possible exception of the position of municipal treasurer in a provincial capital. In this manner accountability for public funds would be vested in one official in each municipality with corresponding reduction in risk of defalcation, since through the increased dignity of the position a more adequate salary and higher type of official could be secured than is at present possible where, by reason of duties being divided between two or more officials, it is impossible to pay adequate compensation, although the sum of the salaries paid is materially more than sufficient to secure one thoroughly reliable official.

Under special provision of law regarding the postal service, and through the cooperation of the bureau of posts with this office, the positions of municipal treasurer and postmaster have been consolidated in a large number of the smaller municipalities, with material convenience to the public and some economy to the service. It should be proposed that this policy be extended to include not only the bureau of posts but all other branches of the insular government having representatives in the provinces engaged in the collection of revenues. Thus at the present time in the town of Cebu, which is also a port of entry, there are located a collector of customs at a salary of ₱8,000 per annum, a provincial treasurer at ₱6,000, and a postmaster at ₱3,960, a total of ₱17,960 per annum. From information obtained from representatives of the various branches of the service interested and from others it is believed that these three positions might well be consolidated into one office under the title of collector of revenue, or some other appropriate designation, and the salary of ₱10,000 per annum provided, with a saving of ₱7,960, and the consequent economy of 46 per cent in the salaries now paid these three offices. Further economy could be effected through the adjustment of the salaries of certain subordinate insular and provincial employees, upon the basis of salaries paid positions of relatively the same requirements in the provincial service; by the joint use of customs cutters and launches for insular and provincial purposes, which would be practicable under the proposed arrangement, and by avoiding the not infrequent duplication of such transportation service with corresponding unnecessary expense to the public treasury. In addition by bringing together these three offices not only under one officer, but under one roof, or at least in locations of close proximity, there would be an incalculable saving in expense and in time to the public having to do with them, since business could be transacted without passing from one part of the city to another, as is now the case to a cer-

tain extent in most of the towns which are at the same time provincial capitals, ports of entry, and money order and telegraph offices. There is encountered in the investigation of this matter considerable opposition on the part of some officials, but as yet no reason has been developed which would indicate the impracticability of the project.

PROVINCIAL TREASURIES.

The provincial treasury service, like other branches of the government, has continued to suffer through frequent changes in personnel, since the date of my last report. Nine treasurers, or almost one-fourth the total number, have left the service through resignation, transfer, or removal.

Under the last head two separations from the service occurred—one for neglect amounting to practical abandonment of official duties, and the other for failure to prosecute with due energy municipal officials who were unfaithful to their trust in the custody, collection, and expenditure of public revenue. The removal of these two officers was due to the enforcement of the requirement of this government that its officials shall put forth their best efforts and conscientiously perform their duty. This requirement, directly and indirectly, has aroused the adverse criticism which Americans and others have so freely made of the government's policy and methods.

The district auditor service, which was organized during the period covered by the next preceding report, became well established during this year, and its results have been highly beneficial to that portion of the government service which comes within the jurisdiction of this office. It has afforded a practically uniform and, it is believed, honest examination of the accounts, not only of provincial treasurers, but of municipal treasurers who formerly had been independent of central supervision.

Much time and effort have been devoted by district auditors and provincial treasurers in the instruction and improvement generally of municipal treasurers. Illegal collections and expenditures have been stopped wherever discovered, and the comparatively small expense of the district auditor service as a result has been saved many times to the taxpayer. While it is undoubtedly true that petty officials still succeed in diverting to their own pockets moneys collected under the guise, or on account of taxation, and succeed occasionally in withdrawing funds from the public treasury unlawfully in the matter of expenditures, yet such instances are now comparatively rare, and the public is rapidly learning to recognize official corruption and knows where and how to seek the remedy.

In pursuit of the policy of advancing Filipinos to positions of responsibility and trust as rapidly as the requisite capacity is demonstrated, practical examinations have been held for appointment and promotion in the provincial treasury service during the year. As a result Miguel Unson, one of the provincial employees of longest continued service and most marked efficiency, was appointed treasurer of the province of Isabela and several other Filipinos now employed as deputy provincial treasurers, or in analogous positions, will be advanced as vacancies occur, and be given an opportunity to demonstrate fitness for further promotion. These men have all had several years' practical experience in the treasury service, and have demonstrated that they possess both initiative and proper conception of the responsibilities which are incident to the custody and control of public funds. They have had their experience under American officials and in accordance with American methods. They recognize that their success, as officials of this government depends upon their meeting the requirements of American standards, and such faith is felt in their ability to acquit themselves creditably that they will be recommended to the governor-general for appointment, with no more reservation or uncertainty than would be felt in the case of American officials.

CHANGES IN MUNICIPAL AND PROVINCIAL GOVERNMENTS.

During the fiscal year there were 21 new municipalities created, by dividing old municipalities into two or more parts. Between July 1 and November 1, there were 28 new ones created in the same way. These latter will come into existence January 1, 1908. During the fiscal year 9 municipalities were so combined as to leave 5, and 3 have been fused into 1 since. The subprovinces of Apayao in Cagayan, and of Kalinga in Lepanto-Bontoc, were created during

the fiscal year, and a new boundary fixed between the subprovince of Amurayan, and the provinces of Ilocos Sur and La Union. Since July 1 the province of Agusan and the subprovinces of Romblon, Marinduque, Siquijor, Butuan, Bukidnon, and Batanes have been created and the province of Romblon abolished by attaching it to Capiz. The number of provinces remains as before, 38, but 7 of these are now under the special provincial government act.

PROPERTY INSPECTION.

The designation of district auditors throughout the islands as special inspectors with authority to act upon damaged, lost, or surplus property of the insular government within their respective districts has, as was anticipated in my last report, contributed greatly to the prompt dispatch of property inspections. In the city of Manila the practice of appointing officials or employees with other regular duties to perform to act upon insular government property located in Manila not having been entirely satisfactory, an employee of the bureau of audits was appointed permanent inspector of insular government property for the city of Manila on August 28, 1906, with the understanding that the work of property inspection was to be his first duty and that he would be otherwise employed only when his services were not needed in this connection. This change also has resulted in increased efficiency and dispatch in handling property matters within the city of Manila, and it is believed that action upon insular public property throughout the islands is now secured with less delay than at any time since the establishment of the insular government. The permanent inspector for the city of Manila has also, under the supervision of this office, been able to effect the transfer of surplus property from one bureau to another in many cases where, had less careful attention been paid the matter, the property would probably have been sold at public auction as not needed in the public service. The advantage of securing the full value of property by interbureau transfers, instead of condemning and selling the same at a low price when no longer needed by the particular bureau possessing it, is obvious.

During the fiscal year 348 special inspections of public property were ordered, and 4 inspection committees and 10 special inspection committees were appointed, a total of 362 inspections, or an increase of nearly 40 per cent over the previous fiscal year. A total of 407 inspection reports have been approved during the past year, 45 of which were reports submitted by inspectors appointed during the preceding year.

DISTRIBUTION OF DOCUMENTS.

There has been practically no change during the year in the work of the bureau in connection with the distribution of public documents, it being still charged with the distribution of all official publications of the Commission and of this bureau, for which no charge is made, with the exception that the free official distribution of the Official Gazette and Gaceta Oficial was, on November 15, 1906, transferred to the bureau of printing, by executive order No. 42, series of 1906.

A total of approximately 85,000 packages of printed matter have been mailed or delivered by messengers of the bureau during the year, consisting of census reports, reports of the Commission, the executive secretary and other officials, copies of laws, executive orders, proclamations, the Official Gazette and other documents.

By act No. 1660, enacted June 27, 1907, provision was made that "hereafter there shall be no free distribution of any public document, pamphlet, or publication, except by express authority of the secretary of public instruction." The purpose of this enactment was to relieve the Commission and the governor-general of the necessity of authorizing from time to time the free distribution of documents which, under the reorganization act, could only be authorized by resolution of the Commission in the case of the Official Gazette, and by the governor-general in the case of other publications. Upon the enactment of the law the secretary of public instruction authorized the executive secretary to continue the free distribution of all government publications in charge of this bureau, with the exception of the Official Gazette and other similar publications.

CABLEGRAMS.

The system of condensing the cipher code in use between this office and the Bureau of Insular Affairs, mentioned in my last year's report, has been continued during the fiscal year, and its value increased by a supplemental code tending further to reduce the cost of the cable tolls between the two offices. During the fiscal year 280 cablegrams have been received by the bureau from the United States and foreign countries, 462 official cablegrams have been sent by this office, and a total of 3,001 official excerpts from such messages has been furnished to insular bureaus and others concerned. The total cost of cablegrams forwarded by the Bureau for the year was ₱17,080.22, of which sum ₱9,037.60 were paid by the executive bureau and ₱8,048.62 by other bureaus and offices. The total cable tolls for the fiscal year 1906 amounted to ₱19,066.76, thus showing a reduction of ₱1,986.54 during the past year.

FIREARM PERMITS.

The arrangement referred to in my last report whereby this office approves permits for the city of Manila, and handles only such provincial permits as are disapproved by the director of constabulary has been continued during this year.

A consistent effort likewise has been made in the past twelve months to reduce the number of firearms, particularly rifles and revolvers, in the hands of individuals other than peace officers of the Government. On February 25, 1907, the governor-general issued a circular letter to all provincial governors directing that no new firearm permits whatever be issued, except in unusual cases where special necessity for the possession of the arm is proved, and that an endeavor be made to reduce the number of permits extant, whenever such action may be taken without injustice or great inconvenience. The governor-general also stated the policy to be not to authorize the issue of rifles to police of municipalities not exposed to raids or assaults by bandits and maulauders, his idea being that the police of such municipalities should be armed with revolvers and clubs, as are the police of the city of Manila. That this measure has not been fruitless is shown by the fact that during the fiscal year only 678 new firearm permits were issued in all the provinces of the islands, as against 1,005 issued during the fiscal year 1906. In the city of Manila, owing to the existence of authorized gun clubs and to other causes, the reduction of firearms is attended by considerable difficulty, and 920 new permits were issued as compared with 961 for the previous year, a reduction of but 41. The results of the efforts to reduce the number of arms are further shown, however, by the fact that during the year 1,078 permits were canceled—562 by the director of constabulary, and 516 by the chief of police of the city of Manila—being more than twice the number canceled during the fiscal year 1906. The following statistics show more fully the action taken in regard to firearm permits during the past year.^a

TRANSPORTATION OF GOVERNMENT OFFICIALS AND EMPLOYEES AND FILIPINO STUDENTS.

Upon the enactment of the recent railway rate legislation by the Congress of the United States, some doubt was felt as to whether it would affect the contracts with the various steamship and railway lines for the transportation of officials and employees of the Philippine government, members of their families, and of Filipino students. The contracts then in force expired on December 31, 1906, and pending decision of the matter they were renewed by the Chief of the Bureau of Insular Affairs only for the three months ending March 31, 1907. However, a decision favorable to the interests of the Philippine government was rendered by the Interstate Commerce Commission in January, 1907, and the contracts were then renewed by the Chief of the Bureau of Insular Affairs for the full calendar year 1907, upon terms similar to those for the calendar year 1906. The small reduction in railway fare accorded insular passengers traveling to and from the United States upon the army transports, however, has been discontinued.

During the past few years considerable difficulty has been experienced in securing accommodations on the contract steamship lines for insular officials

^a On file in the Bureau of Insular Affairs, War Department.

and employees desiring to proceed to the United States during the months of March, April, and May. The congestion during the spring months has been greater during the past year than ever before, and many insular employees who desired to leave the islands at that time were compelled either to cancel their applications for leave of absence, or to postpone the date upon which they should become effective, in some cases for as much as two months. Confronted by this dilemma a considerable number of employees, who had not intended taking such action, proceeded to the United States via the European lines running through the Suez Canal, as furnishing the only method of leaving the islands at the time desired. The main cause of the congestion during the spring months is the annual exodus of employees of the bureau of education, as a result of the closing of the schools in March, and the necessity the teachers are under of departing immediately thereafter in order to enjoy their full vacation in the United States. It has been noted besides that as a rule employees throughout the service prefer to start on their leaves of absence during the spring months, thus avoiding the rigors of a winter in the United States, after a more or less protracted stay in the Tropics.

Effort was made by this office to relieve this untoward condition of affairs by securing accommodations for insular officials and employees upon the army transports, but owing to the fact that the transfer of troops between the United States and the islands was then being effected, practically no relief whatever was secured during the particular months mentioned. It is hoped, however, that during the same months of the coming year accommodations on the transports may be available to relieve the conditions described.

During the fiscal year ended June 30, 1907, requests for transportation to the United States at the contract rate were furnished by this office to a total of 412 persons, including officials, employees, and their families, and Filipino students proceeding to the United States to enter educational institutions. The requests furnished were divided as follows: Three hundred and eighty-six full, 9 half, 14 one-fourth, and 3 servants' fares. Of the above, 132 were wholly or partially at the expense of the insular government. More than 30 per cent of the persons furnished with transportation at the government contract rate were included in transportation requests issued during the two months of March and April.

A total of 297 persons, including insular officials and employees, their families, and 2 Filipino students, were furnished with transportation to the United States during the fiscal year upon the army transports. The greater part of these accommodations, however, were secured prior to March 1, 1907, and, as heretofore stated, first-class passage for very few insular officials or employees has been secured on the transports since that date. However, a considerable number of applicants have accepted soldiers' accommodations upon outgoing transports since the date mentioned rather than lose their vacations in the home land, the number furnished with such accommodations being included in the figures given above.

The total number of insular passengers for whom transportation was secured by this office during the fiscal year, both upon commercial vessels and army transports, was 700, not including 56 indigents, vagrants, and conditionally pardoned prisoners who were deported by the insular government as hereinafter stated.

DEPORTATION OF VAGRANTS AND DESTITUTE AMERICANS.

As compared with the fiscal year 1906, there has been a very marked decrease in the number of vagrant and destitute Americans, and of conditionally pardoned prisoners, deported to the United States during the past year. The retrenchment policy of both the insular government and the military authorities in the islands resulted in the deportation to the United States during the fiscal year 1906 of a total of 223 persons. During the fiscal year ended June 30, 1907, the total number of persons of the classes mentioned sent to the United States upon army transports at the request of the insular government was only 56. The decrease in the number of indigent Americans in the islands is believed to be very largely due to the demand for labor in the construction of the Philippine railways, and from information received by this office it is thought that there is at present a smaller number of unemployed American citizens in the Philippine Islands than at any other time for a number of years.

PARDONS.

The work of the committee appointed by executive order No. 24, of May 1, 1906, for the purpose of reviewing the records of prisoners sentenced for bandolerismo, sedition, and insurrection, and of making recommendations as to proper cases for pardon, has been continued during the year. It is not yet completed, owing to the fact that the judges who are members of the committee have been so occupied with their judicial duties that the work of the committee has had to be interrupted. The committee has considered and reported upon a total of 285 cases during the year, of which 108 were recommended for conditional pardon or parole; commutations of sentences were recommended in 76, and recommendations that pardon be denied were made in 101 cases.

As stated in my last report, the pardon committee in its partial report of June 20, 1906, called attention to the fact that no legal procedure existed by which a conditionally pardoned prisoner might be reincarcerated should he violate the conditions of his pardon, and suggested that the necessary legislation to cover this omission be enacted. Favorable action upon this suggestion was taken by the Philippine Commission on August 9, 1906, upon which date act No. 1524, providing for the enforcement of conditions made by the governor-general in the exercise of his discretion in the granting of conditional pardons, was enacted. A number of cases of conditionally pardoned prisoners having violated the terms of their pardons has been reported to this office, but investigation developed the fact that in the majority of them the violation was not willful, being rather due to ignorance or misunderstanding on the part of the men pardoned. In such cases, by authority of the governor-general, the conditions of the pardons were again carefully explained and no prosecution ordered. In the province of Albay, however, a number of cases arose which were turned over to the provincial fiscal for action under the act above mentioned. Report of the action taken by the court of first instance in these cases has not yet reached this office.

Two other important acts relating to prison management and the release of prisoners were passed by the Philippine Commission during the year. These are acts Nos. 1533 and 1561, enacted August 30, 1906, and November 10, 1906, respectively. The first provides for the diminution of sentences for good conduct while in confinement, and the second empowers the governor-general to parole prisoners under such conditions as he may impose, the act providing also means for reincarceration, should the terms of the parole be violated.

At the suggestion of this office, a rule was adopted by the governor-general on February 18, 1907, providing that petitions for pardon in all cases of homicide and in which denial of pardon has been recommended by the pardon committee would not be considered by him more than once a year, unless some special reason for reconsideration were shown. In all other cases petitions for pardon are not considered by the governor-general more than once in six months, unless special reasons are advanced. It is believed that the one-year rule might well be adopted in all cases, and the governor-general thus relieved of reviewing every six months a mass of such applications largely devoid of merit.

During the fiscal year a total of 1,549 petitions for pardon were considered by the governor-general, of which 1,112 were denied and 321 granted. In 110 cases sentences were commuted, and 6 prisoners were released under parole. There were 2,113 cases under investigation, or pending decision, on June 30, 1907. This number includes also the bandolerismo cases not yet passed upon by the pardon committee.

EXTRADITION REQUISITIONS.

There were no requisitions of criminals between the Philippine Islands and the United States or foreign countries during the year. One defaulter—a clerk in the United States Signal Corps—got away successfully with about \$4,000 and preparations for requisition were made but he has not been found. Since July 1 there have been three cases: One man sold his nipa house to two different persons and left on a transport. Preparations were made to extradite him from Honolulu, but the military put him aboard a westbound transport and saved the trouble. He is now in Billbid.

Two Manila merchants who had left for Europe and were sojourning in Macao were charged with falsifying a private document to the defraudation

of an estate, and extradition papers were issued. The case was settled out of court and the matter dropped.

In September an ex-soldier of marines was charged in Hongkong with murdering his paramour, a woman of the under world, who had escaped from Manila with a large sum of money, the proceeds of an insurance policy belonging to another woman of the same kind. He was found in Chefoo, China, and arrested by order of the consul there, after a desperate fight, in which both he and one of his captors were rendered unconscious, the money and the woman's jewelry being in his possession. He was afterwards placed on a United States gunboat and brought to Manila, whence he was requisitioned by the governor of Hongkong. After a hotly contested legal battle he was delivered to the British authorities and is already, I understand, sentenced to be hanged.

LAW DIVISION.

Since my last report an important change has occurred in the legal department of the bureau. On January 1 the law clerk, Mr. Harry E. Laughlin, was made chief of the administration division of the bureau and the chief clerkship was abolished, Mr. Thomas Cary Welch, who held that position, taking charge of a new division which was then created and called the "law division." The abolishment of the chief clerkship made it necessary for the duties of the position to be distributed among the various chiefs of division, falling in largest measure upon the second assistant executive secretary. The change was effected practically without additional expense.

The law division assumed all the duties formerly resting on the law clerk and his associates, including the appointment work and, in addition, took up a large amount of consultation work and of drafting legislation for submission to the Commission. The number of formal memoranda, which are in effect legal opinions, furnished by the division from January 1 to June 30 was 27. This represents only a fraction of the work of this kind actually done, as by far the most of the consultations are oral and are answered orally, by indorsement, or in pencil notes which, having served their purpose, are destroyed. Over 40 proposed acts were drawn in the division before the end of the fiscal year, of which 21 found expression in actual legislation. Eighteen executive orders and 7 proclamations were prepared by the division in the six months of its existence.

CASES AGAINST PROVINCIAL AND MUNICIPAL OFFICIALS.

During the year there have been two provincial officials, both Americans, removed, and 182 cases against municipal officials, justices, and auxiliary justices of the peace tried. Of the defendants, 127 were found guilty, 55 acquitted, and 80 removed. This is the lowest number of cases tried and of officials removed since 1904, while the percentage of acquittals is higher than in 1905 or 1906. There were 16 justices and auxiliary justices removed during the year, as against 12 the year before. This would indicate that act No. 1450, which leaves these cases to the local judge of first instance instead of the provincial board, is working effectively. "Exhibit A" is a tabular statement giving detailed information in the premises.^a

There were 69 cases against municipal officers pending before provincial boards at the end of the fiscal year and none awaiting action in this bureau. How many cases were pending against justices and auxiliaries can not be given, as these cases are now handled by the judges of first instance direct.

The charges upon which the cases were based and the decisions therein are set forth in "Exhibit B."^a It shows a great increase in charges of abuse of official position—a total of 100 as against 39 for 1906.

The convictions on this charge were also proportionally more numerous—being 63 out of 100. Municipal presidents and councilors were the worst offenders in this regard, numbering 48 out of the 63. This goes to show that the people are learning their rights, becoming more tenacious of them and less timid of giving testimony against tyrannical officials.

STATISTICS REGARDING APPOINTMENTS.

There were 650 appointments made last year as against 1,380 the year before; but that year was exceptional, owing to the passage of act 1450, which necessitated the appointment of 1,159 justices. Exclusive of justices there were 176

^a On file in the Bureau of Insular Affairs, War Department.

appointments by the governor-general, by and with the consent of the Commission, and 84 designations by the governor-general alone, as against 221 and 106 the year before. "Exhibit C" appended hereto gives the statistics of this work in detail.

"Exhibit D" is a table showing the number of provincial officials in office at the date of this report and the relative number of Americans and Filipinos. It shows a large reduction—97—in the number of officers from last year. This is mostly due to the abolition of the offices of provincial secretary and president of the provincial board of health and the expiration of the terms of office of the members of the boards of tax appeals. The proportion of Americans to Filipinos is 34.25 per cent, an increase of 10 per cent.

"Exhibit E," likewise appended, is a similar table for municipal and township officers. It shows an increase in the number of officials of 596, of whom 307 are notaries public. The percentage of Americans to Filipinos, 0.77, is one-tenth of 1 per cent higher than last year.

PROVINCIAL ELECTIONS.

Two provinces held elections for governor during the year. The extirpation of ladronism in Cavite, which followed the downfall of Sakay, Montalan et al., brought that province into such a condition of political health as to render it eligible to choose its own chief, while Isabela, having remained at peace for the two years since the last American governor was transferred to Samar, had repeatedly expressed its desire to elect its own governor. Accordingly the governor-general, on November 13, 1906, issued an executive order calling a gubernatorial election for Isabela on the first Monday in February, and this was followed a week later by another for an election in Cavite at the same time. These elections were held under the old law, the election law having made special provision therefor, and passed off without incident of note. Mr. Eliseo Claravall was elected in Isabela and Mr. Leonardo Osorio in Cavite. Neither election was protested, and both were confirmed.

MUNICIPAL ELECTIONS.

In my last report I referred to the unfinished municipal election in Malabon, Rizal, then lately separated from Navotas. Altogether three elections were held, the last on September 5. This, like the others, was protested for fraud, bribery, coercion, and on various other grounds, one of them being—

"Because various leaders of the Luna party remained inside the polls more than sufficient time, influencing by their presence, gestures, and suspicious actions the voters in general, in this way preventing the voters casting their ballots at their own discretion."

For one reason or another the provincial board of Rizal failed to act on the matter until finally, on January 12 of this year, the Commission authorized the governor-general to appoint, and the governor-general did appoint, a committee to investigate and decide the matter. It finished its work on January 31, deciding in favor of the apparently elected candidates, who promptly took their seats.

STATISTICS AS TO QUALIFIED VOTERS.

"Exhibit F," hereto appended, shows the number of qualified voters registered at the municipal elections in December, 1905, to have been 143,965, as against 150,081 in 1903. It has been impossible to obtain records from five towns and the totals of these have been estimated from the returns of the other towns in the same province. From two towns the totals only could be obtained. For these reasons the total registration appears larger than the sum of all the columns showing qualifications. A comparison with the figures given in my last report for the year 1903 shows a considerable falling off in total registration, but an increase in the percentage of those voting after registration. A marked increase in the number qualifying by reason of government service in Spanish times is shown, but it is somewhat doubtful whether all of these actually did hold office, the absence of any punishment for illegal registration making it easy for unscrupulous persons to qualify under this head by the mere assertion that they had been officials. It is worthy of note that the number registered under the educational qualifications increased about 2,000. The percentage of voters to population remains very low. The registration for the assembly elections will be discussed further on.

ELECTIONS AND THE ELECTION LAW.

The election law drafted by this bureau was submitted to the Commission in September—the first reading occurring September 23, 1906. After consideration by that body it was submitted to the convention of provincial governors in October and their recommendations passed upon before it was put into form for public discussion. Public hearings were held for many days, but there were few points raised which were found to warrant changes. In fact, the law as it stands to-day is substantially as it was first proposed.

Among its principal features are provisions for assembly elections on July 30, 1907, the members-elect to serve until January 1, 1910, and for assembly, provincial, and municipal elections on the first Tuesday after the first Monday of November in each odd numbered year. Municipal officers will hereafter serve for four years, one-half being elected at each election. Provision is made for special elections when necessary, and for starting in motion the machinery of newly created municipalities. Thirty-four provinces send 80 delegates to the assembly. As originally passed there were 35 provinces and 81 delegates, but this was reduced by the fusion of Romblon with Capiz, July 2, 1907. Manila is declared to be a province within the meaning of the act of Congress authorizing the assembly and is given two delegates. The members of the assembly have practically the same immunity from arrest and guaranty of free speech as is given members of Congress by the United States Constitution; they are to receive ₱20 a day for each day of actual sitting of the assembly, together with actual expenses for travel and subsistence en route between their residences and Manila and return, once each session actually attended, probably the highest per diem paid to any body of legislators in the world.

Municipalities are to be divided by their councils into voting precincts, containing not over 400 qualified voters, and polling places must be provided in each. The interior arrangement of polling places is outlined.

The sale of liquor in the vicinity of the polls on election day is prohibited, and the national pastime of cock-fighting can not be indulged in on that day, although by act No. 1671 it has been made a legal holiday.

The qualifications of officers are somewhat changed. Those of delegates to the assembly are of course fixed by the act of Congress of July 1, 1902, which requires that they be qualified electors in their district and not less than 25 years old. The qualifications for provincial governors and third members of provincial boards are bona fide residence for a year, qualification as an elector, and 25 years of age. Hitherto practically all that was required was nativity in the islands, or citizenship in the United States, and loyalty to the government. The qualifications of elective municipal officials are also changed. Formerly these officials had to be 25 years of age; this is now reduced to 23 in order to allow a number of young men, who have had the benefit of American schooling in the past seven years, to take places in the local governments which it is believed they are able to fill. As formerly, municipal officials must be able to read and write intelligently either English, Spanish, or the vernacular.

Originally no person convicted of a crime punishable by two years' imprisonment or more could hold any public office, nor could anyone who had been administratively disqualified from holding office by the governor-general upon removal therefrom. This has, since election, been made more stringent. Now persons convicted of any crime involving moral turpitude are rendered ineligible, and those convicted of the aforesaid crimes, but whose cases are on appeal, and also persons addicted to opium are likewise disqualified. It is provided that disqualification for office caused by delinquency in payment of taxes may be removed between the time of election and taking office.

Another provision has been inserted recognizing the acts of de facto officers, a provision which is common law in America but not known to the law of Spain. This removes a source of much confusion and annoyance. Provision has also been made for the removal of disqualified officers and, later on in the law, the assumption of office by a person knowing himself to be disqualified is penalized. It is hoped that this will prevent recurrences of such conditions as were shown in my last report to exist in Oriental Negros.

The qualifications of voters at assembly elections were fixed by the act of Congress of July 1, 1902, as they existed at that date, and therefore they have been left the same for all elections to avoid double registration. To vote at any election one must be twenty-three years of age, must have had a legal residence in the municipality for at least six months, and be not a citizen or subject of any foreign power. In addition he must have any one of 3—really

5—qualifications, and none of the disqualifications specified. The qualifications are, that he shall have held during Spanish rule the office of either municipal captain, gobernadorcillo, alcalde, lieutenant, cabeza de barangay, or member of any ayuntamiento, or that he owns real estate worth ₱500, or pays ₱30 of the established taxes annually, or speaks, reads, and writes either English or Spanish. Residence can not be gained by officers or men in the Army, Navy, or Marine Corps stationed in a municipality. The disqualifications are delinquency in payment of any taxes assessed since American occupation, deprivation of right to vote by sentence of a court, violation of the oath of allegiance, rebellion against the United States since May, 1901, or contributing to the same, or giving aid and comfort to persons engaged therein, with exceptions as to certain bodies of insurgents which surrendered. The disqualifications for rebellion are now practically a dead letter.

Some criticism has been made both here and in America that these qualifications are too restrictive and that the suffrage should be further extended. A consideration of the qualifications and comparison with those required in some of the United States does not give entire support to this view. Practically everyone who held any administrative or executive office, even to the lowest, as distinguished from a mere employment, in any municipality during Spanish sovereignty, and who therefore has had any previous personal experience in municipal government, may vote. In addition to this any owner of real estate to the extent of \$250 gold, or, lacking that, anyone who pays \$15 gold of any taxes, whether they be land tax, internal revenue licenses, or any other, and including the cedula, may vote. Mere literacy in one of two languages, without any further qualification, gives this right. Thus there are 4 alternatives besides the qualification of experience, either one of which suffices. In the States of the Union which do not have universal suffrage there is none which offers so many different avenues of qualification, and in many the requirements are far more rigid. In Louisiana and South Carolina a person must either read a clause of the Constitution or own property of the value of \$300. In Massachusetts and Connecticut he must be able to read a clause of the Constitution without any alternative, while New Hampshire requires ability to read English, without specifying any particular test. In Virginia the voter must fill out his application for registry in his own handwriting. It is to be remembered also that there are now and for some years have been schools in which English is taught free in almost every municipality in the islands, while Spanish has been the language of the educated and official classes since the sixteenth century. Just how far the right of suffrage should be extended is a debatable question, but I think there is no doubt but that it is quite as free here as in many States of the Union, both north and south.

The election law changes the method of registration, taking it out of the hands of the municipal authorities and creating for the purpose boards of inspectors which will in time become bipartisan. There are no arduous conditions imposed on electors, but they must appear in person on one of four days and take an oath as to their qualifications, the false swearing to which is a crime. Each elector is required also to show his cedula for the current year. Registry lists are kept in triplicate and are open to the public, and anyone aggrieved may apply to the nearest judge of first instance or to the provincial board, upon notice, for an order requiring the inspectors to inscribe his name or to strike off names wrongfully registered. The inspectors meet on the Saturday before election for the purpose of complying with these orders.

Official ballots printed at the bureau of printing, with blank spaces in which to write the names of the candidates voted for, are furnished, and these must be filled out by the voter himself in a private booth at the polling place and can not be taken outside. This of course is not an ideal ballot, but it is the best that could be devised, considering the chaotic condition of party organization and the scarcity of printing presses in the islands, many provinces being absolutely without them. Any voter physically disabled or incapable of filling out his own ballot may choose any one of the 3 inspectors he likes and retire with him into the booth to have it done. The polls are open from 7 o'clock in the morning until 5 o'clock in the afternoon, and at the close the board proceeds to count the vote without interruption until it is finished. The municipal councils act as a board of canvassers in municipal elections and the provincial boards in assembly and provincial elections.

The penal provisions for punishment of offenses against the franchise are numerous. One which has caused some perturbation in official circles prohibits any public officer or employee from being a candidate for any elective

office except reelection, and prohibits any judge of first instance, justice of the peace, provincial fiscal, or employees of the constabulary or bureau of education from aiding any candidate or taking any part in an election except to vote. These provisions would be considered drastic in America, but in this country, which has been under a highly centralized government for centuries, the people have come to regard a hint from an official as a command which must be unquestioningly obeyed. Moreover, political parties based on opposing principles of government have not yet crystallized, so that politics and the personality of the politicians are indistinguishable. Therefore to allow the members of the above-mentioned branches of the government, which ramify into every barrio and almost into every house, to take an active part in politics would not only exert a tremendous influence on the results, but would create an impression difficult if not impossible to eradicate, that the government itself was using its power for one side or the other. Besides, the element of personality in politics is so strong that to assist one side is almost certain to make personal enemies of the other, and the work of those departments, whose influence for good depends largely upon their reputation for impartiality and aloofness from factional disputes, would be seriously hindered were such a feeling of enmity created.

In spite of these stringent provisions several cases occurred of persons holding office who were known to be candidates, but who did not so announce themselves or resign the office until a very few days before election, thus violating the spirit of the law while keeping its letter. To prevent this and to make it more comprehensive, amendments were afterwards passed providing that in the future no person holding any appointive or elective office ninety days before election shall be eligible, except for reelection, to any elective office, and that to be eligible as delegate or for provincial office the candidate must file a certificate ten days before election announcing his candidacy and that he is eligible. That some provision which will prevent officeholders from running for other offices was needed is shown by the fact that for the November elections 213 resignations have been received, of which 128 were from justices and auxiliary justices of the peace and 47 from municipal councilors. Thirty-six officers resigned to run for delegate at the July elections.

The work of carrying the election law into operation was given to the law division for the reason that this division was more familiar with its provisions than any other and was best fitted to put it in motion. The necessary blanks and forms were drafted and printed, with instructions for their use covering nearly all the duties of inspectors of election. Estimates of the number likely to be wanted were made for the director of printing, so that he might have a supply on hand, and the requisitions therefor from the various provinces were checked over as they came in to see that they were supplied with everything needed in sufficient, but not excessive, quantities. This distribution was effected with as few delays or hitches as could be expected. Some few municipalities, not exceeding 5 or 6, failed to receive supplies in time, and some 15 municipalities failed to hold registration and were therefore disfranchised. The law itself is in no way responsible for this, however, it being entirely due to the neglect of officials and people to familiarize themselves with its provisions. It is interesting to note, as showing the practical difficulties of inaugurating such a measure in this country, that although supplies for the towns of Basco and Calayan, on the Batanes Islands, between Luzon and Formosa, which form a part of the province of Cagayan, were shipped from Manila on June 13, they were still in Tuguegarao a month later, no mail boat having left there for the Batanes in the meantime. A special coast-guard cutter was sent to these islands to take the ballots and forms and to receive the returns. These two towns contain about 8,000 people, all civilized, according to the census. The American school-teacher writing from Basco in April stated that the possible number of qualified electors was about 150; that there were no political parties, only the partisans of rival cattle dealers; that those precluded by the law from taking part in the election were the only ones who were able to understand the law; that it might be three months after election before the returns could be sent to the provincial capital, and suggested that no election forms be sent and that the election be thereby prevented, which would be, he stated, a course that would meet with general approval. In the two towns of the Batanes Islands there were actually 107 ballots cast. The trip of the cutter cost the insular government ₱1,550, or ₱14.49 per vote.

Among other things, the law division, in cooperation with the president and secretary of the municipal board of Manila, organized and held, on June 15, a

meeting and school for inspectors of election in the marble hall of the ayuntamiento building. An election booth was erected, members of the law division staff acted as inspectors and, after the law had been explained orally, a demonstration was given of the manner of registering and voting. An invitation was extended to inspectors in the near-by provinces, and the meeting was attended by about 250 persons. This proved to be of great value in preparing the inspectors for their duties.

Although every effort was made when drafting the law to make it as clear as possible, a large number of questions have been asked regarding it. There is no way of telling how many questions have been answered orally, but the amount of time consumed in this work would equal that of one man for four or five days. Four hundred and fifty-three communications, containing an average of 3 questions each about the law, have been answered by letter, telegram, or indorsement. The greatest source of trouble seems to have been with regard to the provisions prohibiting public officers from being candidates, 49 questions concerning same having been answered—34 about various officers and 15 regarding notaries public. The next most disturbing question was when an officer would be considered a candidate, so as to require his resignation. This was asked 18 times. The question of legal residence, which is usually a source of trouble, came up frequently. Three persons asked whether the inspectors of election were themselves allowed to vote. One person, an American official too, asked whether a majority or plurality was necessary to election, although the act explicitly states that a plurality is sufficient.

Several amendments were suggested. One candidate desired to provide intending voters with rubber stamps to print their names and to secure an amendment permitting it. A number of suggestions and two actual requests were received asking that more days be allowed for registration. Inasmuch as the four days allowed are ample time in which to register all the persons who care enough about voting to present themselves, as a privilege of this kind extended to one town would have to be extended to all, which there was no time to do, even were it desirable, and as the Commission had steadfastly refused to enact amendments, these requests had to be refused. Four requests that the qualifications of voters be changed were received in ignorance, doubtless, that they had been fixed by Congress. One municipal officer asked what he should do if there were not 4 persons in his town who could read and write to fill the places of inspectors and poll clerk.

Another suggested amendment, which has repeatedly been made and which was agitated in the native press, throws a strong side light on the unwillingness of the native to trust his brother Filipino when they differ politically. It was strongly urged that the law be so amended as to permit a disabled voter to take into the booth with him to prepare the ballot any person in whom he has confidence. All these suggestions were made upon the explicit statement that inspectors of election being, for this election at least, usually all of one party, could not be trusted by voters of the other party to write on the ballot the name the voter desired. This reflection upon the honesty of the Filipino was in no instance made by foreigners, but always by Filipinos themselves.

The following translation of an extract from an official letter by a prominent Filipino on the subject is illustrative:

"The corruption consists in the candidates securing the agreement of the inspectors to write in their names when filling out the ballots for those who can not read or write, instead of the names of the candidates voluntarily designated by the voter. The voter is helpless to prevent this practice, as act 1582, section 22, gives him no recourse of employing persons for this service in whom he has confidence; but he is of necessity condemned to pass through the corruption of the inspector, the exclusively authorized guide of the voter, to lead him, apparently, along the right path, though the inspector's intervention turns out to be tyrannical and criminal.

"This criminal and corrupt practice is very easy to carry out and will be resorted to frequently for obvious reasons. The real character of the Filipino can not have escaped the observation of your honor. Almost all Filipinos, including those of the professional class, are poor in intelligence, poor in heart, poor in spirit, poor in body, and poor in morals, but rich in foolish desires and ambitions; so that, with this fragile character of theirs, any of them is susceptible of being bought for any price or consideration whatever."

The actual complaints of abuses of this character received since election have been, however, comparatively few.

Inasmuch as before the advent of the American Government the people had no opportunity to become familiar with the principles of representative government, or practice of carrying them into effect, it was to be expected that their ideas would be vague and their questions at times puerile. Some of the queries did in fact border on the humorous. A paragraph in one of the penal sections of the law contains a sweeping provision against bribery. One gentleman who proposed to become a candidate was evidently mystified thereby, for he wrote as follows:

"The third paragraph of section 30 of the election law punishes the person who makes a promise to influence the giving or withholding of a vote.

"Does this prescription of the law include candidates who publish platforms or manifestoes which contain promises of good government?"

Under the law the provinces of Mindoro and Palawan, although neither is governed as a so-called Christian province, under act 83 are given representation in the assembly. This was done because these provinces originally were divided into regular municipalities and contain a majority of Christian inhabitants. It has been found very difficult in Mindoro to secure a sufficient number of persons not already holding office who possess the requisite mental qualifications to fill the positions of inspectors and poll clerks. To quote from an official utterance of Captain Oflley of the Thirtieth United States Infantry, provincial governor of Mindoro, on this subject:

"The sick, the lame, and the halt have had to be called upon to help supply material for officials of election—and the electors have even imported their candidate."

As a matter of fact, in Mindoro but 622 and in Palawan only 228 votes were cast for Delegate.

Fortunately conditions elsewhere are not so backward as in the Batanes and Mindoro.

REGISTRATION UNDER THE NEW LAW.

The registration days, June 21, 22, 28, and 29, passed off generally without friction, and while there were occasional complaints against the inspectors, some of which were serious, in general the boards acquitted themselves creditably and, indeed, made as few mistakes as would have been likely to happen in the average American city on the inauguration of a radically new law. The municipal board of Manila received only about 20 appeals from persons claiming to have been wrongfully excluded.

In one province—Capiz—conditions were not at all satisfactory. So many complaints of abuses and frauds on the part of the inspectors were received that a member of the attorney-general's staff was sent to investigate. In his report he describes the situation there as follows:

"In Capiz politics constitute the only thriving industry and the maneuvers of two rival factions to possess themselves of the municipal and provincial offices constitute Capiz politics. The competition between these factions is so intense that it was not unnatural that the one which controlled the municipal council of any town should avail itself of its power under the new election law to appoint its own partisans as inspectors. The faction calling itself 'modernistas' controlled 17 municipal councils, while their opponents could only count upon 5. With 17 of the 22 election boards made up of leading partisans of one faction, the result of the election for assemblymen was a foregone conclusion. To the partisan conduct of these election boards, the gravest abuses that took place are traceable. These abuses consisted of: (1) Partisan treatment of applicants for registration; and (2) unscrupulous use of the power to prepare the ballots for illiterate electors. As to a lack of all sense of fairness or justice, and to a want of any appreciation on the part of the inspectors of the responsibilities of their office, I found no lack of evidence in matters of registration."

This officer found that in several towns outrageous frauds against the registration had been committed. In one town 6 qualified voters of the opposite party were refused registration, 4 because they could not read and write either Spanish or English when 2 of them were college graduates, and 2 because their cedula or poll tax had been paid in Manila, the inspectors claiming that this established the fact that they were nonresidents. All of these men had voted at previous elections in the same province. The same board refused to listen to challenges from the opposite party, unless a deposit of money for expenses

was made, although hearing those made by their own party without demanding money. Concerning the actions of the inspectors in this town the investigator says:

"It would unduly extend this report to attempt to detail the outrages committed by the members of this board upon their fellow-citizens in keeping them waiting from hour to hour—in many instances for two days—notwithstanding they presented clear proof of their qualifications, and then finally telling them that the polls were closed and they could not be registered."

He cites 14 cases in this connection. The same report indicates that similar abuses were committed in many other towns of Capiz. Criminal prosecutions which were delayed in all of these cases, owing to the absence of the judge of that district, are now being instituted.

In Mindoro also a deplorable condition existed. In Lubang it was found that 102 out of the 146 registered voters were disqualified at the time of registering by reason of nonpayment of taxes. In Calapan 38 persons out of 171 were similarly disqualified when they took the oath, and of these 13 have been convicted. In Mamburao practically all of the 42 persons who registered were disqualified. In Bulalacao out of a registration of 91, 30 were disqualified, and 33 more were entered on the registry list after the last day for registration. In Naujan there have been 5 convictions for illegal registration. The inspectors of election in Sablayan made up the registry list on sheets of paper, and when asked to explain why they were not made in the blank books provided by law, answered that they did not want to get the books dirty.

Comparatively few complaints of illegal registration have been received from other provinces, and while this is not proof that no frauds were committed it may safely be assumed that they were not so flagrant.

The following condensed extract translation from a native paper, published in the province of Cagayan, shows that other inspectors of election had views of their infallibility more decided than correct:

"At 8 a. m. on June 30, 1907, Señor Isidro Magulgad, sent by the provincial governor for the purpose of giving instructions to the election inspectors of Alcalá and revising their work, arrived at Alcalá, and immediately sent for the inspectors. Having requested and examined the registry lists, and having found that the board of inspectors had not held sessions on June 21 and 22, 1907, as provided by law, in view of the fact that the necessary blank forms had not been received from the provincial board at that time, Señor Isidro Magulgad suggested to the inspectors, and insisted upon this suggestion, that they draw up documents alleged to be the minutes of meetings supposed to have been held on June 21 and 22, 1907, setting forth that said meetings were held; but that no voter applied for registration at either of them.

"The writer, who states that this happened in his presence, and that he vouches for the truth of his statements, affirms with great pride that 'However stupid and incompetent the inspectors appointed by the pueblos may have appeared to the honorable governor, who believed that they stood in need of such instructions or explanations of a person appointed for the purpose of interfering officially with the work of the inspectors, those appointed by us here conducted themselves on this occasion like men worthy of their office. They not only thanked Señor Isidro Magulgad a thousand times for the kindness with which our good governor had acted in sending a supervisor or general instructor of election inspectors to the pueblos, but stated to him their gratitude for the excellent instructions given by him, tending to amend alleged errors which, according to him, might invalidate the election. At the same time they energetically rejected his suggestion, informing him that they knew what they were about, and that they were acting on their own responsibility and according to their best judgment.'

"Señor Magulgad was evidently not satisfied with the failure of the inspectors to act on his suggestion, as he declined an invitation for luncheon extended by the acting municipal president, and called on Señor Tomas Rodríguez instead."

Exhibit G, hereto annexed, gives the total registration by provinces which was 104,966. It shows that only 1.15 per cent of the population registered. This was a surprise. In the provinces the percentage in 1903 was 2.44 and it was generally expected that this figure would at least be equaled. The public estimates for Manila were for a registration of 20,000, a figure large enough to be certainly on the safe side. The city was divided into 48 election precincts, 23 in the first assembly district and 25 in the second, which covers the wealthier

residential portion. The registration on the first two days was a disappointment. There were registered in the first district 1,170 persons, of whom 97 were Americans, and in the second 1,679, of whom 265 were Americans. This high ratio of Americans is noteworthy. The newspapers of all kinds took up the matter and urged the people to register, some of the native prints being rather severe in their criticisms of the apathy and inertia of the Filipinos. This resulted in an increased registration the last two days, and when the books were closed on June 20 there was a total registration in Manila of 7,902, 3,420 in the first and 4,482 in the second district, the Americans furnishing 219 and 637 names, respectively. Even this is a very small proportion—3½ per cent—of the population, although it came within 98 of my estimate (8,000).

The decrease in the provinces from former years seems to have been due to lack of interest and failure to appreciate the importance of the assembly election to the individual. At this writing the registration for the provincial and municipal elections in November is completed, and while the reports are only fragmentary, it seems certain that it will show a material increase and perhaps exceed 150,000—the highest yet recorded.

ELECTIONS.

In accordance with the provisions of the act of Congress of July 1, 1902, the Commission on March 28 by resolution certified to the President that for two years following the publication of the census of the islands a condition of general and complete peace had prevailed and then existed in the territory of the islands not inhabited by Moros or other non-Christian tribes. Thereupon the President on March 28 issued a proclamation directing the Philippine Commission to call an election for the choice of delegates. The Commission passed a resolution calling the election for July 30 and directing the governor-general to issue a proclamation announcing such call, which he did on April 1. Copies of these proclamations are subjoined as Exhibits H and I.

It is quite a coincidence that the assembly election day in these islands should fall upon a great anniversary in American history. It was on this same day that the first legislative body in America met in 1619, two hundred and eighty-eight years ago. It was the house of burgesses, which met in a small wooden church at Jamestown, Va., where the recent tercentennial exposition was celebrated.

The election itself passed off with gratifying smoothness. In the city of Manila during the whole of election day there were but 7 arrests, none of which were for crimes in any way connected with elections. In the provinces, except as above mentioned, but very few complaints were made. As was to be expected from the manner of registration, in Capiz there were many charges of violations of law, and these are now being prosecuted in court, but this was the only province in which the abuses were serious or general.

The proportion of votes cast to the number registered was very high. The total vote was 98,251 out of a registration of 104,906. This is far higher than in America, although the percentage of the total civilized population that voted was very low, being 1.41 per cent. Exhibit J, hereto annexed, gives the total vote by provinces and parties.

CONVENTION OF THE ASSEMBLY.

The act of Congress provided that the first meeting of the Assembly should be held on the call of the governor-general within ninety days after the first election. It was known that the Secretary of War would attend the opening ceremonies, and accordingly, on September 14, the governor-general issued a proclamation calling the delegates to meet at the ayuntamiento building in Manila on October 16, the day after the Secretary of War's expected arrival. Owing to the small seating capacity of the marble hall and the great number of people who desired to be present, the meeting place was afterwards changed to the grand opera house, which is more commodious. The proclamation convening the assembly, together with the journal of the proceedings of the opening session, giving the speeches then delivered, are hereto appended marked "Exhibit L."

PROTESTED ELECTIONS.

Very soon after the results were announced protests began to come into this office. In all cases the protestants were informed that the assembly itself being made by act of Congress the "judge of the elections, returns and qualifications of its members" neither the executive nor any other branch of the government

had any jurisdiction, but that the protests would be held and delivered to the assembly upon its organization. The monarchical idea of government has become so firmly fixed, however, that in several cases the protestants could not understand such a situation, and in some instances native lawyers engaged in lengthy arguments to show that the executive had a right to step in and interfere. In two instances resort was had to the courts, naturally without success. Altogether 17 protests covering 14 assembly districts were forwarded by this office, and I am informed that protests from two more districts have been sent direct to the assembly.

DIVISION OF ARCHIVES, PATENTS, COPYRIGHTS, AND TRADE-MARKS.

The great amount of work involved in the licensing of foreign corporations and in the issuance of certificates of incorporation to domestic corporations, added to the duties heretofore performed by this division, viz, the furnishing of certified copies of notarial documents in the former archives of the Spanish Government, the registering of patents, copyrights, and trade-marks, and of cattle brands for all large cattle throughout the islands, has made this division a very busy one throughout the fiscal year just ended. A total of 527 copies of documents, containing 3,475 pages, and 1,021,526 words, were issued to private parties during the year, yielding a total revenue of ₱2,140.37. Of this sum ₱1,021.81 were collected on account of copying the documents in question; ₱804.06 were fees charged on account of the antiquity of the documents, and ₱314.50 fees for certification. In addition to the above, 343 copies of documents, containing 970 pages and 227,276 words, were issued gratuitously on official request.

During the preceding year the division issued a total of 602 copies of documents to private parties and 45 upon official request, or a total of 647. While the past year shows a decrease of 75 copies furnished to private parties, there is an increase of 208 furnished officially, making a total for the year of 870, a net increase of work under this head of 223. The small amount of ₱2,140.37 collected for this work is not in any sense proper compensation for the labor involved, and I again earnestly recommend that action be taken to fix a more equitable schedule of fees. The existing schedule authorizes the charge of 10 centavos for copying 100 words, with an additional charge of 10 centavos for each year of antiquity of the document, as compensation for the labor of searching therefor (section 3 of act No. 273 as amended by act No. 644). In my last report I recommended that instead of the 10 centavos per 100 words of copying and the fees for searching, a charge of ₱1 per page be made. No action having been taken upon that recommendation, it is now renewed in the following modified form: That paragraph 5 of section 3 of act No. 273 as amended by act No. 644 be further amended to read as follows:

5. To furnish to any private person or persons making written application for the same, one or more copies of any document or paper in the archives in which such person or persons may be personally concerned and to which he or they may be entitled, and to certify to the correctness of same, if required, on the payment of the following fees:

For each page of copying of eight by thirteen inches in size, allowing a suitable margin, or any fraction thereof, fifty centavos;

For each certificate of correctness of such copy, fifty centavos;

For every search for any document more than one year old, whether or not the document be located in the archives, ten centavos for every past year of each notarial record in which search is made.

It is believed that the new schedule will result in only a moderate and proper reimbursement to the government for the labor involved in searching through these old notarial records and archives for documents desired by private individuals, and furnishing certified copies thereof.

There have been received in the division during the fiscal year 45 notarial registers from the provinces of Bataan, Batangas, Bulacan, Cavite, Cebu, Iloilo, La Laguna, La Union, Leyte, Manila, Nueva Ecija, Tarlac, Tayabas and Samar.

There have also been added to the archives 792 volumes relating to the Philippines and adjacent islands, which were purchased by the Philippine exposition board for the St. Louis Exposition, and 132 books of historical interest in connection with the Philippines, together with 4 bound manuscripts and 18 copies of the book entitled "La Imprenta en Manila," all of which were pur-

chased by the late collecting librarian of the Philippine government, Señor José C. Zulueta.

After a laborious selection and examination by the committee appointed by executive order No. 17, series 1905, the surplus, or damaged documents of the division, many of which had been attacked by white ants and were a source of danger to the remainder of the archives, were condemned by said committee and burned on March 6, 7 of the present year. The space thus made available has been well utilized in the better classification and arrangement of the existing archives.

REGISTER OF CATTLE BRANDS.

The work of registering the brands of all large cattle in the Philippine Islands has been continued and to municipal presidents returning defective copies of brands, or requesting data omitted in the copies forwarded, 761 letters have been written. A total of 20,947 copies of brands were received by the division during the year, 223 of which were returned as defective and 124 for correction. During the year 8,775 brands have been registered. At the time of my last report 160 municipalities had not yet forwarded the cattle brands within their jurisdiction for registry. Through constant correspondence with these municipalities the number yet to be heard from has been reduced to 44, and it is hoped that within the coming year the initial work of registering the brands of the cattle in the islands will have been completed.

In my last report mention was made of the difficulties which have arisen in connection with cattle registration in the provinces near the city of Manila, owing to the cattle registration law not being applicable to Manila. The abuses then mentioned have continued during the past year and have been such that renewed recommendations have been made for the application of the general cattle registration act to the city of Manila, and a bill including the city of Manila within the scope of the law in question is now in course of preparation and will shortly be submitted to the Commission for its consideration.

REGISTRATION OF PATENTS, COPYRIGHTS, AND TRADE-MARKS.

During the past year 99 trade-marks and 15 certificates of trade-mark transfers have been registered, and there have been filed 49 patents issued in the United States, 10 certificates of transfers of United States patents, and 5 caveats. There have been issued 59 copyright certificates, 6 certified copies of documents referring to trade-marks, and 1 certified copy of a caveat, and collection has been made on account of 10 patents issued during the Spanish régime. The total of fees received on account of these transactions amounted to ₱5,570.86, as compared with ₱4,785.03 for the preceding year—an increase of ₱790.83.

The 59 copyright certificates granted during the year were issued pursuant to the proclamation of Major-General Merritt of August 14, 1898, under which the former bureau and present division of archives has construed the copyright laws of the Spanish Government in the Philippines as continuing in force. However, in view of the fact that since the change of sovereignty in the islands Spaniards are considered as foreigners before the law, doubt exists as to whether Spanish literary, artistic, and scientific works may legally be copyrighted under the royal decree of January 31, 1896, which prohibits the copyrighting of foreign publications. In a case which was recently presented, involving the copyrighting of certain Spanish dramatic works, the attorney-general held that the works could not be copyrighted, upon the ground that while the Congress of the United States by the act of March 3, 1891, granted to citizens of foreign nations granting reciprocal rights to citizens of the United States the privilege of copyrighting their literary productions in Washington, section 1 of the act of Congress of July 1, 1902, specifically provides that section 1891 of the Revised Statutes of the United States should not apply to the Philippine Islands, and that in consequence the copyright laws of the United States are not applicable to the Philippines. As a result the literary works of neither foreigners nor of citizens of the United States may be legally copyrighted in the Philippine Islands. Again, in an opinion of the attorney-general rendered in connection with the application for copyright of certain dramatic works based on the "noli me tangere" of Dr. José Rizal, it was held that the Spanish copyright laws which were continued in force by the military order above cited ceased to be effective upon the termination of the military government, and that therefore all copyright certificates issued by the division of archives to any person whatsoever since the establishment of

the civil government are null and void. Should this opinion be allowed to prevail without remedial legislation, grave injury will be caused to those who in good faith have requested and been granted copyrights by the division since the establishment of the civil government. It is therefore urgently recommended that a proper and adequate copyright law be immediately enacted, and that the same confirm and legalize all copyrights granted by the division of archives, which under the opinion of the attorney-general are now deemed to be without legal effect.

REGISTRATION OF CORPORATIONS.

As heretofore stated, the licensing of foreign corporations and the registration of domestic corporations under the new corporation law, enacted by the Commission on March 1, 1906, has largely increased the work of this division during the past year. The time fixed by section 70 of said law for the registration and licensing of foreign corporations has been three times extended by the Commission and finally terminated on July 31, 1907. During the fiscal year ending June 30, 105 foreign corporations were licensed, and certificates of incorporation were granted to a total of 54 domestic corporations, of which 43 were stock, 2 nonstock, and 9 nonstock religious corporations.

A complete list of all foreign corporations licensed to do business in the Philippine Islands under the new corporation law from the time of its enactment on March 1, 1906, down to and including June 30, 1907, together with the date of issuance of license, is set forth in the following table, in which the corporations are arranged according to nationality:

UNITED STATES.

Name of corporation.	Organized under the laws of—	Issued license on—
American Surety Co. of New York.....	New York.....	Oct. 10, 1906
Atlantic, Gulf and Pacific Co.....	West Virginia.....	Dec. 14, 1906
Behrendt & Co.....	New York.....	Feb. 23, 1907
Cadwalader Co. (The B. W.).....	Oregon.....	Dec. 7, 1906
Castle Bros., Wolf & Sons.....	California.....	Feb. 15, 1907
California Manila Lumber Commercial Co.....	do.....	Feb. 1, 1907
Commercial Pacific Cable Co.....	New York.....	Apr. 17, 1907
Domestic and Foreign Missionary Society of the Protestant Episcopal Church of the United States of America.	do.....	Oct. 6, 1906
Fidelity and Deposit Co. of Maryland.....	Maryland.....	Oct. 10, 1906
International Banking Corporation.....	Connecticut.....	Dec. 12, 1906
Insurance Company of North America.....	Pennsylvania.....	Mar. 27, 1907
Kelly-Springfield Road Roller Co.....	Ohio.....	Feb. 5, 1907
Moro Plantation Co.....	California.....	Sept. 18, 1906
Mount Cogan Mining Co.....	Arizona.....	Sept. 18, 1906
Manila Trading and Supply Co.....	Ohio.....	Oct. 2, 1906
New York Life Insurance Co.....	New York.....	May 22, 1907
Philippine Mining Co.....	Maine.....	Oct. 20, 1906
Philippine Islands Telephone and Telegraph Co.....	Nevada.....	Feb. 1, 1907
Philippine Products Co.....	New Jersey.....	Mar. 11, 1907
Philippine Plantation and Commercial Co.....	Oregon.....	Mar. 20, 1907
Standard Oil Co. of New York.....	New York.....	Mar. 11, 1907
Underwood & Underwood Co.....	New Jersey.....	Mar. 27, 1907

GREAT BRITAIN AND COLONIES.

Name of corporation.	Organized under the laws of—	Issued license on—
Alexander & Co. (R. F. & J.).....	England.....	Apr. 9, 1907
British India Steam Navigation Co. (Limited).....	do.....	Oct. 27, 1906
British and Foreign Marine Insurance Co. (Limited).....	do.....	Feb. 1, 1907
Chartered Bank of India, Australia, and China.....	do.....	Dec. 11, 1906
Central Agency (Limited).....	do.....	Apr. 6, 1907
Coats, J. and P. (Limited).....	do.....	Apr. 9, 1907
Eastern Extension Australasia and China Telegraph Co. (Limited).....	do.....	Oct. 6, 1906
Guardian Assurance Co.....	do.....	Oct. 1, 1906
Jonas Brook & Bros. (Limited).....	do.....	Apr. 6, 1907
London and Lancashire Fire Insurance Co.....	do.....	Feb. 1, 1907
Liverpool and London and Globe Insurance Co.....	do.....	Feb. 4, 1907
Maritime Insurance Co. (Limited).....	do.....	Feb. 1, 1907
Marine Insurance Co. (Limited).....	do.....	Mar. 27, 1907
Northern Assurance Co.....	do.....	Feb. 6, 1907
Norwich Union Fire Insurance Society.....	do.....	Feb. 23, 1907
National Union Society (Limited).....	do.....	Feb. 4, 1907
North China Insurance Co. (Limited).....	do.....	Mar. 9, 1907

GREAT BRITAIN AND COLONIES—Continued.

Name of corporation.	Organized under the laws of—	Issued license on—
Phoenix Assurance Co. (Limited).....	England.....	Oct. 1, 1906
Philippine Cold Stores (Limited).....	do.....	Dec. 7, 1906
Palatine Insurance Co. (Limited).....	do.....	Mar. 23, 1907
Peninsular and Oriental Steam Navigation Co.....	do.....	June 21, 1907
Royal Insurance Co.....	do.....	Oct. 2, 1906
Royal Exchange Assurance.....	do.....	Mar. 18, 1907
Stevenson, W. F., & Co. (Limited).....	do.....	May 4, 1903
Scottish Union and National Insurance Co.....	do.....	Feb. 23, 1907
Sun Insurance Office.....	do.....	Feb. 4, 1907
Standard Life Assurance Co.....	do.....	Mar. 18, 1907
Union Assurance Society.....	do.....	Oct. 2, 1906
Union Marine Insurance Co. (Limited).....	do.....	Oct. 27, 1906
Warner, Barnes & Co. (Limited).....	do.....	Feb. 1, 1907
World Marine Insurance Co. (Limited).....	do.....	Feb. 4, 1907
Yorkshire Fire and Life Insurance Co.....	do.....	Mar. 23, 1907
China Fire Insurance Co (Limited).....	Hongkong.....	Dec. 14, 1906
China Traders' Insurance Co. (Limited).....	do.....	Feb. 1, 1907
Canton Insurance Office (Limited).....	do.....	Do.
China Mutual Life Insurance Co. (Limited).....	do.....	Mar. 22, 1907
China and Manila Steamship Co. (Limited).....	do.....	June 12, 1907
Fook On Assurance and Godown Co. (Limited).....	do.....	Apr. 6, 1907
Hongkong and Shanghai Banking Corporation.....	do.....	June 12, 1903
Hongkong Fire Insurance Co. (Limited).....	do.....	Feb. 5, 1907
Hip On Insurance Exchange and Loan Co. (Limited).....	do.....	Mar. 27, 1907
Philippine Co. (Limited).....	do.....	Nov. 6, 1906
Po On Marine Insurance and Godown Co. (Limited).....	do.....	Apr. 6, 1907
Union Insurance Society of Canton (Limited).....	do.....	Dec. 7, 1906
Watson, A. S., & Co. (Limited).....	do.....	Apr. 6, 1907
Yang-Tze Insurance Association (Limited).....	do.....	Feb. 1, 1907
Yan On Marine and Fire Insurance Co. (Limited).....	do.....	Mar. 18, 1907
British America Assurance Co.....	Canada.....	Feb. 23, 1907
Canadian Pacific Railway Co.....	do.....	Dec. 14, 1906
Manufacturers Life Insurance Co.....	do.....	Feb. 1, 1907
Mercantile Fire Insurance Co.....	do.....	Feb. 6, 1907
Sun Life Assurance Co. of Canada.....	do.....	Feb. 7, 1907
Western Assurance Co.....	do.....	Oct. 4, 1906
New Zealand Insurance Co. (Limited).....	New Zealand.....	Mar. 27, 1907
South British Fire Marine Insurance Co., of New Zealand.....	do.....	Feb. 4, 1907
Triton Insurance Co. (Limited).....	British India.....	Feb. 1, 1907
Behn, Meyer & Co. (Limited).....	Straits Settlements.....	Do.

GERMANY.

Aachen and Munich Fire Insurance Co.....	Germany.....	Mar. 20, 1907
Fortuna Allgemeine Versicherungs-Aktien Gesellschaft.....	do.....	Feb. 7, 1907
German Lloyd Marine Insurance Co.....	do.....	Mar. 5, 1907
Hamburg-Bremen Fire Insurance Co.....	do.....	Mar. 20, 1907
Hanseatic Fire Insurance Co.....	do.....	Do.
Magdeburg Fire Insurance Co.....	do.....	Mar. 21, 1907
North German Insurance Co. of Hamburg.....	do.....	Apr. 6, 1907
Prussian National Insurance Co.....	do.....	Apr. 24, 1907

NETHERLANDS.

Batavia Sea and Fire Insurance Co.....	Netherlands.....	Feb. 20, 1907
Fatum Accident Insurance Co.....	do.....	Feb. 5, 1907
Java-China-Japan-Lyn.....	do.....	Mar. 20, 1907
Netherlands Fire and Life Insurance Co.....	do.....	Feb. 5, 1907
Stoomvaart Maatschappij "Nederland".....	do.....	Do.
Samarang Sea and Fire Insurance Co.....	do.....	June 17, 1907

SWITZERLAND.

Baloise Fire Insurance Co.....	Switzerland.....	Mar. 18, 1907
Baloise Marine Insurance Co.....	do.....	Do.
Federal Marine Insurance Co. (Limited).....	do.....	Do.
Urania Cigar Factory (Limited).....	do.....	Oct. 6, 1906

JAPAN.

Imperial Marine Transport and Fire Insurance Co. (Limited).....	Japan.....	Apr. 6, 1907
Mitsui Bussan Kaisha.....	do.....	Mar. 23, 1907
Tokio Marine Insurance Co. (Limited).....	do.....	Mar. 22, 1907

SPAIN.

Name of corporation.	Organized under the laws of—	Issued license on—
Compañía General de Tabacos de Filipinas (2 licenses).....	Spain.....	Sept. 27, 1906
Compañía Agrícola de Ultramar.....	do.....	Oct. 22, 1906
Hospital Español de Santiago.....	do.....	Sept. 28, 1906

FRANCE.

La Conflance Fire Insurance Co.....	France.....	Mar. 18, 1907
Union Fire Insurance Co.....	do.....	Mar. 27, 1907

ITALY.

Schweiger Import and Export Co.....	Italy.....	Nov. 7, 1906
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The following is a complete list of all domestic corporations to which certificates of incorporation were granted under the new corporation law, the table showing the date of incorporation and the amount of capital stock of each corporation:

Name of corporation.	Capital stock (Philippine currency).	Date of incorporation.
Assinga Co. (Limited).....	P80,000	June 7, 1906
Ang Pagalsicap.....	2,500	June 7, 1907
Ateneo de Manila.....	None.	Feb. 17, 1907
Assumption College.....	None.	Mar. 23, 1907
Ang Liwayway.....	40,000	Apr. 16, 1907
Army and Navy Club of Zamboanga.....	None.	May 2, 1907
Baco River Plantation Co.....	25,000	July 18, 1906
Buluan Rancho Co.....	50,000	Feb. 16, 1907
Bagulo Transportation Co. (The).....	50,000	Feb. 20, 1907
Bagulo Country Club (Corporation).....	10,000	Do.
Camara de Comercio China de Filipinas.....	None.	June 1, 1906
Colorado Mining Co.....	1,000,000	Sept. 12, 1906
Clum Co. (W. N.).....	12,200	Aug. 15, 1906
Contracostena Infantense (La).....	25,000	Dec. 26, 1906
Destileria "La Union".....	25,000	Jan. 3, 1907
Eastern Engineering and Construction Co.....	20,000	Dec. 20, 1906
Gloria Steamship Co.....	40,000	May 9, 1907
Iglesia Filipina Independiente.....	None.	Aug. 14, 1906
Ilocos Mining Co.....	100,000	Mar. 6, 1907
Lepanto Mining Co.....	50,000	Sept. 22, 1906
Do.....	200,000	*Jan. 10, 1907
Do.....	1,000,000	*Mar. 7, 1907
Macleod Telegraph Codes Co.....	50,000	May 2, 1906
Montserrat Bakery (Limited).....	20,000	June 26, 1906
Manila Transport Co.....	15,000	July 27, 1906
Manila Hemp Machine Co.....	1,200,000	Dec. 11, 1906
Moro Improvement and Trading Co.....	30,000	Dec. 22, 1906
Monasterio de la Purisima Concepcion de Nuestra Madre Santa Clara.....	None.	June 17, 1907
Oriental Printing Co.....	25,000	Aug. 9, 1903
Obreros Tabaqueros (Los).....	2,500	Nov. 27, 1903
Otha Development Co.....	100,000	June 17, 1907
Philippine Hemp Machine Co.....	150,000	Jan. 28, 1907
Padada Plantation Co.....	50,000	Jan. 29, 1907
Proteccion de la Infancia (La).....	None.	Feb. 15, 1907
Philippines Gold Dredging Co.....	200,000	Feb. 20, 1907
Provincia del Santisimo (Rosario) Nombre de Jesus de Filipinas, del Orden de Ermitaños de nuestro Padre San Agustin.....	None.	Nov. 22, 1903
Pirawat.....	6,000	Mar. 18, 1907
Philippine Publishing Co.....	5,000	Mar. 22, 1907
Philippine Publishing Co.....	600,000	*Mar. 25, 1907
Provincia del Santisimo Rosario de las Islas Filipinas.....	None.	Apr. 1, 1907
Provincia de San Gregorio Magno.....	None.	June 7, 1907
Roman Catholic Bishop of Jaro.....	None.	June 19, 1906
Roman Catholic Archbishop of Manila.....	None.	Aug. 24, 1906
Roman Catholic Bishop of Nueva Segovia.....	None.	Do.
Roman Catholic Bishop of Cebu.....	None.	Jan. 14, 1907
Roman Catholic Bishop of Nueva Caceres.....	None.	Do.
Southern Cross Plantation Co.....	100,000	Sept. 10, 1906

* Capital stock increased to P200,000.

° Capital stock increased to P1,000,000.

* Capital stock increased to P600,000.

Name of corporation.	Capital stock (Philippine currency).	Date of incorporation.
San Rafael Agricultural Co.-----	P 75,000	Sept. 28, 1906
Smith Company (The E. J.)-----	200,000	Nov. 13, 1906
Sociedad Mindoreña-----	1,000	Mar. 2, 1907
Sariling Lolas (Ang)-----	8,000	June 18, 1907
Tarlac Railway Co.-----	150,000	Aug. 9, 1906
Tayabas Plantation Co.-----	300,000	Aug. 31, 1906
Tibungoy Plantation Co.-----	50,000	Nov. 8, 1906
Tayabas Sawmill and Lumber Co.-----	100,000	Do.
Tarlac Distilling Co.-----	25,000	May 28, 1907
University Club of Manila-----	None.	Apr. 3, 1906
Uling-Lutac Coal Mining Co.-----	100,000	Apr. 4, 1906
Visayan Mercantile and Drug Co.-----	100,000	May 15, 1907
Wilson Plantation Co.-----	30,000	May 7, 1906
Yek Tong Lin Fire and Marine Insurance Co. (Limited)-----	500,000	June 8, 1906
Yebana Company (La)-----	100,000	Dec. 10, 1906
Young Men's Christian Association of Manila-----	None.	June 24, 1907
Yap Tico y Compañia-----	70,000	June 26, 1907
Zamboanga Chamber of Commerce-----	None.	Mar. 11, 1907
Zambo Mining Co.-----	25,000	Apr. 24, 1907

RECORDER OF THE COMMISSION.

The work performed by the recorder of the Commission and his office force has been greater in volume during the past year than in the year previous, owing to the natural increase of the business of his office and to the duty imposed upon him of making verbatim reports of discussions in the Commission and of hearings before that body on various subjects, particularly on the subject of the new railway construction now in progress in the islands of Luzon, Panay, and Negros.

The necessity of making provision for the new duties which will devolve upon the recording officer of the Commission upon the establishment of the Philippine assembly impelled the Commission, by Act No. 1679, to re-create the position of secretary of the Commission. The act provides that the secretary shall be appointed by resolution of the Commission and that, after the organization of the Philippine assembly, he shall perform the duties which would properly be required of the recorder of the Commission under existing law, and such other duties as may be imposed by resolution of the Commission. It further provides that the secretary of the Commission shall act as chief of the division of legislative records of the executive bureau, effective as of the organization of the Philippine assembly.

As the organization of the Philippine assembly marks the establishment of a legislature composed of two houses, the Philippine Commission and the Philippine assembly, it is deemed advisable that this report cover the period from July 1, 1906, to October 16, 1907, the date on which the work of the Commission, acting alone as the legislative body of the islands, ceased. The records of the Commission for this period show the number of executive sessions to have been 230; public sessions, 24; hearings and discussions before the Commission which have been reported, 26; laws enacted, 293; resolutions adopted, 815; appointments confirmed, 814; acts of the legislative council of the Moro Province approved, 31, and miscellaneous entries in the minutes, 176.

On October 16, 1906, by executive order No. 38, the hours of legislative sessions of the Commission were fixed by the governor-general at from 9 o'clock a. m. until 12 noon, daily, Sundays and legal holidays excepted; these hours being later changed by executive order No. 19, July 3, 1907, to from 8 o'clock a. m. to 1 o'clock p. m., daily, Sundays and legal holidays excepted. Prior to the issuance of executive order No. 38, the Commission had no regular time of meeting, sessions being held at the call of the president. Executive sessions held morning and afternoon of the same day have been recorded as one session, and public sessions held in the morning and afternoon as two. From November 10 to December 5, 1906, the governor-general, ex officio president of the Commission, was absent from Manila on an official trip through the southern provinces; on March 30, the Commission being in Baguio, holding regular sessions, the governor-general found it necessary to leave for Manila on executive business, returning about April 23; on May 18, 1907, he left on an official trip through the northern provinces of Luzon, returning about June 26, 1907. There being no quorum during the periods mentioned, no sessions were held.

Of the 24 public sessions, 1 each was held for the discussion of the chattel-mortgage law, the Philippine road law, and the weights and measures bill; 6 for the horse race gambling bill; 2 for the bankruptcy bill; 11 for the election law; 1 for the inauguration of the fourth chief executive of the Philippine Islands, and 1 upon the reception and welcome of the Honorable the Secretary of War.

Hearings and discussions held before the Commission have covered a multiplicity of subjects, among which might be mentioned the matters pertaining to railroad construction in the islands, the proposed grant of a franchise to the Automatic Telephone Construction Company, the proposed amendment to the land-registration act, and the petition to suspend the operation of the race track gambling law. As previously remarked, a verbatim report of these hearings and discussions has been made. Six copies of a volume of 443 typewritten pages, containing a complete record of discussions, resolutions, communications, reports, etc., from May 28, 1906, to May 31, 1907, on the railway questions which were submitted to the Commission, have been bound at the bureau of printing and have been furnished the Bureau of Insular Affairs, the governor-general, the secretary of commerce and police, the supervising railway expert, and the insular auditor, the sixth copy being retained in the recorder's office. Under the railway franchise acts, Nos. 1497 and 1510, the power of passing on all questions affecting railways was left to the governor-general without reference to the Commission, and all action taken by the Commission was merely advisory in character, except in so far as authority of the legislative body was necessary to incur expenditures not already provided for by law.

RESOLUTIONS OF THE COMMISSION.

Of the many resolutions, general in character, adopted by the Commission during the year, the following might be mentioned as among the more important and as demonstrating the diversity of subjects under consideration:

July 23, 1906—authorizing the secretary of commerce and police, on behalf of the Philippine Commission, to enter into an agreement in writing with the Hawaiian Sugar Planters' Association, through its representative, Mr. Albert F. Judd, of Honolulu, with the object of safeguarding the interests of Filipino laborers with whom Mr. Judd was contracting for service on the sugar plantations of Hawaii. On December 18, 1906, the Commission, by resolution, appointed Messrs. S. M. Damon, Alexander Garvie, and A. M. T. Bottomley, of the banking house of Bishop & Co., with residence in Honolulu, jointly and severally as attorneys for the government of the Philippine Islands and on its behalf to carry out the provisions of the above contract, and to commence, prosecute, or enforce all actions or legal proceedings touching any of the matters contained in the said agreement.

July 24, 1906—establishing 24 health districts throughout the islands under the provisions of act 1487, and confirming appointments made thereunder.

January 11, 1907—authorizing the secretary of commerce and police to appoint in the United States, by telegraph, 3 inspecting firms or individuals to inspect railroad material to be used in the construction of Philippine railways, consisting of steel rails, bridges, track fastenings, and other items of construction, in accordance with the practice prevailing among American railroads.

January 25, 1907—authorizing the governor-general to enter into a contract for the protection of natives of the Philippine Islands taken to the Jamestown Tercentennial Exposition.

February 4, 1907—defining the word "completion," as applied to railroads under the provisions of act No. 1497, granting a franchise to the Philippine Railway Company, the matter being a very important one, as affecting the amount for which the government is liable under its interest guaranty on the cost of construction of the Visayan railways.

February 25, 1907—authorized the establishment in the bureau of audits of a division of railway accounts, and after consultation with the supervising railway expert, the insular and deputy auditors, and the representatives of the Philippine Railway Company, approved certain rules and regulations for the inspection of construction and audit of the accounts of the Philippine Railway Company.

April 28, 1907—authorizing the secretary of commerce and police to enter into a contract or contracts with the contracting steamship companies, with a view to securing more expeditious, economical and better service to a large number of ports in the Philippine Archipelago, in the event that the military authorities

dispense with the interisland transports, excepting those equipped solely for laying and repairing cables or for carrying refrigerated stores, and to enter into contracts with the said companies for their business.

March 12, 1907—that the government should insure its own property, and that a special fund should be created to be invested and held to replace any property of the government of the Philippine Islands which might be damaged or destroyed. Act No. 1728 providing for such insurance has since been passed.

March 18, 1907—decided that a complete medical school, with a course of five years, should be established in the islands, and provided a faculty therefor.

March 20, 1907—the governor-general was authorized to take up with the Secretary of War the question of the transfer to the civil authorities of the telegraph and cable lines operated by the military, under the terms and conditions stated in the resolution. This transfer has since been effected.

March 26, 1907—authorizing and requesting the governor-general to appoint, as members of the board of directors of the Philippine Railway Company, to represent the interests of this government in the deliberations of said board, Gen. Clarence R. Edwards and Maj. Frank McIntyre, U. S. Army, chief of the Bureau of Insular Affairs, and assistant chief of the Bureau of Insular Affairs, respectively.

March 28, 1907—certifying to the President of the United States that “for a period of two years after the completion and publication of the census, a condition of general and complete peace, with recognition of the authority of the United States, has continued to exist and now exists in the territory of the Philippine Islands not inhabited by Moros or other non-Christian tribes,” and requesting the President of the United States direct the Commission to call a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which assembly shall be known as the Philippine Assembly.

March 30, 1907—under and by virtue of the executive order issued by the President on March 28, 1907, the Commission formally called a general election, to be held on July 30, 1907, for the selection of delegates to the Philippine Assembly.

April 25, 1907—requesting the assignment of the United States Fish Commission boat *Albatross* to these islands, for the purpose of making scientific investigations and instructing the natives thereof in deep-sea fishing and the pearl and sponge industries. The *Albatross* is expected to arrive in the very near future.

May 9, 1907—a committee, consisting of the Hon. W. Morgan Shuster and 8 other lawyers was appointed to compile and codify all the laws of the Philippine Islands up to and including June 30, 1907, the object being to complete, if possible, a compilation of the laws of the islands before the opening of the Philippine Assembly. On October 2, 1907, the report of the committee was accepted and the committee discharged. It appeared from the report of the committee that it had completed a compilation of all acts up to and including August 31, 1907. The Commission deeming it advisable that the same should include all laws passed by it up to the time of the organization of the Philippine Assembly, appointed a new compilation committee of 3 members, with Commissioner Shuster as chairman, to continue the work, so as to include therein all acts passed from August 31, 1907, up to and including October 15, 1907, and authorized an expenditure of not to exceed \$12,000 for the printing, binding, and publishing of 500 copies of the final compilation and index thereto.

July 24—the Commission expressed its opposition to the enactment of any law which would permit the granting of absolute divorces in the Philippine Islands, on the ground that the enactment of a law similar to that which prevails in some of the States in the United States would not be in the interests of the Filipino people, the question having been brought up by a petition requesting the enactment of a law which would permit the petitioner to remarry, he having been granted a divorce by the courts of the islands.

August 5—the secretary of commerce and police was authorized to advertise publicly for bids for a concession to construct a railroad from San Fernando, Pampanga, to Arayat, a distance of approximately 9 miles.

August 14—the Commission reserved certain described land for a town site at Sibul Springs, a health resort of the islands.

September 9—the Commission denied a petition filed by the Philippine chamber of commerce for the reduction until December 31, 1907, of customs duty on foreign rice on the principal grounds: (1) That the farmers and producers of rice in the Philippine Islands had not been consulted as to the pro-

posed reduction in tariff rates, and that it was doubtful whether such reduction would be to the interest of the rice growers, and whether the consumer would receive the benefit of any such reduction; and (2) that there was some doubt as to whether under the act of Congress of March 3, 1905, the Commission had any power to make reductions in the rice tariff once the rate had been fixed for a given period by an act of the Commission.

October 3—authorizing the director of navigation to advertise for bids for the improvement of the port of Tagbilaran, Bohol, and in case proper bids were not received, to proceed with the improvement of the port by administration, and pledging ₱50,000 for that purpose.

August 14—the Commission settled the question of the width of roadbed to be constructed by the Philippine Railway Company.

LAWS OF THE MORO PROVINCE.

Thirty-six certified copies of laws of the Moro Province were received by the recorder, in accordance with section 32 of the Moro government act (No. 787), which requires that all laws of the Moro Province shall be passed subject to annulment or amendment by the Commission. Of the above 33 were approved upon reading and 3 after having been questioned by the Commission were withdrawn by the legislative council of the Moro Province.

CHANGES IN THE PERSONNEL OF THE COMMISSION.

On September 20, 1906, Hon. James F. Smith was inaugurated as governor-general of the Philippine Islands, succeeding Hon. Henry Clay Ide, resigned. The inauguration was held in the marble hall of the ayuntamiento and was attended by the Commission in a body, the justices of the supreme court of these islands, the official representatives in the Philippine Islands of foreign nations, bodies of officers representative of the United States Army and Navy, judges of the court of first instance, provincial governors, administrative officials of the insular government and of the city of Manila, representatives of the several commercial and economic associations of the city, the veteran army of the Philippines, and a large representation of the general public.

Hon. W. Morgan Shuster, formerly insular collector of customs, was appointed by the President to the vacancy created in the Commission through the resignation of Hon. Henry Clay Ide and the appointment of Hon. James F. Smith as governor-general, and having taken the oath of office assumed his duties as commissioner and secretary of public instruction on September 28, 1906.

The position of vice-governor has remained vacant since the inauguration of Governor-General Smith.

SESSIONS AT BAGUIO.

On February 28, 1907, in accordance with its annual custom, the Commission adjourned to meet at Baguio, Benguet. Sessions began there on March 9, 1907, and continued morning and evening of practically every working day until March 30, when, as noted above, the governor-general returned to Manila on executive business. Sessions were resumed on April 24, and the Commission met daily until May 18, when an adjournment was taken to meet in Manila after the return of the governor-general from his official visit to the northern provinces of Luzon. It will thus be seen that while the Commission left Manila for Baguio one month earlier than last year, the actual number of days on which a quorum was available and sessions were held during the season was only about equal to that of the season of 1906. Daily sessions of long hours and close application was the rule. A great many subjects of importance were considered and a large amount of accumulated routine and current business disposed of, so that upon the termination of the season at Baguio all matters pending had received the attention of the Commission. The staff of the Commission at Baguio comprised 15 employees, the same number as last year. The postal and telegraph arrangements between Manila and Baguio were excellent, and the members of the Commission were enabled to prosecute their business with the officials of the various bureaus and offices with reasonable expedition and convenience.

MATTERS PENDING BEFORE THE COMMISSION.

All matters pending at the beginning of the fiscal year, as shown by the last annual report, have been disposed of except the bankruptcy bill and the proposed penal code and code of criminal procedure.

The bankruptcy bill.—This bill was presented to Hon. Henry C. Ide, president of the Commission, by a committee of the Philippine Bar Association on July 24, 1906, and, after revision by Governor Ide, it was passed to first, second, and third readings, and submitted to public discussion. After considering the suggestions and recommendations made during its discussion and in communications received from banking and commercial institutions of Manila, the bill was laid on the table on October 29, 1906, and Commissioners Shuster and Luzuriaga were appointed a committee to confer with certain members of the Philippine Bar Association as to the advisability of preparing a new draft of a bankruptcy law, to be taken from the law relating to insolvency as it stood under the Spanish régime or from the insolvency laws of one of the United States, and amend and amplify it to meet conditions in the Philippine Islands, the same to be translated into Spanish by members of the association familiar with Spanish and American legal terminology and presented to the bar association for discussion and amendment, if desired, and when perfected by the association to be submitted to the Commission for consideration. It is understood that a new draft is now in the possession of Commissioner Shuster and will be presented to the Commission at an early session.

Penal Code and Code of Criminal Procedure.—This measure has been allowed to remain on the table, the Commission having found it necessary to give its attention to more urgent matters. It has been decided now to leave the matter with the assembly.

In addition to the foregoing, there are now pending before the Commission a bill looking to the reorganization of the municipal government of Manila; a bill to provide for the inspection of steam and other vessels of the Philippine Islands, and to regulate the transportation of passengers and merchandise thereon, and a number of other bills of minor importance.

Appended hereto and marked "Exhibit L," and "Exhibit M," are the journal of the Philippine Commission, on the occasion of the ceremonies attendant upon the inauguration of the Philippine Assembly, October 16, 1907, and the journal of the joint convention of the Philippine Legislature on October 17, 1907.

ADMINISTRATION DIVISION.

As recommended in my last annual report, the name of the administration and finance division was changed by act No. 1527 to that of the administration division.

The duties of the chief of this division were increased by the abolition of the position of chief clerk on January 1, 1907, the result of which was to make necessary the handling by the chief of the administration division of practically all incoming correspondence. This division is charged with the greater part of the "action" work of the bureau, except that relating to election matters and appointments, and, as has been the case in previous fiscal years, has been compelled to perform a large amount of overtime work.

TRANSLATING DIVISION.

This division has worked under difficulties during a considerable portion of the fiscal year by reason of the absence, either on leave or due to illness, of the chief of the division and two Spanish-English translators. The work of the division was somewhat lightened, however, by relieving it from the necessity of translating pardon petitions and the lengthy court sentences and indorsements connected therewith, all of which work is now handled by Filipino clerks in the administration division. The fact that all the officials of the bureau and every division chief except one has a good working acquaintance with the Spanish language has also rendered it possible to dispense with the necessity of translating a large amount of more or less routine correspondence of the bureau, and thus further relieved the congestion in the translating division.

The following figures show the amount of translating work performed by the division during the past fiscal year:^a

The work of reviewing the island press published in the Spanish language and the various Philippine languages has been continued during the year, and has involved the reading of 5,903 daily, weekly, biweekly, and monthly publications, as a result of which 159 press reports were made for the governor-general, aggregating 2,512 folios of typewritten matter. The division also fur-

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

nished an interpreter for most of the public and executive sessions of the Philippine Commission, for a number of the sessions of the committee on pardons and for other work. The chief of the division, prior to his departure on leave of absence on March 11, 1907, also accompanied the governor-general on several of his provincial visits of inspection as his personal interpreter.

LEGISLATIVE DIVISION.

The chief of this division, Mr. David Lewis Cobb, returned from leave of absence in the United States on October 20, 1906. In order not to delay the publication of the supreme court reports, Mr. Cobb performed considerable work in preparing Volume III for the printer while absent in the United States on his vacation, with the result that the volume in question was printed and distributed shortly after his return to duty.

During the fiscal year Volume V of the Public Laws, Annotated, in English and Spanish, was compiled and published, official distribution made, and the remainder placed on sale with the director of printing. This volume contains, in both English and Spanish editions, the laws of the Philippine Commission for the legislative year ending August 31, 1906, and consists of acts Nos. 1384 to 1536, inclusive, the regular lists and special tables published in previous editions, and the following acts of Congress approved during the year 1906.

The act of February 26, to revise and amend the tariff revision law of 1905; the act of April 30, to regulate the United States-Philippine trans-Pacific carrying trade and the local trade between interisland ports; the act of June 13, prohibiting the importation, exportation, and transportation of falsely or spuriously stamped articles of merchandise made of gold, silver, or their alloys; the act of June 23, amending the Philippine coinage and currency act of March 2, 1903; the act of June 28, amending section 2844 of the revised statutes; and the act of June 30, prohibiting the manufacture, sale, or transportation of adulterated, misbranded, or deleterious foods, drugs, and liquors, and regulating the traffic therein. To carry out the intent and purpose of this latter law, the Philippine Commission has enacted act No. 1655, known as the "Pure Food and Drug Act," and promulgated appropriate rules and regulations for its enforcement in the islands.

In view of the fact that the full legislative authority of the Commission ceased on October 15, 1907, it is the intention to have Volume VI of the Public Laws, which is now being compiled, contain all the legislation of the Commission down to the inauguration of the Assembly. Were this action taken, and Volume VI closed on August 31, as has heretofore been the case, it would be necessary to issue a separate volume, in both English and Spanish, of the legislative enactments of the Commission for the month and a half intervening between the close of the legislative year and the inauguration of the new Legislature.

The executive orders and proclamations issued by the governor-general during the calendar year 1906 were compiled and published by the division and have since been distributed, the English and Spanish texts of the orders and proclamations being contained in the same volume.

PASSPORTS.

All applications for passports received by the Bureau, as heretofore, have been passed upon by the chief of this division prior to their issuance by the governor-general. The total number of passports issued during the fiscal year was 91, of which 78 were to citizens of the United States and 13 to citizens of the Philippine Islands as defined by the treaty of Paris and the act of Congress of July 1, 1902. No formal applications for passports have been disapproved during the year, owing to the fact that each person desiring to apply for a passport has been first questioned to ascertain his status, and in cases where an application could not be considered favorably the applicant has been so informed and the reason why passport could not issue explained to him. The majority of such applicants belonged to the class to whom passports might have been issued if the American rule were in force here as regards persons born in the islands and subject to the jurisdiction thereof. The remainder consisted of persons who have made their declarations of intention, and of honorably discharged soldiers, who because of their residence in the islands have been unable to complete the formalities of naturalization. This subject has been discussed in a previous report, in which recommendations were made with a view to avoiding what seems a hardship in many cases.

OFFICIAL GAZETTE.

The division has continued in charge of the publication of the Official Gazette, both English and Spanish editions, the matter which has been published therein having been practically the same as outlined in my report of last year. The subscriptions to the Gazette have increased somewhat during the past year, and the Spanish edition yielded a net revenue of ₱1,055.68. The English edition, however, which has a smaller circulation, caused a net cost to the government of ₱3,442.85. The net cost of both publications during the fiscal year was therefore ₱2,387.17. The net cost of both publications during the previous year was ₱3,417.32.

PHILIPPINE REPORTS.

Volume III of the Philippine Reports, both English and Spanish editions, containing the reported decisions of the supreme court of the Philippine Islands from December 6, 1903, to and including April 23, 1904, were published by the division in December, 1906. With the publication of this volume, however, the reports of the supreme court were still nearly three years behind. The importance of having the decisions of the supreme court compiled and published down to date, and of having its future decisions promptly reported and published, was brought to the attention of the Commission on January 11, 1907, upon which date that body adopted a resolution authorizing the temporary employment in the legislative division of 4 additional clerks to assist in bringing the work of publishing the Philippine reports down to date. Under this authority, 4 additional clerks were immediately employed, and the division devoted itself with energy to the work, with the result that during the period from January 15, 1907, to June 30, 1907, Volumes IV, V, VI, and VII of the reports, both English and Spanish editions, were compiled, indexed and published and the office force of the division reduced to its normal size on the latter date.

The 7 volumes of the reports now published in both English and Spanish cover the reported decisions of the supreme court for a period of six years, beginning with the first reported case on March 8, 1901, and ending with case No. 105 decided March 13, 1907.

On July 13, 1907, the supreme court of the islands adopted a resolution requesting the Commission to re-create the position of reporter of the supreme court which had been abolished by act No. 1407. The action requested by the supreme court was taken by the Commission on July 23, 1907, by the enactment of act No. 1675. The legislative division of the bureau was abolished.

The division of August 31, 1907, and its chief, Mr. David Lewis Cobb, was appointed reporter of the supreme court. Under the new arrangement, the reporter will continue in charge of the compilation of the Public Laws and the Official Gazette, being subject to the orders of the supreme court as regards the publication of the Philippine reports, and to the orders of this office as regards the publication of the Public Laws and the Official Gazette.

RECORDS DIVISION.

This division, as stated in previous reports, is charged with the recording of all the correspondence of the governor-general, the heads of executive departments, the members of the Philippine Commission, and the executive bureau except that emanating from the division of archives, patents, copyrights and trade-marks which latter division, by reason of the peculiar nature of its work, keeps its own records.

LOCUST PLAGUE.

Considerable damage has been inflicted throughout the provinces during the past year as in previous years by the locust pest, which, it appears, is to yearly recur. With the practical exhaustion of the Congressional relief fund, however, from which insular assistance in combating this pest has heretofore been extended, the various provincial governments have been advised that this matter must be considered a provincial and municipal problem and that all expenses incurred in combating the locust plague must be paid out of provincial and municipal revenues. Hence no statistics have been received, as in previous years, as to the weight of the locusts destroyed, except those in the reports of the provincial governors, referred to later.

REPORTS OF THE PROVINCIAL GOVERNORS.

Attention is invited to the reports of the provincial governors attached hereto and marked "Exhibit N." Several do not contain all the information required by law and by the instructions issued by this bureau. Nearly all of them are wanting in precise data. With few exceptions they are not as satisfactory as in previous years, and the searcher for facts regarding the actual conditions prevailing in the provinces during the period covered will not be repaid in the same measure as heretofore. The governors of three provinces, who resigned shortly after the expiration of the fiscal year to become candidates for the assembly, have failed to send in their reports. The labors incident to the campaign and to the sessions of the assembly, of which they are now prominent members, are probably the reasons for the regrettable absence of their reports from among those of their provincial colleagues. The three provinces referred to are Cebu, Leyte, and Tayabas, which, according to the census of 1903, had an aggregate population of 1,195,714.

In view of these facts, it is manifestly impossible to give a survey of conditions in the provinces in as complete a manner as would be desirable. The best that can be done is to synthesize the data available—a great part of which it would be difficult to check—in order to arrive at the conclusions that only a more or less analytical study of the reports could give.

The report of the Moro Province is not included in this survey.

AGRICULTURE.

Taking the provinces in alphabetical order, the following remarks apply to the production of rice, abaca, copra, and cocoanuts, tobacco, sugar, and other crops.

Rice.

Abra	.....	Increase of 25 per cent over last year.
Albay	.....	Outlook is for an unheard-of crop of rice.
Ambos Camarines	.....	Crop almost totally destroyed by rats and certain nocturnal pests.
Antique	.....	450,000 cavans harvested during the year.
Bataan	.....	Over one-half of the crop lost through the ravages of the accip.
Batangas	.....	Considerable increase; production almost sufficient to supply all local demand, very little being shipped into the province.
Benguet	.....	Notable increase in the number of rice paddies.
Bohol	.....	Last crop half of normal, and estimated at 55 per cent more than the preceding one.
Bulacan	.....	Small crop, due to irregular rains.
Capiz	.....	Crops harvested in September, October, and November good in coast towns, but those in the interior destroyed by locusts and worms; however, shipments were made to Romblon, Masbate, and Iloilo.
Cavite	.....	Rice produced on a large scale.
Ilocos Norte	.....	Increase of 10 per cent in production.
Iloilo	.....	Great decrease in production, due to ravages of locusts. Province will have to import rice next year.
La Laguna	.....	Production, 250,000 cavans of cleaned rice worth from ₱1,250,000 to ₱1,375,000.
La Union	.....	Ordinary crop.
Lepanto-Rontoc	.....	Crop short in many sections owing to ravages of a worm called "balalec."
Mindoro	.....	Crop, 116,417 cavans of palay.
Misamis	.....	Crop, 60,307 cavans; estimated loss from locusts, 37,940 cavans.
Nueva Ecija	.....	Rice the principal agricultural product.
Nueva Vizcaya	.....	Rice produced.
Palawan	.....	The largest crop since American occupation.
Pampanga	.....	The crop a failure.

Pangasinan	.....	Increase in production over last year estimated at 25 per cent.
Romblon	.....	Crop damaged by locusts and worms.
Samar	.....	Rice raised only for local consumption.
Sorsogon	.....	62,287 sacks of unhulled rice harvested.
Surigao	.....	Considerable quantity produced throughout the province. Crop estimated at 50 per cent over that of last year.
Zambales	.....	Crop 15 per cent larger than last year and more land under cultivation.

Abaca.

Albay	.....	Production for this year, though 20 per cent short, estimated at 400,000 piculs. Price of hemp, which averaged ₱20 per picul for about three years, now fallen to ₱13 (attention is invited to the recommendations in the report of the governor of Albay regarding the export tax refund on hemp).
Ambos Camarines	.....	Crop increased from 30 per cent to 35 per cent over last year and will soon be normal.
Antique	.....	Production greater than last year.
Batangas	.....	Increased production over previous year.
Bohol	.....	Amount grown constantly increasing.
Capiz	.....	Plantations being extended; prices good.
Cavite	.....	Abaca produced generally throughout the southern pueblos of the province.
La Laguna	.....	Production, 60,000 piculs; average price, from ₱17 to ₱19 per picul.
Mindoro	.....	Production, 7,288 piculs.
Misamis	.....	Fire caused ₱200,000 damage to hemp plantations; general conditions, however, improved, though prices for lower grades have fallen.
Oriental Negros	.....	Production, 40,500 piculs.
Romblon	.....	Production, 8,407 piculs.
Samar	.....	Exportation larger than any year since American occupation.
Sorsogon	.....	Essentially an abaca province. Prices have fallen considerably. The province not yet recovered from the effects of the typhoon of 1905.
Surigao	.....	Estimated production, 100,000 piculs.

Copra and cocoanuts.

Albay	.....	Shipments of copra do not exceed 20,000 piculs a year. Fresh cocoanuts sold in the local markets at 8 centavos each, the highest retail price paid anywhere.
Antique	.....	Production of copra larger than last year.
Bohol	.....	Noteworthy improvement in trees noticed recently.
Capiz	.....	The number of cocoanut plantations increasing from year to year.
Cavite	.....	Copra and cocoanuts produced in the southern part of the province.
La Laguna	.....	100,500,000 nuts gathered, 63 per cent of which made into copra. Average price of fresh nuts from ₱25 to ₱30 a thousand.
Mindoro	.....	218 piculs of copra and 345,714 nuts last year's yield.
Misamis	.....	74,423 piculs of copra, worth ₱595,384, shipped from province. Locusts destroyed the product of 70,800 trees. Total number of cocoanut trees in the province 1,587,682, of which 830,441 are in full bearing.
Oriental Negros	.....	17,236 piculs of copra the year's yield.
Palawan	.....	Shipments of copra this year larger than ever before. About 100,000 cocoanut plants set out this year.

Pangasinan.....	The number of cocoanut trees increased considerably.
Romblon.....	24,864 piculs of copra produced.
Samar.....	Larger shipments of copra made this year than at any time since American occupation.
Surigao.....	Shipments amounted to some 12,000 piculs. Estimated that a like amount was used for local consumption.

Tobacco.

Abra.....	Estimated production during the fiscal year 4,000 quintals, a decrease of 33 per cent.
Cagayan.....	Small harvest this year. Much discouragement felt among planters on account of the low prices and slack demand in Manila market.
Ilocos Norte.....	Production of tobacco fell off on account of excessive rainfall.
Iloilo.....	Considerable decrease in production.
La Union.....	Production 42,000 quintals. Next crop promises to be largest in four years.
Lepanto-Bontoc.....	Tobacco cultivated for local use only.
Misamis.....	Small tobacco plantations in many of the pueblos. Some of the tobacco raised of excellent quality, but the product insignificant.
Nueva Ecija.....	Larger harvest than last year; cultivation increasing.
Oriental Negros.....	Amount produced, 40,100 hands.
Pangasinan.....	Production increased 20 to 25 per cent over last year.
Romblon.....	Production 2,157 piculs.
Surigao.....	Small quantity produced.

Sugar.

Abra.....	1,500 piculs produced, an increase of 50 per cent over last year.
Antique.....	35,000 piculs produced.
Bataan.....	The crop one-third the normal production.
Batangas.....	Production increased over last year.
Bulacan.....	No improvement in production, owing to lack of capital and markets.
Capiz.....	Sugar cane extensively cultivated, but planters discouraged on account of low prices.
Iloilo.....	Production 200,000 piculs.
La Laguna.....	Ordinary crop. Considerable stock from last year still held over on account of low prices.
La Union.....	Production not improved either in quality or quantity, owing to low prices.
Lepanto-Bontoc.....	Raised for local use only.
Misamis.....	Product insignificant.
Oriental Negros.....	Production 45,000 piculs.
Pampanga.....	Crop a failure.
Pangasinan.....	Production increased from 20 to 25 per cent over last year.
Surigao.....	Small quantities produced.
Zambales.....	Increase in production over last year.

NOTE.—The governor of the province of Occidental Negros, probably the largest sugar-producing province in the islands, gives no statistics as to the amount of sugar produced or acreage under cultivation, but simply confines his remarks to a pessimistic view of prevailing conditions in his province and to the reiteration of recommendations that already have been the subject of study on the part of the Commission and of Congress.

Maguey and sisal.

Abra	Estimated increase of 25 per cent in maguey plantations.
Cagayan	General enthusiasm shown in planting maguey, and production increasing.
Capiz	A few small tracts of maguey planted.
Ilocos Norte	Notable increase in the cultivation of maguey and 20,000,000 plants set out during the fiscal year.
Ilocos Sur	Considerable development in the maguey industry; production will be doubled in three years.
La Union	Few maguey plants set out; but 8,000 of Hawaiian sisal planted.
Misamis	A few maguey seedlings set out and growing well.
Pangasinan	Planting of maguey largely increased.
Zambales	Increased production of maguey.

Corn.

Abra	Production was 17,000 uyenens, of 1,000 ears each, an increase of 33 per cent.
Antique	Almost the entire crop destroyed by locusts.
Batangas	Increased production.
Bohol	Very little cultivated.
Cagayan	Increased production.
Iloilo	Production almost nil.
La Laguna	Production, 30,000 cavans, an increase of 5,000 cavans over last year.
Mindoro	Production, 2,930 cavans.
Misamis	Production, 74,300 cavans. Loss caused by locusts 36,700 cavans.
Oriental Negros	Production, 227,114 cavans.
Samar	Corn raised only for local consumption.
Surigao	Small quantities produced.
Zambales	Increased production.

Coffee and cacao.

Abra	Production of cacao, 30 cavans.
Batangas	Coffee plantations being displaced by hemp, which has been found to be a more profitable crop.
Cavite	Coffee and cacao grown in the southern part of the province.
Lepanto-Bontoc	Considerable coffee grown, but crop this year short.
Mindoro	Production of cacao, 28 cavans and 5 gantas.
Misamis	Cacao raised in small quantities for local consumption. Coffee of superior quality grown in the hills by non-Christian tribes, who sell it to merchants in the coast towns.
Nueva Vizcaya	Coffee and cacao grown and marketed mostly in the province of Isabela.
Surigao	Cacao produced in small quantities.

Cotton.

Oriental Negros	Production amounted to 2,160 piculs.
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Oranges.

Batangas	Small increase over last year's production.
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Garden truck and fruit.

Benguet	Irish potatoes, corn, squash, cantaloupes, celery, parsnips, tomatoes, etc., grown and sold by natives, equal in size and flavor to those grown by the most careful gardener under the most promising conditions in the United States.
Cavite	Yams, peanuts, melons, tomatoes, etc., largely cultivated; mangos and other native fruits also produced on a large scale. Crops 50 per cent larger than last year.
Misamis	Bananas, mangos, and lanzones, grown on a large scale.
Nueva Vizcaya	Potatoes and other vegetables grown in this province and marketed in Isabela.

Live stock.

Abra	Live stock the chief source of wealth; 3,295 certificates of transfer issued for live stock valued at ₱167,140 during the year.
Benguet	Head of cattle registered during the year, 15,775, an increase of 50 per cent over last year. Natives of Benguet have also 10,144 pigs, 1,617 goats, 431 sheep, 2,500 native ponies, and 3,500 carabao.
Capiz	Herds of carabao shipped in from other provinces, and number multiplying yearly.
Lepanto-Bontoc	Cattle raising, an industry bringing into the province from ₱60,000 to ₱100,000 annually, constantly growing.
Nueva Ecija	Considerably larger number of carabao now than last year, owing principally to purchases made from the Ilocano provinces.
Palawan	Cattle and carabao a profitable export of the island to the Iloilo market.

DISEASES OF ANIMALS AND AGRICULTURAL PESTS.

Surra and rinderpest.

Ambos Camarines	Rinderpest and other diseases of an unknown character have attacked carabao.
Amburayan	Many carabao have died, the disease probably coming from the coast.
Antique	Rinderpest and foot and mouth disease killed off 80 carabao and 100 neat cattle.
Bohol	At Ubay and Sierra-Bullones 99 per cent of the horses died of surra. At present prevalent in 7 pueblos, and steps were taken to kill off animals affected.
Bulacan	Rinderpest appeared in several municipalities, causing great ravages among draft animals.
Cavite	Many draft animals died of rinderpest.
Ilocos Sur	Rinderpest appeared in some of the pueblos of the province, but did not last long.
Isabela	During months of March and April, 1907, an epidemic disease appeared in 5 municipalities and caused ravages among horses and carabao. It was completely eradicated.
La Union	Rinderpest carried off 250 carabao. Among horses 80 were attacked with surra of a malignant character.
Misamis	Incomplete returns show that 200 carabao and 30 neat cattle died of rinderpest, and that 400 horses died of surra.

Occidental Negros	Rinderpest continues to destroy cattle, though not generally prevalent throughout the provinces.
Oriental Negros	Diseases of cattle and of fowls prevalent.
Pampanga	Among horses 13 died of glanders and 10 of surra; 573 carabao and 29 neat cattle died of rinderpest.
Pangasinan	High mortality among draft animals continues.
Nueva Ecija	Among carabao 249 died of rinderpest, 10 of foot and mouth disease; 18 horses died of glanders and 2 of surra. Disease carried off also 1,133 pigs, and 4,026 domestic fowls of various kinds.
Zambales	Rinderpest and horse diseases have played great havoc with live stock: 343 horses, 177 carabao, and 38 neat cattle were carried off by disease. The 2 latter, however, have increased 25 per cent.

Locusts and other agricultural pests.

Abra	A worm known as rusot caused much damage to cacao plants.
Bataan	An insect called accip did considerable damage to rice fields.
Batangas	Small numbers of locusts appeared in a few barrios.
Antique	Locusts appeared in nearly all of the pueblos: amount exterminated, about 10,000 cavans.
Misamis	Locusts are a constant scourge; 2,259 cavans destroyed during the year.
Occidental Negros	Locusts a veritable pest, destroying large quantities of rice, corn, sugar cane, etc.
Oriental Negros	During the year 42,080 cavans of locusts were destroyed.
Romblon	Locusts appeared in some municipalities, and a worm called tagosto did considerable damage to rice fields.
Samar	Locusts did some damage in 3 or 4 municipalities.
Sorsogon	Locusts especially bad in Masbate.

As regards the amount and value of crops in the province of Tarlac the governor reports that "the increase of this year's production over last is estimated at forty per cent" and gives no other definite data.

The foregoing résumé contains practically every definite statement contained in the provincial governors' reports with regard to agricultural and kindred subjects. Many of the governors complain that the inaction of the government as to the establishment of agricultural banks, which will lend money at low rates of interest to the farmers and planters, and thus enable them to purchase live stock, modern machinery, and implements, and other elements necessary for the restoration of agriculture to its normal condition in these islands, is responsible for the agricultural depression felt in many districts throughout the islands. Unseasonable rains and abnormal weather conditions are mentioned as the causes resulting in decreased production and failure of crops in other districts. But general conditions seem to have improved and the prospect is that they will continue to do so, though slowly.

PUBLIC ORDER.

The following remarks culled from the reports are indicative of the conditions of peace and good order which prevailed throughout the archipelago during the period reviewed:

Albay-----	Undisturbed tranquillity, even the usual misdemeanors having been few in number.
Abra-----	Absolute peace and tranquillity.
Antique-----	Conditions as to peace and good order enviable. Dissensions arising from religious differences entirely disappeared. Absolutely all of our most intelligent and capable men in favor of the political creed of the conservative party, and only a few advocate immediate independence.
Bataan-----	Peace and good order of the province broken only by the escape of the provincial prisoners effected with the aid of a constabulary soldier on April 12, 1907. All of these fugitives not killed or recaptured left the province by the following month.
Batangas-----	Only disturbance of the public peace in the province caused by the operations of 6 or 7 brigands near the boundary lines of the provinces of Laguna, Batangas, and Tayabas, whose victims were chiefly laborers going from one province to another in search of work. All of them captured, except 2 for whom rewards were offered.
Bohol-----	As the threatened appearance of Pulahanism was prevented by the capture of its leaders, peace and good order not disturbed in any manner worthy of mention.
Bulacan-----	Invariable peace prevailed and no armed bands in the province. Number of carabao thefts diminished.
Cagayan-----	People have conducted themselves as good citizens, in a peaceable and orderly manner. Cattle stealing decreased very considerably.
Ambos Camarines-----	General conditions as regards peace and order good; of the 2 brigand chiefs formerly operating on the provincial borders, 1 killed by the constabulary and capture of other soon expected.
Capiz-----	Tranquillity throughout the province except at Tupas, where brigands and cattle thieves carried on their nefarious work after the constabulary post was removed from there. Cattle stealing and brigandage still carried on near the borders of the province of Iloilo.
Iloilo-----	Conditions as regards public order very satisfactory, decrease in the number of assaults and robberies very marked. Brigandage as good as exterminated; some bands which appeared in the municipalities dispersed by the constabulary.
Ilocos Norte-----	In July, 1906, a plot to organize an armed uprising against the constituted authorities, which extended to nearly all the municipalities of the province discovered, with the result that the plotters and their accomplices, papers, arms, and ammunition were captured. No person of social or political prominence implicated. In every other respect good order prevailed.
Ilocos Sur-----	Complete tranquillity throughout the province.
Isabella-----	Only 7 prisoners in the provincial jail; peace and good order prevailed.
La Laguna-----	Good order and tranquillity daily becoming more assured.
La Union-----	Relative tranquillity and general good order.
Misamis-----	Only 1 outlaw at large and believed that he has gone to another province.

Lepanto-Bontoc-----	People of Bontoc constantly growing more friendly to the government; but 1 town to be won over. Peace and good order the rule among these primitive people.
Nueva Ecija-----	No disturbances or disorders to deplore. A band of ladrones operated during the months of May and June, but the capture of their leader, Nicholas Gutierrez, has put a stop to their robberies. Thefts of carabaos decreased.
Occidental Negros-----	Complete peace and tranquillity with the exception of the disturbance of the peace caused by the depredations of Babaylanes.
Oriental Negros-----	Condition of complete tranquillity and peace.
Pangasinan-----	Peace, good order, and tranquillity not been disturbed, in spite of the intolerance of certain ministers of religion and leaders of political parties.
Pampanga-----	Complete tranquillity.
Rizal-----	Conditions as to peace and good order excellent, and a decrease in the number of crimes committed, but an attempt to revive the Katipunan Society, as is set forth in the report, might have led to the disturbance of the peace and good order.
Romblon-----	No disturbances in the province.
Samar-----	Conditions steadily improving.
Sorsogon-----	Profound peace throughout the province; but some fear that public order may be disturbed in Masbate as the result of the total destruction of rice and corn crops by locusts.
Surigao-----	Condition one of enviable peace and tranquillity.
Tarlac-----	Tranquillity supreme.
Zambales-----	The governor proudly states that his province "has the distinction of being the quietest province in the archipelago."

The governor of Isabela says that "there are many immigrants into the subprovince of Apayao, who are kept in life servitude by natives of that subprovince because of an insignificant debt, or of the death of an animal in their charge, though such death was due to rinderpest. Such debts are even passed on to their children." The governor of Palawan in his report, also touches upon a similar evil practice in his province in referring to peonage.

It will be seen that quiet and good order have been almost uninterrupted in the great majority of the provinces; that there have been no serious outbreaks of lawlessness, and that the roving predatory bands that heretofore infested certain parts of the islands have either been entirely exterminated or reduced to 1 or 2 small groups of outlaws devoting themselves to pillage and robbery, and having little or no influence with the people in whose territory they carry on their nefarious work.

It is exceedingly satisfactory to note that there is not one single complaint or criticism of the constabulary in any of these reports, and it is beyond question that this body of men devoted to the maintenance of order have the sympathy and support of the great mass of the people in every province.

The relations between the provincial and the municipal authorities are everywhere reported as harmonious and as working together for the common good.

PUBLIC HEALTH AND SANITATION.

The following remarks and statistics of deaths from various diseases show that there were few epidemics causing a high mortality and that there has been a considerable improvement in the public health.

Malarial fevers.

Albay-----	Malarial fevers prevalent in some municipalities and at Camp Daraga in a mild form.
Ambos Camarines-----	From malarial fevers, 1,463 deaths.
Antique-----	From the same cause, 631 deaths.

Cagayan.....Malarial fever almost epidemic in the province. No contagious disease such as cholera or smallpox reported; average death rate between 24 and 25 per thousand.

Nueva Ecija.....From malarial fever, 493 deaths.

Smallpox.

Abra.....From smallpox, 121 deaths.

Ambos Camarines.....From this cause, 80 deaths.

Ilocos Sur.....Few cases of mild character at Bangued.

La Union.....Few cases of a mild character in 3 municipalities; few deaths.

Lepanto-Bontoc.....From smallpox, 90 deaths.

Nueva Ecija.....Only 4 deaths from smallpox, as against 229 last year.

Oriental Negros.....Few cases of varioloid.

Cholera.

Cavite.....One hundred and sixty-four deaths.

Iloilo.....1,407 deaths.

Pampanga.....790 deaths.

Tarlac.....54 deaths

Nueva Ecija.....486 deaths

Samar.....One epidemic of cholera in the Catubig Valley.

Pulmonary consumption and tubercular diseases.

Antique.....368 deaths.

Ambos Camarines.....321 deaths.

Nueva Ecija.....346 deaths.

Measles, beri-beri, convulsions in children, dysentery, diarrhea, and a few other diseases are given as the chief causes of death. Leprosy is reported in 4 provinces. The governor of Ilocos Sur says "there is still a considerable number of lepers in the province, in several of the pueblos. The necessity of their removal to Cullion is urgent." Misamis reports that the number of lepers at large is a menace to the public health. The people of Mambajao feel grateful to the board of health for the removal of their lepers to Cullion. In Rizal there are 300 lepers at large, and an urgent request is made for their removal to the leper colony. In the province of Nueva Ecija, there are 47 lepers at large, all of them being cared for by their respective families.

Several of the provincial governors blamed the water supply for the presence of disease in many pueblos. In Albay the water supply in many towns is impregnated with substances prejudicial to health. On the other hand, the sinking of artesian wells in a number of the municipalities in the provinces of Bulacan and Pampanga has greatly improved the health of the people who use them as a water supply. Several of the provinces complain that the abolition of the provincial doctor by act No. 1487 has deprived them of the services of a physician, as it is practically impossible for the district health officers to properly attend to their duties over so large and extensive a territory.

The following statistics of the number of persons vaccinated in the provinces named may be of some interest:

Vaccination.

Ambos Camarines, 190,031; Bohol, 129,815; Bulacan, 92,686; La Union, 14,230; Lepanto-Bontoc, "An effort has been made to vaccinate the people in the subprovinces of Lepanto and Amburayan;" Pampanga, 109,585; Tarlac, 34,165; Pangasinan, district health officer traveling through province making vaccinations; Nueva Ecija, 32,632; Sorsogon, 111,111.

EDUCATION.

The following information regarding the condition of education is the most encouraging feature of the reports. It shows that the interest in public instruction has suffered no abatement but is making progress in all of the provinces of the islands.

Enrollment and attendance.

Province.	Enrollment.	Attendance.	Average.	Remarks.
Abra.....	5,294			Attendance regular. Do.
Albay.....	10,342			
Antique.....	8,962			Attendance falling off. Attendance increasing. Double that for 1906.
Batangas.....	9,013			
Bulacan.....	16,000			
Cagayan.....				
Cavite.....				
Iloilo.....			16,025	
Ilocos Norte.....	11,332	9,104		
Ilocos Sur.....	15,763	12,973		
Isabela.....	8,704			
La Laguna.....			10,000 to 12,000	
La Union.....			6,811	
Lepanto-Bontoc.....			1,249	
Misamis.....	5,714			
Nueva Ecija.....	12,582			
Nueva Vizcaya.....	1,960		1,718	
Oriental Negros.....	13,160		7,436	Average daily.
Pampanga.....			9,584	
Pangasinan.....	39,646		25,320	Opened with 5,542; closed with 13,860.
Samar.....				
Sorsogon.....	9,550			
Surigao.....	6,651	5,077		
Tarlac.....		10,633		

Private schools.

The following is a list of private schools established in the provinces to which reference has been made in the reports reviewed, and which includes parochial schools: Abra, 10; Albay, many denominations of schools; Bataan, abundance of private schools; Bulacan, many Catholic schools; Ilocos Sur, 3 colleges; Oriental Negros, the well known and worthy "Silliman Institute;" Tarlac, private schools in every municipality.

Schoolhouses.

The following statistics refer to the number of schoolhouses:

Province.	Number.	Remarks.
Abra.....	69	Paucity of public schoolhouses, mostly rented buildings.
Albay.....		
Antique.....	63	
Bohol.....		A number of schoolhouses constructed during the year by the various pueblos and barrios. The province completed 2 buildings and set them aside for secondary instruction and industrial training.
Benguet.....	4	Several school buildings were constructed during the fiscal year, some of masonry and lumber.
Bataan.....		
Bulacan.....		The municipalities have succeeded in constructing some schoolhouses.
Capiz.....		Has an industrial school and an agricultural school.
Iloilo.....		The municipalities rival each other in the construction of schoolhouses, there now being 144 municipal and 5 provincial.
Ilocos Norte.....	130	Many distributed throughout the province; a provincial high school has been built.
Ilocos Sur.....	180	
Isabela.....		
Lepanto-Bontoc.....	28	A number constructed and repaired.
Misamis.....	61	
Nueva Ecija.....	99	
Oriental Negros.....	80	Has made considerable expenditures in this connection.
Pampanga.....		
Rizal.....		High school building completed.
Romblon.....		Has built a number.
Samar.....		Has several, and high school now being built.
Sorsogon.....		High school completed.
Surigao.....	78	Has built a modern schoolhouse and is erecting others.
Tarlac.....	75	
Zambales.....		

Industrial instruction.

As may be seen from the following, industrial education is making great progress in nearly every province in the archipelago:

Albay	Industrial instruction has been tended with considerable progress.
Batangas	The secretary of public instruction has granted the sum of ₱8,000 for the construction of an industrial school building.
Benguet	A course in manual training is maintained in the central school. Weaving, housekeeping, etc., are also taught in the other schools.
Bulacan	Will soon have a school of arts and trades.
Capiz	Has an industrial and an agricultural school.
Cavite	Has an agricultural school.
Ilocos Norte	An agricultural school and classes in domestic science and carpentry.
Ilocos Sur	Two schools of arts and trades.
Iloilo	Schools of arts and trades giving best results.
La Laguna	Is building an industrial school as well as a high school.
La Union	Is building a school of arts and trades.
Lepanto-Bontoc	Has an industrial school.
Mindoro	An industrial school.
Nueva Ecija	The industrial work of the pupils is particularly creditable.
Occidental Negros	A school of arts and trades.
Palawan	Two industrial schools and 2 agricultural schools.
Pampanga	Agricultural and industrial schools.
Rizal	An industrial and a domestic science school, and several schools of arts and trades are being built. Will soon have also a school of agriculture.
Samar	Erecting a trades school.
Surigao	School of arts and trades completed.
Tarlac	Has a school of carpentry.
Zambales	Equipped with a school for domestic science, new implements for agriculture and tools for carpentering.

Teachers.

The number of teachers, insular and municipal, reported by the provincial governors, is given in the list below:

	Insular.	Municipal.		Insular.	Municipal.
Abra	35	53	Misamis	22	84
Antique	8	85	Nueva Ecija	27	136
Benguet	6	6	Nueva Vizcaya	12	36
Batangas	83	161	Oriental Negros	10	128
Capiz		168	Pampanga	39	207
Iloilo	50	313	Pangasinan	37	431
Ilocos Norte	40	198	Rizal	27	142
Ilocos Sur	41	226	Samar	38	171
Isabela	7	68	Surigao	19	97
La Union	25	103	Tarlac	20	112
Lepanto-Bontoc					

* 32 special insular teachers.
 * 37 teachers.

* 124 apprentices.

* 51 aspirants.
 * 61 assistants unpaid.

ECONOMIC AND FINANCIAL CONDITION.

As regards economic conditions of the provinces only two governors report them as good, the balance either qualify them as deplorable or only fair and improving. However, the finances of nearly all of the provinces are in a good condition, and they have been able to cover permanent expenses without the

necessity of loans. The general economic conditions of the different provinces are given in the following list:

Abra	Fair and improving.
Albay	Not good.
Bohol	Not satisfactory, some improvement noted.
Benguet	Prosperous.
Batangas	Has improved.
Cagayan	Precarious.
Bataan	On down grade.
Bulacan	Comparatively satisfactory.
Capiz	Gradually improving.
Cavite	Nothing in favor of, except may improve in course of next three years; income of province moderately increased.
Ilocos Norte	General prosperity.
Ilocos Sur	Very fair.
Isabela	Deplorable on account of floods; financial condition fair.
La Laguna	Fair, improving.
La Union	Good.
Lepanto-Bontoc	Not self-supporting, conditions improving.
Mindoro	Do.
Calapan	Prosperous.
Misamis	Not good, due to drought of 1906; financial condition a little more prosperous.
Nueva Ecija	Fair. Best since American occupation; prospects bright.
Nueva Vizcaya	Not self-supporting, destructive storm worked much havoc.
Occidental Negros	Rather severe economic depression.
Oriental Negros	Flattering and constantly improving.
Palawan	Not self-supporting, fairly prosperous.
Pampanga	Not very brilliant, but somewhat improved.
Pangasinan	Comparative prosperity, improving.
Rizal	Though not altogether prosperous, able to defray current expenses.
Romblon	Not good.
Samar	Much improved.
Sorsogon	Financial condition deplorable, economic condition improving.
Surigao	Sufficiently satisfactory.
Tarlac	Fair, improving.
Zambales	A poor province, but no indebtedness and able to support itself.

The following list shows the condition as regards payment of taxes in the provinces where the governors have touched upon this subject in their reports:

Payment of taxes.

Abra	Regularity in the payment of.
Bohol	Payment and collection of taxes regular.
Bataan	On down grade.
Bulacan	Comparatively satisfactory.
La Union	Ten per cent delinquent in cedula and land tax.
Pampanga	Satisfactory results in collection of delinquent land tax.
Tarlac	Larger and better than last year.

In the matter of loans the following information has been culled from the reports:

Loans.

Albay	Reduced to ₱60,000. Loan for purpose of constructing provincial building and jail.
Batangas	Relieved from, for educational purposes.
Bataan	₱6,000.
Ilocos Norte	No outstanding indebtedness or obligation.
Ilocos Sur	No obligations.
La Union	Debt of ₱37,000 transferred to school fund.

- Nueva Ecija.....A debt of ₱22,196.50 which it hopes will be cancelled by the Commission, as in other provinces.
- Pangasinan.....Loan of ₱165,000 requested for construction of three bridges.

The provincial governor of Albay states that wages are high and that there is much demand for labor; also that there is a scarcity of hard cash in the province. The governor of Capiz also states that there is but little money in circulation and that the rates of interest are high. In Palawan it is reported that employment can easily be had in the timber industry. Employment and sure wages can be obtained also in railroad and public works in the province of Pampanga. The governor of Ilocos Norte states that there are large sums of money in circulation.

NONCHRISTIAN TRIBES.

The following interesting information reflects the progress that was made during the fiscal year in the work of civilizing the non-Christian tribes scattered throughout the archipelago:

Organization.

- Abra.....Organized in accordance with act 1397—8 townships, 72 districts or barrios, 9,225 people. Fourteen settlements in Abra—inhabitants, 5,912; 55 settlements in Ilocos Sur—inhabitants, 7,456. Total, 69 settlements; inhabitants, 13,368.
- Antique.....One additional settlement organized.
- Benguet.....The natives of Benguet are prosperous; their wealth consists of animals, rice fields and agricultural lands. They have 5 claims for about 1,200 parcels of land, for free titles under the provisions of chapter 4 of the land act. They have 4 schools, for boys and for girls. The demand for labor exceeds the supply. The Igorrotes have the privilege of enlisting in the constabulary and have their own police. They have been granted the privilege of making claims for lands, and for the first time in their history Igorrotes now have titles to their homes.
- Bataan.....The Negritos, or Aetas, the only non-Christian tribe of this province, are now living in settlements. They are as a rule inoffensive, good natured, and submissive, but utterly refractory to social and cultured life in the settlements.
- Bulacan.....Two small settlements of Aetas. Many live in the mountains, unorganized, without fixed homes.
- Capiz.....The tribes which populate the mountains are united in various settlements. They are willing to live in settled communities.
- Ilocos Norte.....Twelve settlements organized under act 1397, and there is a desire for civilization.
- Ilocos Sur.....The conditions as to non-Christian tribes in this province are described in the report of the lieutenant-governor of the subprovince of Abra, to which reference is made above.
- Lepanto-Bontoc.....There has been a remarkable improvement in the conditions as regards the non-Christian inhabitants. None of the towns of Bontoc subprovince are now actually hostile to each other. The attitude of these people is increasingly friendly toward the Government. Schools for Igorrote children are maintained in nearly all the organized townships of the province.
- Mindoro.....Several small settlements started on the west coast, and great improvements made in the older settlements. The Magyans or Batanganes by far the most prosperous people in Mindoro. They have little farms, good cogon grass houses, palay, cotton, tobacco, pineapples, bananas, pigs, chickens, and dogs. Numerous traps or dams in every stream for catching fish. Very timid and run away on the approach of a white man.

- Misamis**.....Mountains inhabited by non-Christian tribes known as Bukidnon, Manobo, and Suban-on or Subanos. The Bukidnon are docile, submissive, and intelligent. A large portion of the latter already have notions of civilization. The Manobo have no organization and are most savage of all. The Suban-on are also of a docile nature, but less advanced than the Bukidnon. There are many settlements organized under act 1397. The Suban-on have just organized 5 settlements and will organize others.
- Nueva Vizcaya**.....Population now known to be considerably over 46,000—the census figures—which were only an estimate. Old feuds have been settled and the Igorrotes now travel about freely and confidently. A great majority have paid their cedula tax and have faith and trust in the government. They are improving very rapidly and will one day be very prosperous. They are clearing land rapidly and planting a great deal of coffee, as well as vegetables.
- Nueva Ecija**.....There are settlements of Tinguianes, Ibilao, and Ilongots. The social condition of the Tinguianes in the settlements is highly progressive. The children punctually attend the schools and a very pronounced desire to study is observed. A great number have been converted to Christianity. Their character is submissive and they recognize and respect the orders of their officials. They engage exclusively in agriculture.
- Occidental Negros**.....The hillmen, who are, in the majority, peaceable and roam about our mountains in small tribes, are constantly diminishing, due to the forces of civilization. They are little by little taking up the civil and political duties. Voluntary police composed entirely of these tribesmen, have been organized. It is estimated that there are from 13,000 to 18,000 hill men.
- Palawan**.....Conditions among the Mohammedan and Pagan tribes practically the same as last year. The rice crop was good among the Tagbanuas and Palawanes. They have followed their ordinary vocations of raising palay and gathering almaciga (mastic gum) and bejuco (rattan).
- Pangasinan**.....Two townships have been organized under act 1397. Great efforts have been made to awaken a love for a higher degree of civilization. There are still 5 unorganized settlements.
- Sorsogon**.....A settlement of Aetas, consisting of over 100, was formed in the mountains near Prieto-Diaz. Most of them have since scattered.
- Surigao**.....In the interior of the province there are Manobos and Mamanuas; their number is unknown. The Manobos recognize as their chief one of their number, who excels in bad conduct and misdeeds. The Manobos cultivate fields, raise pigs and chickens, and engage in hunting wild boars. They are loyal. The Mamanuas wander about in the forests, do not work, and are thieves; they are indolent and disloyal.
- Tarlac**.....The Aetas or Negritos who inhabit the mountains of this province have been given a special municipal organization. They have their own officers, dress like the civilized inhabitants, and are anxious to have schools and teachers.
- Zambales**.....There are many settlements of Negritos. There is a considerable tendency among them toward assimilation and cohesion. One school has been built, and there is a great deal of enthusiasm for instruction among these black people. They are well disposed toward the government and travelers, whom they treat with respect and hospitality.

Schools.

Abra-----	Thirty-three schools—2,000 pupils. Agricultural school in township of Lagangibang. Tingulanes show much interest in instruction.
Antique-----	No schools as yet. Tribes backward; only a few of the youths can read. None of them own real estate, although some have abaca plantations on government land.
Ilocos Norte-----	Three schoolhouses built by the settlements, and it is reported that teachers have been appointed thereto.

Fund.

Antique-----	Balance this year, ₱687.18. Revenues estimated at not less than ₱400 per annum.
Ilocos Norte-----	Balance, ₱789.12.
Misamis-----	₱5,467.50.
Occidental Negros-----	₱1,084.10.

CHANGES IN THE CONSULAR CORPS.

The consular representatives of foreign nations at Manila, Iloilo, and Cebu number 33, of whom 14 are consuls de carriere.

During the time covered by this report the changes in the personnel of the corps have been the following: Dr. Franz Gruenenwald resumed charge of the affairs of the Austrian-Hungarian consulate on January 23, 1907, as acting consul.

Hon. Peter Krafft presented his exequatur and was recognized as consul of Austria-Hungary on March 16, 1907.

Mr. Adolph Defermann was recognized on May 27, 1907, as acting consul for Austria-Hungary during the absence of the Austrian-Hungarian consul in Europe.

Hon. J. N. Sidebottom, proconsul for Great Britain, assumed charge of the affairs of the consulate of Denmark, March 16, 1907, pending the arrival of the Hon. Francis Stuart Jones.

Information by cable was received from Washington on May 18, 1907, to the effect that Francis Stuart Jones had been recognized as temporary acting consul of Denmark. He assumed charge of the affairs of the consulate of Denmark May 15, 1907.

Hon. R. E. Barretto, consul of Ecuador, advised that the consulate of Ecuador at Manila had been abolished February 27, 1907.

Dr. Franz Gruenenwald resumed charge of the affairs of the German consulate January 23, 1907.

Hon. F. Reyes resumed charge of the affairs of the Italian consulate January 24, 1907.

Hon. Shosuke Akatsuka was recognized as consul for Japan December 3, 1906. He presented his exequatur January 29, 1907.

Hon. Federico Correa was recognized as acting consul for Mexico December 24, 1906.

Hon. José Rosales resumed charge of the affairs of the Mexican consulate May 8, 1907.

Hon. A. C. Crebas was recognized as acting consul for the Netherlands, during the absence of the consul, August 20, 1906.

Hon. Richard Toovey was recognized as acting consul of Norway and of Sweden November 23, 1906, during the absence of Hon. Walter G. Stevenson.

Hon. Walter G. Stevenson resumed charge of the affairs of the consulates of Norway and of Sweden June 4, 1907.

Hon. Arturo Baldasano y Topete was recognized as consul-general for Spain May 15, 1907.

Information was received by cable from Washington on June 8, 1907, that Señor Don Adelardo Fernando Arias had been recognized as vice-consul for Spain. He arrived with the consul-general and is now discharging the duties of his office.

Hon. Johs. Preisig, vice-consul of Switzerland, assumed charge of the affairs of the consulate May 11, 1907, during the absence of the consul.

Hon. Charles Augustin Fulcher assumed charge of the affairs of the British vice-consulate at Cebu July 12, 1906.

Hon. John Brown assumed charge of the affairs of the British vice-consulate at Iloilo July 12, 1906.

Information by cable from Washington was received April 24, 1907, to the effect that Hon. John Talbot Knowles had been recognized as British vice-consul at Iloilo. He assumed charge of the affairs of the vice-consulate February 23, 1907.

Señor José Reguera was recognized as Spanish consul September 17, 1906, at Iloilo, but was advised that formal recognition thereof would have to be made by the Department of State at Washington.

Information was received by cable from Washington March 28, 1907, to the effect that Señor Hilarlón Gonzales del Castillo had been recognized as Spanish consul at Iloilo.

Appended hereto, marked "Exhibit O,"^a is a list of the consular representatives in the Philippine Islands, with their office addresses.

FIRE LOSSES IN AND OUTSIDE OF MANILA.

In speaking of the 3 great causes which have prevented the rapid advance of the Filipino people along material paths, a prominent ex-insurgent general, now engaged profitably in industrial pursuits, once remarked that fire losses were the first and greatest of them, because the severest material losses were due to them.^b

Summarizing, the total money loss in both Manila and the provinces for the period from August 9, 1901, down to June 30, 1907, amounted to ₱8,503,436.65, Manila's loss representing about one-third of this amount.

It is gratifying to note that the Commission has recently enacted a measure (act No. 1733) providing for the organization of a fire department in each municipality not having a paid fire department, to be composed of the police force of such municipality and such volunteers as may desire to enlist, and for the drilling of the members of such fire department at least once in each week, and requiring each municipality to furnish 24 fire buckets, 12 ladders of suitable lengths, 24 bolos, 12 axes, and 1 two-man crosscut saw, and such additional apparatus as may be found necessary. As an incentive to all able-bodied males in the municipality to join the volunteer fire force, it is provided that any volunteer fireman who has attended 75 per cent of all drills and fires during the year, and has drilled at least one hour at each drill attended, shall be furnished a certificate to that effect, which, upon presentation to the provincial treasurer or his deputy in the municipality, shall entitle the person named therein to a refund of the amount paid by him as cedula tax for that year. It is hoped that self-interest, always so strong in the human breast, will succeed in creating under this act an efficient fire department in each municipality. Were the Congress of the United States to remove the duty on galvanized iron, it is undoubted that the increased use of such iron for roofing purposes in these islands, coupled with an efficient fire-fighting force, would do much to prevent destructive and disastrous fires such as have occurred in the past.

LIBRARY OF CONGRESSIONAL AND OTHER DOCUMENTS.

During the fiscal year there have been added to the library of Congressional documents and publications of foreign governments and to the library of the executive bureau about 3,000 volumes. These libraries now contain about 10,000 printed volumes and pamphlets.

CONCLUSION.

The progress of the Filipino members of the force during the year has been most satisfactory. Of the 118 Filipino clerks and messengers, 89 have a working knowledge of English, and of the 43 American employees, 20 have the same knowledge of Spanish.

^a This list has been omitted and is on file in the Bureau of Insular Affairs, War Department.

^b Statistics as to fires have been omitted and are on file in the Bureau of Insular Affairs, War Department.

The fact, noted elsewhere, that every official of the bureau and each chief of division, except one, possess a comprehensive knowledge of both the English and Spanish languages, and daily conducts business with the public personally in these two tongues, is more important than would seem at first blush, in that it saves thousands of dollars a year to the government by rendering unnecessary the time consuming use of interpreters and expense creating translation of the great bulk of the correspondence of the bureau.

Respectfully submitted.

A. W. FERGUSSON,
Executive Secretary.

THE GOVERNOR-GENERAL, *Manila, P. I.*

EXHIBIT A.^a

CASES AGAINST PROVINCIAL AND MUNICIPAL OFFICIALS.

[Tabulated statement of detailed information.]

EXHIBIT B.^a

CASES AGAINST PROVINCIAL AND MUNICIPAL OFFICIALS.

[Charges upon which the cases were based and the decisions therein.]

EXHIBIT C.

APPOINTMENTS AND CHANGES IN SERVICE.

	Appointments.	Designations.	Declinations.	Resignations.	Reliefs.	Removals.	Deaths.
Insular officers, including judges.....	68	31		7	4		
Provincial officers.....	84	46	3	24		2	1
Municipal officers.....		6				57	60
City of Manila.....	14	1		5	1		
Justices of the peace.....	234		23	81	73	14	9
Auxiliary justices of the peace.....	250		56	76	79	2	6
Total.....	650	81	82	193	157	75	76

NOTE.—The appointments include those made by the governor-general with the advice and consent of the Philippine Commission. Designations include only those made by the governor-general alone.

Municipal officers are elected or appointed in accordance with the municipal code and the election law. They are removed by the governor-general only for cause, under the provisions of act No. 314.

^a Exhibits A and B have been omitted from this report and are on file in the Bureau of Insular Affairs, War Department.

EXHIBIT D.

FILIPINOS AND AMERICANS IN PROVINCIAL OFFICES.

Provincial officers.	Filipinos.	Americans.	Total.
Governors.....	30	8	38
Lieutenant-governors.....	4	2	6
Secretaries.....	2		2
Secretary-treasurers.....		3	3
Treasurers.....	1	33	34
Supervisors.....		2	2
Supervisor-treasurers.....		1	1
Fiscals.....	25	1	26
Third members of provincial boards.....	27		27
Registers of deeds.....	7		7
Total.....	93	50	143
Provinces organized under act No. 83.....			32
Provinces organized otherwise.....			6
Total number of provinces.....			38

PERCENTAGE OF TOTAL.

Filipinos.....	65.75
Americans.....	34.25

EXHIBIT E.

FILIPINOS AND AMERICANS IN MUNICIPAL OFFICES.

Municipal and township officers.	Filipinos.	Americans.	Total.
Presidents.....	678	8	686
President-secretaries.....	5	1	6
Vice-presidents.....	683	1	689
Vice-presidents-treasurers.....	3		3
Secretaries.....	616	1	617
Treasurers.....	619	1	620
Secretary-treasurers.....	69		69
Councillors.....	6,472	5	6,477
Justices of the peace.....	595	13	608
Auxiliary justices of the peace.....	599		599
Notaries public (appointed by the courts and including Manila).....	1,006	58	1,064
Total.....	11,350	88	11,438
Municipalities.....			627
Townships.....			65
Settlements.....			198
Total.....			880

PERCENTAGE OF TOTAL.

Filipinos.....	99.23
Americans.....	.77

EXHIBIT F.

REGISTRATION FOR MUNICIPAL ELECTIONS.

Province.	Office qualification.	Property qualification.	Educational qualification.	Office and property qualifications.	Office and educational qualifications.	Property and educational qualifications.	Office, property, and educational qualifications.	Persons qualifying as electors.	Electors actually voting.	Total civilized population, census of 1903.
Albay	1,374	2,432	913	956	347	382	347	6,751	6,090	239,434
Ambos Camarines	2,337	1,286	1,359	653	424	396	348	6,802	6,790	233,472
Antique	1,338	1,159	354	186	91	85	37	2,250	2,168	131,245
Bataan	242	137	117	127	11	50	83	717	680	45,166
Batangas	3,128	259	718	604	175	175	243	5,302	4,490	257,715
Bohol	1,513	306	927	154	56	56	40	8,052	3,052	269,223
Bulacan	1,798	453	446	664	132	202	279	3,974	3,660	223,327
Cagayan ^a	617	1,469	1,992	326	375	457	323	5,586	5,331	142,825
Capiz ^b	2,983	734	510	347	112	98	132	4,911	4,451	225,092
Cavite	612	370	1,616	341	130	176	181	3,426	3,040	134,779
Cebu	3,817	893	2,155	669	448	357	342	8,681	7,893	653,727
Ilocos Norte	378	953	2,222	271	134	283	350	4,591	4,339	176,785
Ilocos Sur	843	2,578	1,285	400	81	191	163	5,541	5,302	211,623
Iloilo	3,753	566	2,626	1,009	727	412	504	9,597	7,825	403,932
Isabela	145	584	1,221	140	115	184	121	2,513	2,358	68,793
La Laguna	1,094	1,280	524	942	310	341	535	5,026	3,676	148,606
La Union	995	3,020	587	333	41	202	139	6,317	5,008	127,789
Leyte ^c	1,161	2,129	1,274	1,257	269	542	370	7,404	6,771	388,922
Misamis	312	401	344	266	58	111	62	1,554	1,130	135,473
Nueva Ecija	1,883	502	274	468	83	111	99	3,420	3,257	132,999
Occidental Negros	2,507	252	2,305	249	364	318	303	6,298	5,877	303,660
Oriental Negros	645	318	795	344	112	91	105	2,410	2,254	184,889
Pampanga	2,263	383	465	414	148	99	133	3,904	3,575	222,656
Pangasinan	2,642	3,752	1,130	1,227	178	587	412	9,878	9,790	439,135
Rizal	1,497	426	456	347	136	143	100	3,105	2,723	148,502
Romblon ^d	409	422	144	103	12	34	28	1,152	1,107	52,848
Samar	1,649	567	616	864	209	212	232	3,849	3,154	265,549
Sorsogon ^e	866	1,652	835	757	227	335	189	5,017	4,641	164,129
Surigao	377	230	81	140	23	35	72	1,044	971	99,298
Tarlac	969	541	343	313	58	126	87	2,437	2,336	133,513
Tayabas	994	2,095	466	1,160	501	774	1,034	7,024	5,957	201,936
Zambales	429	136	380	161	80	149	97	1,432	1,327	56,762
Total	45,570	31,285	29,479	15,692	6,170	7,658	7,440	143,965	131,013	6,623,804
Moro Province								74	74	63,374

^a It has been impossible to obtain reports from one municipality in Cagayan, another in Surigao, and 3 municipalities in Leyte, but estimates of the total number of persons qualifying and of the total number actually voting have been included above in the totals for the respective provinces.

^b Romblon is now a part of Capiz.

^c One municipality in Sorsogon reported only the total number of persons qualifying and the total number actually voting, which have been included above in the totals for said province.

EXHIBIT G.

REGISTRATION FOR ELECTION OF DELEGATES.

Registration of electors, by provinces and districts, for the election of delegates to the Philippine Assembly, held on July 30, 1907, as shown by reports of provincial governors.

Province.	First district.	Second district.	Third district.	Fourth district.	Fifth district.	Sixth district.	Seventh district.	Total.
Albay	1,218	1,428	1,289					3,935
Ambos Camarines	988	899	592					2,479
Antique	1,149							1,149
Bataan	795							795
Batangas	1,531	1,560	1,119					4,210
Bohol	646	692	526					1,864
Bulacan	1,770	2,003						3,773
Cagayan	1,620	981						2,601
Capiz	1,193	1,517	2,564					5,264
Cavite	8,031							8,031
Cebu	655	867	319	796	702	325	752	4,416
Ilocos Norte	1,132	1,515						2,647
Ilocos Sur	1,473	1,640	1,049					4,162
Iloilo	497	2,240	1,169	907				6,899
Isabela	1,566							1,566
La Laguna	1,587	2,475						4,062
La Union	1,461	2,122						3,583
Leyte	835	1,141	952	1,393				4,321
Manila	1,170	1,679						2,849
Mindoro	657							657
Misamis	572	790						1,362
Nueva Ecija	2,327							2,327
Occidental Negros	1,166	1,407	486					3,059
Oriental Negros	929	768						1,697
Palawan	313							313
Pampanga	1,658	1,458						3,116
Pangasinan	1,564	1,083	1,192	1,647	1,642			7,128
Rizal	2,010	1,725						3,735
Romblon (subprovince)	1,072							1,072
Samar	1,492	898	1,062					3,452
Sorsogon	1,726	1,180						2,906
Surigao	932							932
Tarlac	1,465	901						2,366
Tayabas	3,287	8,123						6,410
Zambales	827							827
Total	46,314	36,058	12,310	5,922	3,251	325	752	104,966

EXHIBIT H.

PRESIDENT'S PROCLAMATION TO CALL ELECTION.

BY THE GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS:

A PROCLAMATION.

Whereas, the President of the United States did, on the twenty-eighth day of March, nineteen hundred and seven, issue the following Executive Order:^a

Now, therefore, I, James F. Smith, governor-general of the Philippine Islands, do hereby proclaim the foregoing for the information and guidance of all concerned.

In testimony whereof I have hereunto set my hand and caused the seal of the government of the Philippine Islands to be affixed.

Done at the city of Manila this first day of April, in the year of our Lord one thousand nine hundred and seven.

(SEAL.)

JAMES F. SMITH.
Governor-General.

By the governor-general:
A. W. FERGUSSON, *Executive Secretary*.

^a The text of Executive Order of March 28, 1907, and Resolution of Philippine Commission of March 28, 1907, have been omitted here and may be seen in "Exhibit L," following (pp. 213, 214).

EXHIBIT I.

PROCLAMATION OF GOVERNOR-GENERAL CALLING ELECTION.

BY THE GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS:

A PROCLAMATION.

Whereas the Philippine Commission on March thirtieth, nineteen hundred and seven, adopted the following resolution:^a

Now, therefore, I, James F. Smith, governor-general of the Philippine Islands, in pursuance of the foregoing resolution, do hereby proclaim the same for the information and guidance of all concerned.

In testimony whereof, I have hereunto set my hand and caused the seal of the government of the Philippine Islands to be affixed.

Done at the city of Manila this first day of April in the year of our Lord one thousand nine hundred and seven.

[SEAL.]

JAMES F. SMITH,
Governor-General.

By the Governor-general:

A. W. FERGUSSON, *Executive Secretary.*

EXHIBIT J.

TOTAL VOTE CAST, BY PROVINCES AND PARTIES.

Votes cast for the different political parties, by provinces, at the election for delegates to the Philippine Assembly, held on July 30, 1907, as shown by official canvass:

Province.	Nacionalista.	Progresista.	Independent.	Inmediatista.	Independista.	Catholic.	Philippine Independent Church.	Rejected.	Scattering.	Total.
Albay		2,196	1,415						55	3,666
Ambos Camarines	1,577	334	244						58	2,213
Antique		604	352						47	1,003
Bataan			359		379				11	749
Batangas	2,113	85	1,455						55	3,708
Bohol			1,594						76	1,670
Bulacan	1,960		948							2,898
Cagayan		1,434	725						58	2,217
Capiz	889	1,177	2,600					137	39	4,842
Cavite	2,686								61	2,747
Cebu	3,088					445			159	3,692
Ilocos Norte		1,421	85				11		106	2,450
Ilocos Sur	1,619	2,005	95						54	3,773
Iloilo		1,773	1,779	2,275					75	5,902
Isabela		549	199		529				84	1,311
La Laguna	2,635	795							132	3,562
La Union	1,297	1,244	585							3,166
Leyte	3,025	510	98	125					69	3,827
Manila	5,671	1,361	98			59		14	3	7,206
Mindoro	437		153						32	622
Misamis			1,038						112	1,150
Nueva Ecija	1,385	697							13	2,095
Occidental Negros		1,005		1,405				100	179	2,689
Oriental Negros		912		614					31	1,557
Palawan	48		217						23	288
Pampanga		874	456		1,448				13	2,791
Pangasinan	615	570	1,909	2,637		600			69	6,400
Rizal	1,957	1,477				88			45	3,567
Samar	137	193	2,565	70					184	3,149
Sorsogon	665	430	1,510						53	2,558
Surigao		745							44	789
Tarlac	1,234	946						18	18	2,216
Tayabas		857	2,237		3,823				24	6,941
Zambales	502		162						73	787
Total	34,277	24,284	22,878	7,126	6,179	1,192	91	269	2,005	98,251

^a The text of Executive Order of March 28, 1907, Resolution of Philippine Commission of March 28, 1907, and Resolution of Philippine Commission of March 30, 1907, have been omitted here and may be seen in "Exhibit I," following (pp. 212-214).

EXHIBIT K.

PUBLIC RECEPTION AND WELCOME TO THE HONORABLE THE SECRETARY OF WAR.

THE PHILIPPINE COMMISSION.

MINUTES OF PROCEEDINGS.

TUESDAY, October 15, 1907.

In accordance with previous arrangements the Commission met at 4 p. m., and taking the launch provided for them repaired in a body to the transport *McClellan*, just arrived in the bay, to meet the honorable the Secretary of War.

At 5.40 p. m., Secretary Taft, Gen. Clarence R. Edwards, Chief of the Bureau of Insular Affairs, and the Commission arrived at the marble hall of the ayuntamiento accompanied by Maj. Gen. Leonard Wood, commanding-general, Philippines Division, United States Army, Rear-Admiral Hemphill, commanding the Philippine squadron, United States Asiatic Fleet, Hon. Félix M. Roxas, president of the municipal board of Manila, and Hon. Arthur W. Ferguson, executive secretary.

All immediately took the chairs reserved for them on a platform at the end of the hall. Presently Hon. Félix M. Roxas, president of the municipal board of Manila, arose and delivered the following address of welcome:

"Your excellency, ladies and gentlemen: The city of Manila feels proud to have as guests the illustrious travelers who to-day honor us with their visit. This visit to the Filipino people is the greatest evidence of the most lively interest felt by the American people in our prosperity and progress. The delegation they have sent us is the highest representation of the American nation, personified in the Secretary of War, the great friend of the Filipinos; personified in his worthy wife, the distinguished lady who for some years lived in our midst, and by her distinction and affable manner won affection and sympathy on every side; personified, finally, in General Edwards, who at Washington for some time past has devoted himself to the study of Philippine problems.

"Be you all welcome! The delirious enthusiasm with which you have been received has the singularity and beauty of the spontaneity with which the Filipino people express their sentiments. The hospitality we extend to you is not forced and official, it is our collective hospitality, our individual hospitality. For you are open not only the ancient doors of the city, but also the doors of our own homes. If you penetrate the large and sumptuous residences, if you enter the humble bamboo and nipa homes that you have found on your road, you will find palpitating in all of them these same sentiments of kindly sympathy; for these sentiments are the patrimony that we Filipinos have inherited from our forebears.

"Sir, the Filipino people have faithfully followed the route that you traced with a master hand. All of the institutions that you here established have developed greatly and vigorously. The municipalities, the provinces, the insular government work with admirable precision, with high credit to the executive power. The courts of justice with that same organization due to your ability and skill, notwithstanding that the procedure upon which they are based was exotic and unknown at the beginning by a large part of the Filipinos, constitute the strongest bulwark and the surest protection of our rights and liberties. The Philippine Commission, in which to this very moment is exclusively vested the legislative power, has passed laws up to act No. 1800, if my information be not incorrect; this fact alone eloquently reveals how zealously and diligently this body has carried out its august functions.

"The glory for these successes belongs largely to the Filipinos, not only to those who take an active part in the administration, but particularly to the body of the people who, being obedient and respecting the law, have with docility kept up with the progressive influence, and by their own efforts have overcome obstacles and difficulties, and facilitated the accomplishment of the policy of America in these islands.

"The disorder and disturbances which invariably follow great social upheavals have here had an ephemeral existence. Under the paternal rule of

General Smith the complete pacification of the islands has been accomplished; neither in Cavite nor in Batangas, in Negros or in Cebu, in Leyte or in Samar, does there any longer exist the least spark of revolution or disturbance, the chieftains of disorder have bent the neck to the resolute attitude of the people in their demands for peace, quiet, and tranquillity, in order that they might fully enter upon the most transcendental epoch of the history of the Philippines. I refer, gentlemen, to the establishment of the Philippine Assembly that in a few short days will be inaugurated. The fourth estate, the electrical power has reached its full development in this country. The people have been permitted to choose their representatives, the representatives elected by the people are here with you. Young souls, of lively and intelligent aspect, they appear to have stamped upon their countenances the glorious impress of the century in which we live.

"Permit me, beloved fellow countrymen, in alluding to you, that I remind you of these words of Doctor Rizal: 'You are the legitimate hope of the fatherland.' With your accession to power, the oriental chrysalis has burst its bonds, the beautiful butterfly will to-morrow take its first flight and flit from flower to flower in the vast Filipino garden; but know ye well, upon you is imposed the holy task of gathering the honey destined to nourish the Filipino people.

"The inauguration of the Assembly records a memorable event in the history of the Philippines, at the same time that it adds a glorious page to the history of the American people. The constitution offered by the act of July 1, 1902, has become established, and the promises of America to the Philippines have been fulfilled. The Filipino people are in the vanguard of oriental peoples, a place of honor always held by peoples living under the protection of the American flag.

"It devolves upon us now to turn our eyes toward those who have dispensed such signal benefits and accomplished, in the period of ten years, a work of centuries, and, having reached this point we must evoke the memorable recollection of the illustrious president treacherously assassinated in Buffalo, of him who conceived the humane plan of the regeneration of the Philippines—of McKinley; of Secretary Root who inspired so noble a task; of President Roosevelt, faithful in carrying out that beneficent policy; of Secretary Taft, the able executor of the complex project for our upbuilding. For this reason the names of McKinley, of Root, of Roosevelt, and of Taft are symbolical of the modern history of the Philippines.

"This address, gentlemen, is dedicated to the Secretary of War now with us, and I do not think that you will qualify my words as adulation, if I render to him the homage and the eulogy to which he is justly entitled. Secretary Taft has been our great legislator, our flawless statesman, and our excellent governor, all at the same time. I do not know in what to admire him most. It appears to me that in him shines the same genius of the artist who was a great architect, a sublime painter, and an inimitable sculptor all in one, of that prodigy of art, of Michael Angelo; for just as he, with the last stroke of his chisel to his celebrated Moses, being carried away by the perfection of his work exclaimed: 'Arise and walk,' I forefeel that the Secretary will experience the same emotions as did that artist, and addressing himself to the people will exclaim: 'Forward Filipinos.'

"Before concluding I must reiterate to you, Mr. Secretary, the welcome cordially extended to you by the residents of the city of Manila—foreigners, Americans, and Filipinos."

Governor-General James F. Smith then spoke as follows:

"Now that the official welcome of the city of Manila has been tendered, it devolves upon me, Mr. Secretary, to perform the very pleasant duty of saying a few words of welcome on behalf of the entire body of the people of the Philippines, foreign, American, Spanish, or native of the soil, a few words of welcome to you, Mr. Secretary, and to Mrs. Taft, and to the members of your party; but why say them, when the eyes and the hearts and the hands of all have spoken them in a language which no poor words of mine can equal?

"Next Christmas eve it will be four years since you laid down, Mr. Secretary, the cares of the government of the Philippines, and set out to assume others, heavier and more important, but probably not so serious as those you encountered here. You left us, and indeed that was a sad day for everyone, one to be remembered long and sorrowfully by those who were present upon that occasion and witnessed the deep feeling of the entire body of the people when they saw their almost father about to sail away. It was a sorrowful

people because they had learned to know you, Mr. Secretary, and they had learned to know, to be acquainted with, the amiable qualities of the partner of your joys and sorrows; and they loved you both very much.

"Time and distance may dim the memory of achievement, but they never can dull the recollection of kindly deeds, inspired by kindly hearts. The people of the Philippines have not forgotten Mr. and Mrs. Taft, and when time shall have resolved into its kindred dust all who are gathered here to-day their memories will be fondly cherished by the children of the years to come as fondly as by those whose welcome I can so poorly speak.

"New triumphs of statesmanship have added laurels to your brow; others prouder and better yet still await you, but for us none will be nobler than those which you won as the first civil governor of the Philippines.

"In the name of all I wish you, Mr. and Mrs. Taft, a happy 'coming to your own again,' and to the members of all your party a hearty welcome to the Philippines."

Secretary Taft then arose and was enthusiastically greeted by all present. He addressed the gathering as follows:

"Ladies and gentlemen: I should like to-day to talk about my personal feelings, and nothing else. I prepared no speech. As I stand here a flood of reminiscences of the last seven years, a flood of affectionate remembrance comes over me. President Roosevelt has always been my friend, has always extended every evidence of kindness to me; but he has in all our long friendship never done anything that I value so much as having given me the opportunity to come and have this reception and this renewal of my old intimacy with the people of the Philippine Islands.

"And first, in the order in which I had the honor to meet them, may I extend my thanks to the Admiral of the Navy and his officers, who were good enough to meet us with their vessels as we entered the gates of the Philippine Islands—at Mariveles and Corregidor. May I also extend my thanks to the committee of reception, representing both Americans and Filipinos, to whom I am indebted for the cordial earnestness with which they have arranged a task which, to use a colloquial expression, may 'finish' me, but with which I am going through with a determination to express my appreciation of it. Let me express my cordial appreciation of the welcome from the army; let me congratulate General Wood and his associates upon the fine appearance of the American soldiers, and congratulate him and them that this really seems to be now a station to which we send troops for health rather than to be invalided; and, finally, let me express my profound appreciation of the welcome from my old colleagues, the Commission, with Governor-General Smith at the head—Governor-General Smith, who came to the islands before I did and who had impressed himself upon the Filipinos long before they knew me or I knew them, and who is still constant to the task of doing the best that he can for the people of these islands.

"Ah! those reminiscences—I see in the first line of the distinguished governors of the provinces a gentleman who was in arms against the United States, and a gallant soldier was he, when I landed on these shores—Governor Cailles, of Laguna. I see among the governors others whom I knew well and loved when I was in the islands, and I express to them my profound gratification at meeting them here. My old friend, the alcalde, I can remember as distinctly as if it were yesterday when he came into the little room in the corner of this building where the Commission first began its sessions, with a book on municipal corporations, which he tendered us to assist us in drafting the municipal code; and ever since that time he and I have worked together, differing sometimes, but always agreeing in an earnest desire for the elevation of the Filipino people.

"I beg to express my appreciation of the courtesy of the members of the newly elected Assembly in coming here. There are some faces that I know. My old friend, Doctor Guerrero, I recognize and have known since I came to the islands. There is a gentleman sitting next to him whom I know, but there are others whose faces are younger and who perhaps have come on even in the short three years or four years in which I have been absent from the islands.

"But as I look down this line and see the chief justice and his distinguished associates they carry me back to the very day that I landed in the islands, and, indeed, before we landed, when the chief justice came out to meet us on a day hotter even than to-day, on the 3d of June, 1900.

"I see among my American friends present those who have figured on and for the last seven years have been looking for that prosperity which was to make us all rich, but which has been somewhat slow in coming.

"To all of you I wish to express as fully and earnestly as I can the deep pleasure I have in being here. This is the third time that it has been given to me to meet a welcoming throng in the Philippine Islands, in the city of Manila, and this, I am proud to say, is the most earnest and cordial reception of the three cordial receptions with which I have been honored. Therefore, the four years that I spent in the Philippine Islands were the four to me most important years of my life. Never again shall I have the responsibility, never again the opportunity, in working out a problem of such tremendous importance to a great nation of people. Never again, no matter what responsibility may come, will there be a time when I enter in with such love of the work as I did in the task which was assigned to my colleagues and me in developing a government in the Philippine Islands in the interest of the Philippine people.

"And, therefore, it seems to me as if nothing could happen now which was of more importance to me—which filled my life fuller—than this affection, sincere and warm, that I wish, in what I say with very poor words, to express to the people of the Philippine Islands."

The meeting was brought to a close by the playing of the "Star-Spangled Banner" by the constabulary band.

The Honorable Secretary of War and the governor-general then held an informal reception of the persons present.

The occasion of this demonstration was marked by a very large and enthusiastic gathering of the people, and was principally noteworthy in that there were represented through the delegates of the Philippine Assembly, who were present in a body, practically the entire Christian population of the islands.

There were present also the chief justice and members of the supreme court and representatives in the islands of foreign governments, the commanding officers of the United States Army and Navy and their staffs, the provincial governors, and the heads of the various bureaus and offices of the government.

WM. H. DONOVAN,
Secretary, Philippine Commission.

EXHIBIT I.

INAUGURATION OF THE PHILIPPINE ASSEMBLY.

BY THE GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS:

A PROCLAMATION.

Whereas on the twenty-eighth day of March, nineteen hundred and seven, the President of the United States, in pursuance of the provisions of the act of Congress, approved July first, nineteen hundred and two, did issue an Executive order directing the Philippine Commission to call a general election for the choice of delegates to a popular assembly of the people of the territory of the Philippine Islands not inhabited by Moros or other non-Christian tribes, to be known as the Philippine Assembly; and

Whereas the Philippine Commission, in session duly assembled, on the thirtieth day of March, nineteen hundred and seven, in compliance with said executive order of the President of the United States, did pass a resolution calling a general election to be held on the thirtieth day of July, nineteen hundred and seven, in accordance with the provisions of act numbered fifteen hundred and eighty-two of the Philippine Commission, entitled "The election law," for the choice of delegates to a popular assembly of the people of the territory of the Philippine Islands not inhabited by Moros or other non-Christian tribes, to be known as the Philippine Assembly; and

Whereas such general election was duly held on the thirtieth day of July, nineteen hundred and seven, and delegates to said popular assembly were elected thereat:

Now, therefore, I, James F. Smith, governor-general of the Philippine Islands, in pursuance of the provisions of the act of Congress, approved July first, nine-

teen hundred and two, do hereby call the Philippine Legislature to hold its first meeting at the ayuntamiento building in the city of Manila on Wednesday, the sixteenth day of October, nineteen hundred and seven, at nine o'clock in the forenoon of said day.

In witness whereof I have hereunto set my hand and caused the great seal of the government of the Philippine Islands to be affixed.

Done at the city of Manila this fourteenth day of September, nineteen hundred and seven.

JAMES F. SMITH,
Governor-General.

By the governor-general:
F. W. CARPENTER,
Acting Executive Secretary.

BY THE GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS:

A PROCLAMATION.

[Amending proclamation of September 14, 1907.]

Whereas a proclamation was made on the fourteenth day of September, nineteen hundred and seven, calling the Philippine Assembly to hold its first meeting at the ayuntamiento building in the city of Manila on the sixteenth day of October, nineteen hundred and seven; and

Whereas the place of meeting designated in said call is deemed to be insufficient to accommodate the public desirous of being present at the opening of the Assembly.

Now, therefore, the said proclamation is hereby amended to read as follows:

"Whereas on the twenty-eighth day of March, nineteen hundred and seven, the President of the United States, in pursuance of the provisions of the act of Congress approved July first, nineteen hundred and two, did issue an Executive order directing the Philippine Commission to call a general election for the choice of delegates to a popular assembly of the people of the territory of the Philippine Islands not inhabited by Moros or other non-Christian tribes, to be known as the Philippine Assembly; and

"Whereas the Philippine Commission, in session duly assembled, on the thirtieth day of March, nineteen hundred and seven, in compliance with said Executive order of the President of the United States, did pass a resolution calling a general election to be held on the thirtieth day of July, nineteen hundred and seven, in accordance with the provisions of act numbered fifteen hundred and eighty-two of the Philippine Commission, entitled 'The election law,' for the choice of delegates to a popular assembly of the people of the territory of the Philippine Islands not inhabited by Moros or other non-Christian tribes, to be known as the Philippine Assembly; and

"Whereas such general election was duly held on the thirtieth day of July, nineteen hundred and seven, and delegates to said popular assembly were elected thereat:

"Now, therefore, I, James F. Smith, governor-general of the Philippine Islands, in pursuance of the provisions of the act of Congress approved July first, nineteen hundred and two, do hereby call the Philippine Legislature to hold its first meeting at the Grand Opera House, on Calle Cervantes, Santa Cruz, in the city of Manila, on Wednesday, the sixteenth day of October, nineteen hundred and seven, at nine o'clock in the forenoon of said day."

In witness whereof I have hereunto set my hand and caused the great seal of the government of the Philippine Islands to be affixed.

Done at the city of Manila this 11th day of October, nineteen hundred and seven.

JAMES F. SMITH,
Governor-General.

By the governor-general:
F. W. CARPENTER,
Acting Executive Secretary.

PHILIPPINE LEGISLATURE.

JOURNAL OF THE COMMISSION.

WEDNESDAY, October 16, 1907.

Pursuant to the proclamation of the governor-general, dated September 14, 1907, as amended by the proclamation of the governor-general, dated October 11, 1907, made in accordance with the provisions of the act of Congress approved July 1, 1902, the members of the Philippine Commission and the members-elect of the Philippine Assembly met in the Grand Opera house, Calle Cervantes, city of Manila, at 9.25 a. m.

The delegates-elect of the Philippine Assembly entered the hall in a body at 9 o'clock a. m., and shortly after the hour of 9 Hon. William H. Taft, Secretary of War of the United States, Hon. James F. Smith, governor-general of the Philippine Islands, and Hon. Dean C. Worcester, Hon. T. H. Pardo de Tavera, Hon. Benito Legarda, Hon. José R. de Luzuriaga, Hon. W. Cameron Forbes, and Hon. W. Morgan Shuster, members of the Philippine Commission, accompanied by Maj. Gen. Leonard Wood, commanding the Philippine Division of the United States Army, Rear-Admiral Hemphill, commanding officer of the United States Asiatic Fleet at this station, Brig. Gen. Clarence R. Edwards, chief of the Bureau of Insular Affairs, and Hon. Arthur W. Fergusson, executive secretary of the Philippine Islands, arrived and took the seats provided for them on the stage.

There were present also the members of the supreme court, Monsignor A. Ambrose Agius, Apostolic Delegate, and Right Rev. Jorge Barlin, the official representatives of foreign Governments in the Philippine Islands, and the various provincial governors.

The governor-general arose and spoke as follows:

"Mr. Secretary of War, members of the Philippine Commission, members-elect of the Philippine Assembly, ladies and gentlemen:

"In section 6 of the act of Congress approved July 1, 1902, entitled 'An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes,' it was provided—

"That whenever the existing insurrection in the Philippine Islands shall have ceased and a condition of general and complete peace shall have been established therein and the fact shall be certified to the President by the Philippine Commission, the President, upon being satisfied thereof, shall order a census of the Philippine Islands to be taken by said Philippine Commission; such census in its inquiries relating to the population shall take and make so far as practicable full report for all the inhabitants, of name, age, sex, race, or tribe, whether native or foreign born, literacy in Spanish, native dialect or language, or in English, school attendance, ownership of homes, industrial and social statistics, and such other information separately for each island, each province, and municipality, or other civil division, as the President and said Commission may deem necessary: *Provided*, That the President may, upon the request of said Commission, in his discretion, employ the service of the Census Bureau in compiling and promulgating the statistical information above provided for, and may commit to such Bureau any part or portion of such labor as to him may seem wise."

"In section 7 of the said act it was provided—

"That two years after the completion and publication of the census, in case such condition of general and complete peace with recognition of the authority of the United States shall have continued in the territory of said islands not inhabited by Moros or other non-Christian tribes and such facts shall have been certified to the President by the Philippine Commission, the President upon being satisfied thereof shall direct said Commission to call, and the Commission shall call, a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which shall be known as the Philippine Assembly. After said assembly shall have convened and organized all the legislative power heretofore conferred on the Philippine Commission in all that part of said islands not inhabited by Moros or other non-Christian tribes shall be vested in a legislature consisting of two houses—the Philippine Commission and the Philippine Assembly. Said assembly shall consist of not less than fifty nor more than one hundred members to be appointed by said Commission among the provinces as nearly as practicable accord-

ing to population: *Provided*, That no province shall have less than one member: *And provided further*, That provinces entitled by population to more than one member may be divided into such convenient districts as the said Commission may deem best.

"Public notice of such division shall be given at least ninety days prior to such election, and the election shall be held under rules and regulations to be prescribed by law. The qualification of electors in such election shall be the same as is now provided by law in case of electors in municipal elections. The members of assembly shall hold office for two years from the first day of January next following their election, and their successors shall be chosen by the people every second year thereafter. No person shall be eligible to such election who is not a qualified elector of the election district in which he may be chosen, owing allegiance to the United States, and twenty-five years of age.

"The legislature shall hold annual sessions, commencing on the first Monday of February in each year and continuing not exceeding ninety days thereafter (Sundays and holidays not included): *Provided*, That the first meeting of the legislature shall be held upon the call of the governor within ninety days after the first election: *And provided further*, That if at the termination of any session the appropriations necessary for the support of Government shall not have been made, an amount equal to the sums appropriated in the last appropriation bills for such purposes shall be deemed to be appropriated; and until the legislature shall act in such behalf the treasurer may, with the advice of the governor, make the payments necessary for the purposes aforesaid."

"On September 8, 1902, on motion of Commissioner Wright, the following resolution was adopted by the Philippine Commission:

"*Resolved*, That the Philippine Commission hereby certifies to the President of the United States that the recently existing insurrection in the Philippine Islands has ceased and a condition of general and complete peace has been established herein; that this certificate is made in accordance with the provisions of section six of "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," and that the Commission recommends to the President of the United States that he order a census of the Philippine Islands to be taken by the Philippine Commission in accordance with the provisions of said section.

"*Be it further resolved*, That the foregoing certificate does not and is not intended to certify that the conditions surrounding the Lake Lanao Moro district in Mindanao, which district forms but a small part of the territory occupied by the Moros, are those of absolute and complete peace, but that in the opinion of the Commission the language of section six and the certificate therein provided for were not intended by Congress to require before such census should be taken that complete peace should exist in the country of the wild Moros, who never have taken any part in the insurrection referred to in section six."

"On September 25, 1902, the following order was issued by the President of the United States:

"WHITE HOUSE, September 25, 1902.

"Whereas, by the sixth section of the act of Congress approved July first, nineteen hundred and two, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," it was provided "That whenever the existing insurrection in the Philippine Islands shall have ceased and a condition of general and complete peace shall have been established therein and the fact shall be certified to the President by the Philippine Commission, the President, upon being satisfied thereof, shall order a census of the Philippine Islands to be taken by said Philippine Commission; such census in its inquiries relating to the population shall take and make so far as practicable full report for all the inhabitants, of name, age, sex, race, or tribe, whether native or foreign born, literacy in Spanish, native dialect or language, or in English, school attendance, ownership of homes, industrial and social statistics, and such other information separately for each island, each province, and municipality, or other civil division, as the President and said Commission may deem necessary: *Provided*, That the President may, upon the request of the Commission, in his discretion, employ the service of the Census Bureau in compiling and promulgating the statistical information above provided for, and may commit to such Bureau any part or portion of such labor as to him may seem wise," and

"Whereas, the said Commission has adopted and certified to me the following resolutions:

"*Resolved*, That the Philippine Commission hereby certifies to the President of the United States that the recently existing insurrection in the Philippine Islands has ceased and a condition of general and complete peace has been established herein. That this certificate is made in accordance with the provisions of section six of an act temporarily to provide for the affairs of civil government in the Philippine Islands, and for other purposes, and that the Commission recommends to the President of the United States that he order a census of the Philippine Islands to be taken by the Philippine Commission in accordance with the provisions of said section.

"*Be it further resolved*, That the foregoing certificate does not and is not intended to certify that the conditions surrounding the Lake Lanao district in Mindanao, which district forms but a small part of the territory occupied by the Moros, are those of absolute and complete peace, but that in the opinion of the Commission the language of section six and the certificate therein provided for were not intended by Congress to require before such census should be taken that complete peace should exist in the country of the wild Moros who never have taken any part in the insurrection referred to in section six."

"Now, therefore: I, Theodore Roosevelt, President of the United States, in pursuance of the provisions of the law above quoted and upon the foregoing due certification, and being satisfied of the facts therein stated, do order a census of the Philippine Islands be taken by said Philippine Commission in accordance with the provisions of the said act of Congress.

"THEODORE ROOSEVELT.

"1918-11.]

"WAR DEPARTMENT,

"BUREAU OF INSULAR AFFAIRS,

"Washington, D. C., September 27, 1902.

"Official copy respectfully referred to the civil governor of the Philippine Islands, Manila, P. I., for his information.

"By order of the Acting Secretary of War:

"CLARENCE R. EDWARDS,

"Colonel, U. S. Army, Chief of Bureau."

"Then followed the proclamation of the governor-general of the Philippine Islands, Hon. Luke E. Wright, made on the 28th day of March, 1905, proclaiming the order of the President, as follows:

"BY THE GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS—

"A PROCLAMATION.

"Whereas the Secretary of War has informed this government that on the twenty-seventh day of March, nineteen hundred and five, the Philippine census bureau, with the aid of the United States Census Bureau, completed and published the fourth and last volume of the report of the Philippine census, taken in accordance with the provisions of section six of the act of Congress approved July one, nineteen hundred and two:

"Now, therefore, I, Luke E. Wright, governor-general of the Philippine Islands, do hereby proclaim the publication of the Philippine census as above set forth, and do call the attention of the people of these islands to that part of section seven of the said act of Congress approved July one, nineteen hundred and two, which provides that two years after the completion and publication of the census, in case a condition of general and complete peace with recognition of the authority of the United States shall have continued in the territory of these islands not inhabited by Moros or other non-Christian tribes and such facts shall have been certified to the President by the Philippine Commission, the President upon being satisfied thereof shall direct the Philippine Commission to call, and the Commission shall call, a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which shall be known as the Philippine Assembly: and which provides also that after the said assembly shall have convened and organized all the legislative power heretofore conferred on the Philippine Commission in all that part of these islands not inhabited by Moros or other non-Christian tribes shall be vested in a legislature consisting of two houses—the Philippine Commission and the Philippine Assembly.

"In witness whereof I have hereunto set my hand and caused the seal of the government of the Philippine Islands to be affixed.

"Done at the city of Manila this twenty-eighth day of March, nineteen hundred and five.

"By the governor-general:

"LUKE E. WRIGHT.

"A. W. FERGUSON,

"*Executive Secretary.*"

"No further steps were taken in this matter until March 28, 1907, when the following resolution was adopted by the Philippine Commission, and telegraphed to the President of the United States:

"Whereas the census of the Philippine Islands was completed and published on the twenty-seventh day of March, nineteen hundred and five, which said completion and publication of said census was, on the twenty-eighth day of March, nineteen hundred and five, duly published and proclaimed to the people by the governor-general of the Philippine Islands with the announcement that the President of the United States would direct the Philippine Commission to call a general election for the choice of delegates to a popular assembly, provided that a condition of general and complete peace with recognition of the authority of the United States should be certified by the Philippine Commission to have continued in the territory of the Philippine Islands for a period of two years after said completion and publication of said census; and

"Whereas since the completion and publication of said census there have been no serious disturbances of the public order, save and except those caused by the noted outlaws and bandit chieftains, Felizardo and Montalon, and their followers in the provinces of Cavite and Batangas, and those caused in the provinces of Samar and Leyte by the non-Christian and fanatical pulajanes resident in the mountain districts of the said provinces and the barrios contiguous thereto; and

"Whereas the overwhelming majority of the people of said provinces of Cavite, Batangas, Samar, and Leyte have not taken part in said disturbances and have not aided nor abetted the lawless acts of said bandits and pulajanes; and

"Whereas the great mass and body of the Filipino people have, during said period of two years, continued to be law-abiding, peaceful, and loyal to the United States, and have continued to recognize and do now recognize the authority and sovereignty of the United States in the territory of said Philippine Islands: Now, therefore, be it

"Resolved by the Philippine Commission in formal session duly assembled, That it, said Philippine Commission, do certify, and it does hereby certify, to the President of the United States that for a period of two years after the completion and publication of the census a condition of general and complete peace, with recognition of the authority of the United States, has continued to exist and now exists in the territory of said Philippine Islands not inhabited by Moros or other non-Christian tribes; and be it further

"Resolved by said Philippine Commission, That the President of the United States be requested, and is hereby requested, to direct said Philippine Commission to call a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which assembly shall be known as the Philippine Assembly."

"The following day an official telegram was received from Washington containing an Executive order of the President directing the Philippine Commission to call a general election for the choice of delegates to a popular assembly, and on March 30, 1907, the Commission adopted a resolution as follows:

"Whereas on March twenty-eighth, nineteen hundred and seven, the Philippine Commission by resolution certified to the President of the United States that on said date, and for a period of two years subsequent to the completion and publication of the census, a condition of general and complete peace, with recognition of the authority of the United States, had continued to exist in the territory of said Philippine Islands not inhabited by Moros or other non-Christian tribes, and in and by said resolution requested the President to direct said Philippine Commission to call a general election for the choice of delegates to a popular assembly of the people of said territory of the Philippine Islands; and

"Whereas the President of the United States thereupon made and issued an Executive order as follows, to wit:

"Whereas by the sixth section of the act of Congress approved July first, nineteen hundred and two, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," it was provided "That whenever the existing insurrection in the Philippine Islands shall have ceased and a condition of general and complete peace shall have been established therein and the fact shall be certified to the President by the Philippine Commission, the President, upon being satisfied thereof, shall order a census of the Philippine Islands to be taken by said Philippine Commission;" and

"Whereas by the seventh section of said act it was provided: "That two years after the completion and publication of the census, in case such condition of general and complete peace, with recognition of the authority of the United States, shall have continued in the territory of said islands not inhabited by Moros or other non-Christian tribes, and such facts shall have been certified to the President by the Philippine Commission, the President, upon being satisfied thereof, shall direct said Commission to call, and the Commission shall call, a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which shall be known as the Philippine Assembly. After said Assembly shall have convened and organized, all the legislative power heretofore conferred on the Philippine Commission in all that part of said islands not inhabited by Moros or other non-Christian tribes shall be vested in a legislature consisting of two houses—the Philippine Commission and the Philippine Assembly. Said Assembly shall consist of not less than 50 nor more than 100 members, to be apportioned by said Commission among the provinces as nearly as practicable according to population: *Provided*, That no province shall have less than one member: *And provided further*, That provinces entitled by population to more than one member may be divided into such convenient districts as the said Commission may deem best;" and

"Whereas on September eighth, nineteen hundred and two, the Philippine Commission certified to me that the insurrection in the Philippine Islands had ceased and that a condition of general and complete peace had been established therein; and

"Whereas in pursuance of the provisions of the law above quoted, and upon the foregoing due certification, and being satisfied of the facts therein stated, on the twenty-fifth day of September, nineteen hundred and two, I ordered a census of the Philippine Islands to be taken by the Philippine Commission; and

"Whereas the census so ordered was taken and announcement of its completion and publication made to the people of the Philippine Islands on March twenty-eighth, nineteen hundred and five; and

"Whereas the Philippine Commission has now certified to me the following resolution:

"Whereas the census of the Philippine Islands was completed and published on the twenty-seventh day of March, nineteen hundred and five, which said completion and publication of said census was, on the twenty-eighth day of March, nineteen hundred and five, duly published and proclaimed to the people by the governor-general of the Philippine Islands with the announcement that the President of the United States would direct the Philippine Commission to call a general election for the choice of delegates to a popular assembly, provided that a condition of general and complete peace, with recognition of the authority of the United States, should be certified by the Philippine Commission to have continued in the territory of the Philippine Islands for a period of two years after said completion and publication of said census; and

"Whereas since the completion and publication of said census there have been no serious disturbances of the public order, save and except those caused by the noted outlaws and bandit chieftains, Felizardo and Montalon, and their followers in the provinces of Cavite and Batangas, and those caused in the provinces of Samar and Leyte by the non-Christian and fanatical pulajanes resident in the mountain districts of the said provinces and the barrios contiguous thereto; and

"Whereas the overwhelming majority of the people of said provinces of Cavite, Batangas, Samar, and Leyte have not taken part in said disturbances and have not aided nor abetted the lawless acts of said bandits and pulajanes; and

"Whereas the great mass and body of the Filipino people have, during said period of two years, continued to be law-abiding, peaceful, and loyal to the United States, and have continued to recognize, and do now recognize, the authority and sovereignty of the United States in the territory of said Philippine Islands: Now, therefore, be it

"Resolved by the Philippine Commission in formal session duly assembled. That it, said Philippine Commission, do certify, and it does hereby certify, to the President of the United States that for a period of two years after the completion and publication of the census a condition of general and complete peace, with recognition of the authority of the United States, has continued to exist, and now exists, in the territory of said Philippine Islands not inhabited by Moros or other non-Christian tribes; and be it further

"Resolved by said Philippine Commission, That the President of the United States be requested and is hereby requested to direct said Philippine Commission to call a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which assembly shall be known as the Philippine Assembly; "

"Now, therefore, I, Theodore Roosevelt, President of the United States, in pursuance of the provisions of the law above cited and being satisfied of the facts certified to me by the Philippine Commission, do hereby direct said Philippine Commission to call a general election for the choice of delegates to a popular assembly of the people of the territory of the Philippine Islands not inhabited by Moros or other non-Christian tribes, which shall be known as the Philippine Assembly.

"THEODORE ROOSEVELT.

"THE WHITE HOUSE, March 28, 1907."

"Now, therefore, be it

"Resolved, That in accordance with the direction of the President of the United States, and under and by virtue of the provisions of the act of Congress approved July first, nineteen hundred and two, the Philippine Commission, in formal session assembled on this the thirtieth day of March, nineteen hundred and seven, does hereby call a general election to be held on July thirtieth, nineteen hundred and seven, for the choice of delegates to a popular assembly of the people of the territory of the Philippine Islands not inhabited by Moros or other non-Christian tribes, which shall be known as the Philippine Assembly, said election to be held in accordance with the provisions of act numbered fifteen hundred and eighty-two of the Philippine Commission, entitled 'The election law,' passed January ninth, nineteen hundred and seven; and be it further

"Resolved, That the governor-general be, and he is hereby, requested to issue a proclamation announcing the calling of said election, which proclamation shall embody this resolution, and that the executive secretary be, and is hereby, directed to have the said proclamation printed as soon as practicable in English and in Spanish, and when printed to cause a copy thereof to be forwarded without delay to each provincial and municipal government concerned."

"On April 1, 1907, the governor-general made and issued a proclamation embodying the resolution of the commission of March 30, 1907.

"In accordance with the call of the Commission the election was duly held on July 30 last, and on the face of the returns the delegates who are here present appear to be the delegates duly and properly elected from the various provinces.

"Subsequently and within the ninety days prescribed by the act of Congress, the governor-general directed that the Philippine legislature meet at the ayuntamiento building in the city of Manila on Wednesday, the 16th day of October, 1907, at the hour of 9 o'clock a. m. In view of the little space available for the public in the marble hall of the ayuntamiento building, this proclamation of the governor-general was, on October 11, 1907, amended so as to require the meeting to be held at the Grand Opera House, where we are now gathered.

"No other step now remains except that of the formal opening of the Philippine Assembly and the Philippine Legislature for the transaction of such business as may come before both bodies as the legislative power in the Philippine Islands.

"Who shall formally announce this opening to the people of the Philippine Islands? Who better than the man who represents the President of the United

States and to whom is due, more than to any other man, the organization of the Philippine Assembly, because this popular, representative, legislative body has been made possible by his policy and his achievement? Who better can announce the fact of this organization to all the peoples of the Philippine Islands than the honorable the Secretary of War, William H. Taft?"

The honorable the Secretary of War then arose, and after making a few introductory remarks in elaboration of the remarks of the governor-general to the effect that the Philippine Assembly was organized for two purposes—one to make the government of the Philippine Islands better, and the other as an educational instrument to prepare the people of the islands and their representatives for exercising the powers of government, and warning the members-elect of the Assembly that one of the experiences of a legislative body that it must take to heart and learn is the ability to listen to long speeches, he delivered the following address, which was interpreted by the Hon. Arthur W. Fergusson, executive secretary of the Philippine Islands, with the exception of that portion thereof relating to the progress made in the islands, which, on the advice of the Secretary of War, was not interpreted into Spanish owing to the lateness of the hour and to the fact that the address in its entirety would appear in the public press and in the journals of both Houses:

"Gentlemen of the Assembly: President Roosevelt has sent me to convey to you and the Filipino people his congratulations upon another step in the enlargement of popular self-government in these islands. I have the greatest personal pleasure in being the bearer of this message. It is intended for each and every member of the Assembly, no matter what his views upon the issues which were presented in the late electoral campaign. It assumes that he is loyal to the government in which he now proposes, under oath of allegiance, to take part. It does not assume that he may not have a wish to bring about, either soon or in the far future, by peaceable means, a transfer of sovereignty; but it does assume that while the present government endures, he will loyally do all he lawfully can to uphold its authority and to make it useful to the Filipino people.

"I am aware that, in view of the issues discussed at the election of this assembly, I am expected to say something regarding the policy of the United States toward these islands. Before attempting any such task, it is well to make clear the fact that I can not speak with the authority of one who may control that policy.

"The Philippine Islands are territory belonging to the United States, and by the Constitution, the branch of that Government vested with the power, and charged with the duty, of making rules and regulations for their government is Congress. The policy to be pursued with respect to them is, therefore, ultimately for Congress to determine. Of course, in the act establishing a government for the Philippine Islands passed by Congress July 1, 1902, wide discretion has been vested in the President to shape affairs in the islands, within the limitations of the act, through the appointment of the governor and the Commission, and the power of the Secretary of War to supervise their work and to veto proposed legislation; but not only is the transfer of sovereignty to an independent government of the Filipino people wholly within the jurisdiction of Congress, but so also is the extension of any popular political control in the present government beyond that conferred in the organic act. It is embarrassing, therefore, for me, though I am charged with direct supervision of the islands, under the President, to deal in any way with issues relating to their ultimate disposition. It is true that the peculiar development of the government of the islands under American sovereignty has given to the attitude of the President upon such issues rather more significance than in most matters of exclusively Congressional cognizance. After the exchange of ratifications of the treaty of Paris in April of 1899, and until the organic act of July 1, 1902, Congress acquiesced in the government of the islands by the President as commander in chief of the Army and Navy without interference, and when it passed the organic act it not only confirmed in every respect the anomalous quasivil government which he had created, but it also made his instructions to the Secretary of War part of its statute, and followed therein his recommendation as to future extension of popular political control. This close adherence of Congress to the views of the Executive in respect to the islands in the past gives ground for ascribing to Congress approval of the Philippine policy, as often declared by President McKinley and President Roosevelt. Still, I have no authority to speak for Congress in respect to the ultimate disposition of the islands. I can only express an opinion as one

familiar with the circumstances likely to affect Congress, in the light of its previous statutory action.

"The avowed policy of the National Administration under these two Presidents has been and is to govern the islands, having regard to the interest and welfare of the Filipino people, and by the spread of general primary and industrial education and by practice in partial political control to fit the people themselves to maintain a stable and well-ordered government affording equality of right and opportunity to all citizens. The policy looks to the improvement of the people both industrially and in self-governing capacity. As this policy of extending control continues, it must logically reduce and finally end the sovereignty of the United States in the islands, unless it shall seem wise to the American and the Filipino peoples, on account of mutually beneficial trade relations and possible advantage to the islands in their foreign relations, that the bond shall not be completely severed.

"How long this process of political preparation of the Filipino people is likely to be is a question which no one can certainly answer. When I was in the islands the last time, I ventured the opinion that it would take considerably longer than a generation. I have not changed my view upon this point; but the issue is one upon which opinions differ. However this may be, I believe that the policy of the Administration as outlined above is as definite as the policy of any government in a matter of this kind can safely be made. We are engaged in working out a great experiment. No other nation has attempted it, and for us to fix a certain number of years in which the experiment must become a success and be completely realized would be, in my judgment, unwise. As I premised, however, this is a question for settlement by the Congress of the United States.

"Our Philippine policy has been subjected to the severest condemnation by critics who occupy points of view as widely apart as the two poles. There are those who say that we have gone too fast, that we have counted on the capacity of the Filipino for political development with a foolish confidence leading to what they regard as the disastrous result of this election. There are others who assert that we have denied the Filipino that which is every man's birthright, to govern himself, and have been guilty of tyranny and a violation of American principles in not turning the government over to the people of the islands at once.

"With your permission, I propose to consider our policy in the light of the events of the six years during which it has been pursued, to array the difficulties of the situation which we have had to meet and to mention in some detail what has been accomplished.

"The civil government was inaugurated in 1901 before the close of a war between the forces of the United States and the controlling elements of the Philippine people. It had sufficient popular support to overawe many of those whose disposition was friendly to the Americans. In various provinces the war was continued intermittently for a year after the appointment of a civil governor in July, 1901. This was not an auspicious beginning for the organization of a people into a peaceful community acknowledging allegiance to an alien power.

"Secondly, there was, in the United States, a strong minority party that lost no opportunity to denounce the policy of the Government and to express sympathy with those arrayed in arms against it, and declared in party platform and in other ways its intention, should it come into power, to turn the islands over to an independent government of their people. This not only prolonged the war, but when peace finally came, it encouraged a sullenness on the part of many Filipinos and a lack of interest in the progress and development of the existing government, that were discouraging. It offered the hope of immediate independence at the coming of every national election by the defeat of the Administration at the polls. This was not of assistance in carrying out a policy that depended for its working on the political education of the people by their cordial participation, first, in the new municipal and provincial governments, and finally in the election of a national assembly. The result has been that during the educational process there has been a continuing controversy as to the political capacity of the Filipino people. It has naturally been easy to induce a majority of the electorate to believe that they are now capable of maintaining a stable government. All this has tended to divert the people's attention from the existing government, although their useful participation in that must measure their progress toward fitness for complete autonomy.

"The impatience of the popular majority for further power may be somewhat mitigated as the extent of the political control which is placed in the

hands of the people increases, and as they become more familiar with the responsibilities and the difficulties of actual power. The difference between the attitude of an irresponsible critic who has behind him the easily aroused prejudices of a people against an alien government and that of one who attempts to formulate legislation which shall accomplish a definite purpose for the good of his own people is a healthful lesson for the ambitious statesman to learn.

"Other formidable political obstacles had to be overcome. There still remained present in the situation in 1901 the smoldering ashes of the issues which had led the people to rebel against the power of Spain—I mean the prospective continuance of the influence of the regular religious orders in the parochial administration of the Roman Catholic Church in the islands and their ownership of most valuable and extensive agricultural lands in the most populous provinces. The change of sovereignty to a government which could exercise no control over the church in its selection of its agents made the new régime powerless, by act or decree, to prevent the return of the friars to the parishes, and yet the people were disposed to hold the government responsible whenever this was proposed. It would have been fraught with great danger of political disturbance. It was also essential that the religious orders should cease to be agricultural landlords in order to eliminate the agrarian question arising between them and 60,000 tenants which had played so large a part in the previous insurrections against Spain. These results were to be attained without offending, or infringing upon the rights of, the Roman Catholic Church, the influence of which for good in the islands could not be denied. Other political difficulties attending the transfer of a sovereignty from a government in which the interests of the state and the church were inextricably united to one in which they must be absolutely separated, I need not stop to elaborate. The religious and property controversies arising out of the Aglipayan schism, and the disturbances caused, added much to the burden of the government.

"The novelty of the task for the United States and her people, the lack of the existence of a trained body of colonial administrators and civil servants, the dependence for a time upon men as government agents who had come out in a spirit of adventure to the islands and some of whom proved not to be fitted either by character or experience for the discharge of responsible public duties, gave additional cause for discouragement.

"Another great difficulty in working out our policy in these islands has been the reluctance of capitalists to invest money here. Political privileges, if unaccompanied by opportunities to better their condition, are not likely to produce permanent contentment among a people. Hence the political importance of developing the resources of these islands for the benefit of its inhabitants. This can only be done by attracting capital. Capital must have the prospect of security in the investment and a certain return of profit before it will become available. The constant agitation for independence in the islands, apparently supported by the minority party in the United States, and the well-founded fear that an independent Philippine government now established would not be permanent and stable have made capitalists chary of attempting to develop the natural resources of the islands. The capital which has come has only come reluctantly and on terms less favorable to the public than would have been exacted under other conditions.

"Another difficulty of the same character as the last in preventing material progress has been the failure of Congress to open the markets of the United States to the free admission of Philippine sugar and tobacco. In every other way Congress has shown its entire and generous sympathy with the policy of the Administration; and in this matter the popular branch of that body passed the requisite bill for the purpose by a large majority. Certain tobacco and sugar interests of the United States, however, succeeded in strangling the measure in the Senate committee. I have good reason for hope that in the next Congress we may be able to secure a compromise measure which shall restore the sugar and tobacco agriculture of the islands to its former prosperity, and at the same time by limitations upon the amounts of importation allay the fears of injury on the part of the opponents of the measure. Still, the delay in this much-needed relief has greatly retarded the coming of prosperous times and has much discouraged supporters of our policy in America who have thought this indicated a lack of national purpose to make the present altruistic policy a success.

"But the one thing that interfered with material progress in the islands, more than all other causes put together, was the rinderpest which carried away from 75 to 80 per cent of the cattle that were absolutely indispensable in culti-

vating, reaping, and disposing of the agricultural products upon which the islands are wholly dependent. The extent of this terrible disaster can not be exaggerated and the islands have not yet recovered from it. Attempts to remedy the evil by the importation of cattle from other countries have proved futile, and the islands can not be made whole in this respect except by the natural reproduction of the small fraction of the animals that escaped destruction. This is not a matter of a year, or of two years, or of three years, but a matter of a decade. Then, too, there were in these years surra, locusts, drought, destructive typhoons, cholera, bubonic plague, and smallpox, ladrónism, and pulajanism. The long period of disturbance, of guerrilla warfare and unrest, which interfered for years with the carrying on of the peaceful arts of agriculture and made it so easy for those who had been used to work in the fields to assume the wild and loose life of predatory bands claiming to be liberating armies, all made a burden for the community that it was almost impossible for it to bear.

"When I consider all these difficulties, which I have rehearsed at too great length, and then take account of the present conditions in the islands, it seems to me that they present an occasion for profound satisfaction and that they fully vindicate the policy which has been pursued.

"How have we met the difficulties? In the first place, we have carried out with entire fidelity the promises of Presidents McKinley and Roosevelt in respect to the gradual extension of political control in the government as the people should show themselves fit. In 1901 the Commission adopted the municipal code, which vested complete autonomy in the adult male citizens of every municipality in the islands, except that of Manila, which for special reasons, like those which have prevailed with respect to the government of the city of Washington, was preserved for control by the central government. The electorate was limited to those who could speak English or Spanish, or who paid a tax of ₱15 a year, or who had filled municipal office under the Spanish régime, and did not exceed 20 per cent of the total adult males of the population. Very shortly after this a form of provincial government was established in which the legislative and executive control of the province was largely vested in a provincial board consisting of a governor and treasurer and supervisor. Provision was made for the election of a governor and the appointment under civil-service rules of a treasurer and supervisor. Subsequently it was found that the government was too expensive and the office of supervisor was finally abolished, and after some four years the board was made to consist of a governor and treasurer, and a third member elected as the governor was, thus effecting popular autonomy in the provincial governments. And now comes the assembly.

"It is said by one set of critics, to whom I have already referred, that the franchise is the last privilege that ought to be granted in the development of a people into a self-governing community, and that we have put this into the hands of the Filipinos before they have shown themselves to be industrially and in other ways capable of exercising the self-restraint and conservatism of action which are essential to political stability. I can not agree with this view. The best political education is practice in the exercise of political power, unless the subject is so ignorant as to be wholly blind to his own interests. Hence the exercise of a franchise which is conferred only on those who have qualifications of education or property that prove intelligence and substance, is likely to teach the electorate useful political lessons. The electorate under the Philippine law are sufficiently alive to their own interests to make the exercise of political power a useful training for them, while the power to be exercised is subject to such limitation as not to be dangerous to the community. More than this, the granting of the franchise was most useful in producing tranquillity among the people. The policy has been vindicated by the fact.

"The importance of the agency of the Army of the United States in suppressing insurrection I would not minimize in the least; but all who remember clearly the succession of events from 1901 to 1903 will admit that the return to peace and the acquiescence of the Filipino people in American sovereignty were greatly influenced and aided by the prospect held out to the Filipinos of participation in the government of the islands and a gradual extension of popular self-control. Without this and the confidence of the Filipino people in the good purposes of the United States and the patience with which they endured their many burdens that fate seemed to increase, the progress which has been achieved would have been impossible.

"Let us consider in some detail what progress has been made:

"First. To repeat what I have said, the islands are in a state of tranquillity. On this very day of the opening of the National Assembly there has never been a time in the history of the islands when peace and good order have prevailed more generally. The difficulties presented by the controversies arising with and concerning the Roman Catholic Church have either been completely settled or are in process of satisfactory adjustment on a basis of justice and equity.

"Second. Most noteworthy progress has been made in the spread of general education. One of the obstacles to the development of this people speaking half a dozen or more different native dialects was a lack of a common language, which would furnish a medium of sympathetic touch with modern thought and civilization. The dense ignorance of a very large proportion of the people emphasized the necessity for a general educational system. English was the language of the sovereign power, English was the business language of the Orient, English was the language in which was thought and written the history of free institutions and popular government, and English was the language to which the common people turned with eagerness to learn. A system of education was built up, and to-day upward of half a million children are being taught to read, write, and recite English. It is not an exaggeration to assert that now more native Filipinos speak English than Spanish, although Spanish was the language of the ruling race in these islands for more than two hundred and fifty years. English is not so beautiful as the Spanish language, but it is more likely to prove of use to the Filipinos for the reasons I have given. The strongest basis for our confidence in the future of the Filipino people is the eagerness with which the opportunities extended for education in English have been seized by the poor and ignorant parents of these islands for their children. It is alike pathetic and encouraging.

"I am not one of those who believe that much of the public money should be expended here for university or advanced education. Perhaps one institution merely to form a type of higher education may be established at Manila or at some other suitable place in the islands, and special schools to develop needed scientific professions may be useful, but the great part of the public funds expended for education should be used in the spread of primary education and of industrial education—that education which shall fit young men to be good farmers, good mechanics, good skilled laborers, and shall teach them the dignity of labor and that it is no disgrace for the son of a good family to learn his trade and earn his livelihood by it. The higher education is well for those who can use it to advantage, but it too often fits a man to do things for which there is no demand and unfits him for work which there are too few to do. The enlargement of opportunity for higher education may well await private beneficence or be postponed to a period when the calls upon the island treasury for other more important improvements have ceased. We have laid the foundation of a primary and industrial educational system here which, if the same spirit continues in the government, will prove to be the most lasting benefit which has been conferred on these islands by Americans.

"Third. We have introduced here a health department which is gradually teaching the people the necessity for sanitation. In the years to come, when the great discoveries of the world are recited, that which will appear to have played as large a part as any in the world's progress in the current hundred years will be the discovery of proper sanitary methods for avoiding disease in the Tropics. The introduction of such methods, the gradual teaching of the people the simple facts affecting hygiene, unpopular and difficult as the process of education has been, will prove to be another one of the great benefits given by Americans to this people.

"The efforts of the government have not been confined to preserving the health of the human inhabitants of these islands, but have been properly extended to doing what can be done in the matter of the health of the domestic animals which is so indispensable to the material progress of the islands. The destruction by rinderpest, by surra, and by other diseases to which cattle and horses are subject I have already dwelt upon. Most earnest attention has been given by men of the highest scientific attainment to securing some remedy which will make such widespread disasters in the future impossible. Much time and effort and money have been spent and much has been accomplished in this matter. The people are being educated in the necessity for care of their cattle and for inviting in public aid at once when the dread rinderpest shows its presence. Serums have been discovered that have been effective to immunize cat-

tle, and while the disease has not disappeared, it is not too much to say that such an epidemic as that which visited the islands in 1900, 1901, and 1902 is impossible.

"Fourth. A judicial system has been established in the islands which has taught the Filipinos the possibility of the independence of a judiciary. This must be of enduring good to the people of the islands. The personnel of the judges is divided between Americans and Filipinos, both for the purpose of aiding the Americans to learn and administer civil law and of enabling the Filipinos to learn and administer justice according to a system prevailing in a country where the judiciary is absolutely independent of the executive or legislative branches of the Government. Charges have been made that individual judges and particular courts have not been free from executive control and have not been without prejudices arising from the race of the particular judge who sat in the court, but on the whole an impartial review of the six years' history of the administration of justice will show that the system has been productive of the greatest good and that right has been sustained without fear or favor. It is entirely natural that a system which departs from the principles of that in which one has been educated should at times attract his severe animadversion, and as the system here administered partakes of two systems, it is subject to the criticism of those trained in each.

"Another agency in the administration of justice has been the constabulary. When I was here something more than two years ago, the complaints against that body were numerous, emphatic, and bitter. I promised, on behalf of the Philippine government and the Washington Administration, that close investigation should be made into the complaints and that if there was occasion for reform, that reform would be carried out. It gratifies me on my return to the islands now to learn that a change has come, that the complaints against the constabulary have entirely ceased, and that it is now conceded to be discharging with efficiency the function which it was chiefly created to perform, of sympathetically aiding the provincial governors and municipal authorities of the islands in maintaining the peace of each province and each municipality, and that there is a thorough spirit of cooperation between the officers and men of the constabulary and the local authorities.

"In respect to the administration of justice by justices of the peace, reforms have been effected, but I am not sure that there is not still great room for improvement. This is one of the things that come home close to the people of the country and is a subject that will doubtless address itself to the wise action and consideration of the National Assembly.

"Fifth. We come to the matter of public improvements. The port of Manila has been made into a harbor which is now as secure as any in the Orient, and which, with the docking facilities that are now being rapidly constructed, will be as convenient and as free from charge and burden as any along the Asiatic coast. The improvements in Iloilo and Cebu harbors, the other two important ports of the islands, are also rapidly progressing. Road building has proceeded in the islands, both at the instance of the central government and through the agency of the provinces. The difficulties of road building and road maintaining in the Philippines are little understood by those not familiar with the difficulty of securing proper material to resist the enormous wear and tear caused by the torrential downpours of the rainy season. Progress in this direction must necessarily be gradual, for the islands are a poor country, comparatively speaking, and roads are expensive.

"Early in the history of the islands we began the construction of a road from Pangasinan to the mountains of Benguet in order to bring within the reach of the people of the islands that healthful region where the thermometer varies from 40° to 80°, and in which all the diseases of the Tropics are much more easily subject to cure than in the lowlands. Had it been supposed that the road thus to be constructed would involve an expense of nearly \$2,000,000, the work would not have been begun, but, now that the road has been constructed, I would not undo what has been done even if it were possible. As time progresses, the whole Province of Benguet will be settled; there will be made the home of many educational institutions, of many sanitariums, and there will go, as transportation becomes cheaper, the Filipino people to obtain a change of air and acquire a renewed strength that is given to tropical peoples by a visit to the temperate zone.

"When the Americans came to the islands there was one railroad 120 miles long, and that was all. In spite of circumstances, which I have already detailed, making capital reluctant to come here, contracts have now been entered

into, that are in the course of fulfillment, which in five years will give to the islands a railroad mileage of 1,000 miles. The construction of these roads will involve the investment of \$20,000,000 to \$30,000,000, and that in itself means an added prosperity to the country, additional demands for labor, and the quickening of all the nerves of trade. When the work is finished, it means a great additional profit to agriculture, a very great enlargement of the export capacity of the islands, and a substantial elevation of the material condition of the people.

"In the matter of municipal improvements, which directly concern the people, that which has taken place in Manila is most prominent. The improvement of the streets, the introduction of a satisfactory street railway system 35 miles in length, the improvement of the general appearance of the city and its hygienic condition, the construction of new waterworks and a new sewage system, all strike one who knew the city in 1900. The improvements of other municipalities in the islands have not kept pace with those in Manila, and of course they were not so imperatively needed; but the epidemics of cholera and plague and small-pox which have prevailed have convinced those in authority of the necessity of bettering the water supply of all municipalities and for improving this by the sinking of artesian wells and other means, so that bad water, that frightful source of the transmission of disease, should be reduced to a minimum.

"The government now maintains and operates a more complete system of posts, telephones, and telegraphs than ever before in the history of the islands. Seventy-five per cent of the 652 municipalities now established in these islands have post-offices, in 235 of which there are now opened for business postal savings banks. The telegraph or telephone now connects all of the provincial capitals with Manila and more than 90 offices are now open for business. Appropriation has been made to provide for a system of rural free delivery. In less than one year of operation the postal savings bank has deposits exceeding ₱600,000, and the number of Filipino depositors now exceeds 1,000, and the proportion of their deposits is steadily increasing.

"Sixth. We have inaugurated a civil-service law for the selection of civil servants upon the merit system. On the whole it has worked well. It has grown with our experience and has improved with the disclosure of its defects.

"One of the burning questions which constantly presents itself in respect to the civil service of a government like this is, how far it shall be American and how far Filipino. In the outset it was essential that most of the civil servants of the Government should be Americans. The Government was English speaking, and the practical difficulty of having subordinates who did not speak that language prevented large employment of Filipinos. Then their lack of knowledge of their American governmental and business methods had the same tendency. The avowed policy of the government has been to employ Filipinos wherever, as between them and Americans, the Filipinos can do equally good work. This has given rise to frequent and bitter criticism, because it has been improperly assumed that every time there has been a vacancy, it could be filled by a Filipino. There are two great advantages in the employment of Filipinos, one is that this is the government of the Filipinos and they ought to be employed where they can be, and the other is that their employment is a matter of economy for the government, because they are able to live more cheaply and economically in the islands than Americans and so can afford to receive less salary. There has therefore been a constant reduction of American employees and an increase of Filipinos. This has not been without its disadvantage because it makes competent American employees feel an uncertainty of tenure, and materially affects their hope of promotion and their interest in the government of which they are a part. This disadvantage I believe can be largely obviated.

"There are many American civil servants in this government who have rendered most loyal, difficult, and efficient service, in season and out of season, through plague and epidemic, in sickness and in health, in full sympathy with the purposes and policy of the government. Without them our government would have been a complete failure. They will never receive adequate reward. Their interest in their work has prevented their return to their native land, where the same energy and efficiency would have earned them large return. They are most valuable public servants who have done a work that, had they done it in the English colonial service or at home, would have been certain to secure to them a permanent salary and entire freedom from anxiety as to the future. I would be glad to see adopted a system of permanent tenure and retirement on pensions for the small and higher classes of civil employees. Their continuance in the government indefinitely is a public necessity. I

sincerely hope the Philippine Assembly will exhibit its spirit of justice and public interest to the point of concurring in such a measure even though this at present will be of benefit to more Americans than Filipinos.

"Seventh. In the progress which has been made, I should mention the land system, the provision for homestead settlement, for free patents, and for perfecting of imperfect titles by land registration. The homestead settlements under the law were very few for several years, but I am delighted to learn that during 1907 they reached 4,000 and the free patents applied for were 10,600. It is probable that the machinery for land registration, though necessary, is too expensive, and it will be for you to decide whether, in view of the great public benefit that good land titles will bring to the country, it may not be wise to reduce the cost of registration to the landowner and charge the expense to the government. Capital will not be advanced to the farmer unless his title is good, and the great benefit of an agricultural bank can never be realized until the registration of titles is greatly increased.

"This naturally brings me to the subject of the agricultural bank. After much effort Congress was induced to pass an act which authorizes the Philippine government to invite the organization of such a bank with private capital by guaranteeing an annual income of a certain percentage on the capital invested for thirty years. Negotiations have been opened and are pending with some American capitalists in the hope of securing the establishment of such a bank.

"The condition of agriculture in the islands, while generally much improved in the last three years, is still unsatisfactory in many parts of the islands, due not only to the continued scarcity of cattle but also to the destructive effect of the typhoon of 1905 upon the hemp culture. This has properly led to the suspension of the land tax for another year and the meeting of half the deficit in provincial and municipal treasuries thus produced out of the central treasury.

"The production of rice has, however, materially increased. It is also a source of satisfaction to note that the exports from the islands, which are wholly agricultural, are larger in value by half a million gold dollars than ever in the history of the islands. One of the chief duties of this assembly is to devote its attention and practical knowledge to measures for the relief of agriculture.

"Eighth. The financial condition of the Philippine government is quite satisfactory, and so, too, is the state of the money and currency of the islands. There is a bonded indebtedness for the purchase of the friar lands amounting to \$7,000,000, for the waterworks and sewage of Manila of \$3,000,000, and for public works amounting to \$3,500,000. Sinking funds have been established for all of these. The price paid for the friar lands was a round one and may result, after the lands are disposed of, in some net pecuniary loss to the government, but the political benefit of the purchase was a full justification. The lands will be disposed of to the tenants as rapidly as the public interest will permit. The only other permanent obligation of the government is the contingent liability on the guaranty of interest for thirty years on the bonds issued to construct 300 miles of railroad in the Visayas. We may reasonably hope that this obligation will soon reduce itself to nothing when the roads come into successful operation. The governor-general reports to me that the budget for 1908 will show an income and surplus from last year, without any land tax, from which it will be possible to pay all the interest on the bonds and guaranties, all the insular expenses, the proper part of the expenses of Manila, \$2,000,000 in permanent improvements, and still have on hand for contingencies \$1,000,000. I am further advised that the condition of most of the provinces is excellent in respect to income and surplus.

"It has been necessary to reduce the silver in the Philippine peso to keep its intrinsic value within the value of 50 cents, gold, at which it is the duty of the government to maintain it, and this change is being rapidly carried through without much difficulty. The benefit to the people, and especially the poorer and working classes, in the establishment of the gold standard is very great. It eliminates a gambling feature from the business of the islands that always worked for the detriment of the Philippine people. We are just carrying through a settlement with the Spanish-Filipino Bank which I hope will provide a means of safely adding to the currency of the country and increasing its elasticity.

"In recounting these various evidences of progress in the last six years I am not unmindful that the business of the islands is still far from prosperous. Indeed, it is noteworthy that so much progress has been made in the face of continued business depression due to the various causes I have elsewhere enumer-

ated; but it is a long lane that has no turning and I look forward to the next decade in the history of the islands as one which will be as prosperous as this one has been the reverse. Business is reviving, the investment of foreign capital is gradually increasing and only one thing is needed to insure great material improvement, and that is the continuance of conservatism in this government. I feel confident that the inauguration of this assembly, instead of ending this conservatism as the prophets of evil would have it, will strengthen it.

"Before discussing the assembly, I wish to give attention to one report that has been spread to the four corners of the globe, and which, if credited, might have a pernicious effect in these islands. I refer to the statement that the American Government is about to sell the islands to some Asiatic or European power. Those who credit such a report little understand the motives which actuated the American people in accepting the burden of this government. The majority of the American people are still in favor of carrying out our Philippine policy as a great altruistic work. They have no selfish object to secure. There might be a grim and temporary satisfaction to those of us who have been subjected to severe criticism for our alleged lack of liberality toward the Filipino people and of sympathy with their aspirations, in witnessing the rigid governmental control which would be exercised over the people of the islands under the colonial policy of any one of the powers to whom it is suggested that we are about to sell them; but that would not excuse or justify the gross violation, by such a sale, of the implied obligation which we have entered into with the Filipino people. That obligation presents only two alternatives for us—one is a permanent maintenance of a popular government of law and order under American control, and the other, a parting with such control to the people of the islands themselves after they have become fitted to maintain a government in which the right of all the inhabitants to life, liberty, and property shall be secure. I do not hesitate to pronounce the report that the Government contemplates the transfer of these islands to any foreign power as utterly without foundation. It has never entered the mind of a single person in the Government responsible for the Administration. Such a sale must be the subject of a treaty, and the treaty power in the Government of the United States is exercised by the President and the Senate, and only upon the initiative of the President. Hence an Executive declaration upon this subject is more authoritative than an Executive opinion as to probable Congressional action.

"Coming now to the real occasion of this celebration, the installation of the National Assembly, I wish, for purposes of clearness, to read the section of the organic act under which this Assembly has been elected:

"That two years after the completion and publication of the census, in case such condition of general and complete peace with recognition of the authority of the United States shall have continued in the territory of said islands not inhabited by Moros or other non-Christian tribes and such facts shall have been certified to the President by the Philippine Commission, the President upon being satisfied thereof shall direct said Commission to call, and the Commission shall call, a general election for the choice of delegates to a popular assembly of the people of said territory in the Philippine Islands, which shall be known as the Philippine Assembly. After said Assembly shall have convened and organized, all the legislative power heretofore conferred on the Philippine Commission in all that part of said islands not inhabited by Moros or other non-Christian tribes shall be vested in a legislature consisting of two houses—the Philippine Commission and the Philippine Assembly. Said Assembly shall consist of not less than fifty nor more than one hundred members, to be apportioned by said Commission among the provinces as nearly as practicable according to population: *Provided*, That no province shall have less than one member: *And provided further*, That provinces entitled by population to more than one member may be divided into such convenient districts as the said Commission may deem best.

"Public notice of such division shall be given at least ninety days prior to such election, and the elections shall be held under rules and regulations to be prescribed by law. The qualification of electors in such election shall be the same as is now provided by law in case of electors in municipal elections. The members of Assembly shall hold office for two years from the first day of January next following their election, and their successors shall be chosen by the people every second year thereafter. No person shall be eligible to such election who is not a qualified elector of the election district in which he may be chosen, owing allegiance to the United States, and twenty-five years of age.

"The Legislature shall hold annual sessions, commencing on the first Monday of February in each year and continuing not exceeding ninety days thereafter (Sundays and holidays not included): *Provided*, That the first meeting of the Legislature shall be held upon the call of the governor within ninety days after the first election: *And provided further*, That if at the termination of any session the appropriations necessary for the support of the government shall not have been made, an amount equal to the sums appropriated in the last appropriation bills for such purposes shall be deemed to be appropriated; and until the Legislature shall act in such behalf the treasurer may, with the advice of the governor, make the payments necessary for the purposes aforesaid.

"The Legislature may be called in special session at any time by the civil governor for general legislation or for action on such specific subjects as he may designate. No special session shall continue longer than thirty days, exclusive of Sundays.

"The Assembly shall be the judge of the elections, returns, and qualifications of its members. A majority shall constitute a quorum to do business, but a smaller number may adjourn from day to day and may be authorized to compel the attendance of absent members. It shall choose its speaker and other officers, and the salaries of its members and officers shall be fixed by law. It may determine the rule of its proceedings, punish its members for disorderly behavior, and with the concurrence of two-thirds expel a member. It shall keep a journal of its proceedings, which shall be published, and the yeas and nays of the members on any question shall, on the demand of one-fifth of those present, be entered on the journal."

"I can well remember when that section was drafted in the private office of Mr. Root in his house in Washington. Only he and I were present. I urged the wisdom of the concession and he yielded to my arguments and the section as then drafted differed but little from the form it has to-day. It was embodied in a bill presented to the House and passed by the House, was considered by the Senate, was stricken out in the Senate, and was only restored after a conference, the Senators in the conference consenting to its insertion with great reluctance. I had urged its adoption upon both committees, and, as the then governor of the islands, had to assume a responsibility as guarantor in respect to it which I have never sought to disavow. I believe that it is a step and a logical step in the carrying out of the policy announced by President McKinley and that it is not too radical in the interest of the people of the Philippine Islands. Its effect is to give to a representative body of the Filipinos a right to initiate legislation, to modify, amend, shape, or defeat legislation proposed by the Commission. The power to obstruct by withholding appropriations is taken away from the assembly, because if there is not an agreement as to appropriations between the Commission and the assembly, then the appropriations of the previous year will be continued; but the power, with this exception, absolutely to veto all legislation and initiate and shape proposed laws is a most substantial one. The concurrence of the Assembly in useful legislation can not but command popular support for its enforcement; the discussion in the Assembly and its attitude must be informing to the executive and to the other branch of the Legislature, the Commission, of what are the desires of the people. The discharge of the functions of the Assembly must give to the chosen representatives of the Philippine electorate a most valuable education in the responsibilities and difficulties of practical government. It will put them where they must investigate not only the theoretical wisdom of proposed measures, but also the question whether they can be practically enforced and whether, where expense is involved, they are of sufficient value to justify the imposition of a financial burden upon the people to carry them out. It will bring the members of the Assembly as representatives of the people into close relation with the Executive, who will be most anxious to preserve a harmony essential to efficient government and progressive, useful measures of reform.

"Critics who do not sympathize with our Philippine policy, together with those who were reluctant to grant this measure of a legislative assembly to the Philippine people at this time, have not been slow to comment on the result of the election as an indication that we are going too fast. I differ entirely from the view of these critics as to the result of this election and the inferences to be drawn from it.

"The small total vote as compared with the probable number of the total electorate shows that a considerable majority of those entitled to vote did not exercise the privilege. This indicates either an indifference or a timidity that we

would not find in a people more used to the wielding of political power; but it affords no reason for supposing that as the Assembly proves its usefulness and important power, the ratio of votes to the total electorate will not rapidly increase.

"The election was held without disturbance. In many districts there were bitter controversies, but the complaints of fraud, violence, or bribery are insignificant. Although the government was supposed to favor one party, and was subject to much criticism in the campaign, no one has been heard to say that the power of the Executive was exerted in any way improperly to influence the election. This furnishes a good object lesson.

"A popular majority of those who exercise the franchise have voted for representatives announcing a desire for the immediate separation of the islands from the United States. This majority is a small one when the returns are carefully considered and is much less than the ratio between the party representatives in the assembly would lead one to suppose. However, assuming a decided majority for immediate independence, the result is one which I thought possible even while I was urging the creation of the assembly. It is not a disappointment. If it indicated that a majority of the representatives elected by the people were a body of irreconcilables determined to do nothing but obstruct the present government, it would indeed be discouraging; but I am confident from what I know and hear of the gentlemen who have been elected that while many of them differ with me as to the time in which the people of the islands will become fit for complete self-government, most of them have an earnest desire that this government shall be carried on in the interests of the people of the Philippines and for their benefit, and shall be made for that purpose as effective as possible. They are thus generally conservative. Those whose sole aim is to hold up the government to execration, to win away the sympathy of the people in order to promote disturbance and violence, have no proper place in this Assembly. Had the Filipino people sent such a majority, then I should have to admit that the granting of the Assembly was a mistake and that Congress must abolish it.

"It has been reported in the islands that I was coming here for the purpose of expressing, in bitter and threatening words, my disappointment at the result of the election. Nothing could be further from my purpose, nothing could be less truly descriptive of my condition of mind. I am here, filled with a spirit of friendship and encouragement for these members, who now enter upon a new field in which they have much to learn, but where everything can be learned and this duty most efficiently discharged if they are led by an earnest desire to assist and guide the government in aiding the people. I have no right to appeal to the members of this Assembly to conduct themselves in the discharge of their high duties in a manner to vindicate me in the responsibility I assumed in urging Congress to establish this Assembly, because they should find a stronger reason for so doing in their sworn duty; but it is not inappropriate for me to touch on this personal feature of the situation, because my attitude has been misconstrued and my sympathetic interest in and hope for the success and usefulness of this National Assembly have not been properly stated.

"I venture to point out a number of things that you will learn in the course of your legislative experience. One is that the real object of a legislature is to formulate specific laws to accomplish specific purposes and reforms and to suppress specific evils; that he makes a useful speech who studies the question which he discusses and acquires and imparts practical information by which the remedies offered can be seen to be applicable to the evil complained of; that the office of a legislator for a great country like this is one that can be discharged conscientiously only by the use of great labor, careful, painstaking investigation and hard work in the preparation of proposed measures. One of the most necessary traits in a successful legislator or executive is patience. Where the sudden change in that which is regarded as a wrong system may paralyze a necessary arm of the government, ways and means must be devised to bring about the change gradually. There will be a temptation to take up measures which will invite the support of popular prejudice rather than measures which will really accomplish good for the body politic. Such a temptation exists in older legislative bodies than this, and we can not hope that it will be absent from here; but, in the end, the man who exerts the most influence in this body and among the people will be the man who devotes most conscientiously his time to acquiring the information upon which legislation should be based and in explaining it to his colleagues and his people. The man who is seeking to put his adversary or the government in an embarrassing situation

may win temporary triumph; but the man who himself feels responsibility of government, and who, while not concealing or failing to state the evils which he considers to exist in the government, is using every effort to reform those evils, will ultimately be regarded as the benefactor of his country.

"I have not the time and doubtless not the information which would justify me in pointing out to the assembly the various subjects-matter to which they may profitably devote their attention with a view to the formulation of useful legislation. They will properly feel called upon to devote their attention to public economy in the matter of the numerous governmental bureaus which have been made the subject of criticism. It is quite possible that they may find in their investigations into these matters reasons for cutting off officers and bureaus, but I sincerely hope that no such effort will be made until a full investigation is had into the utility of the functions which the bureau performs and the possibility of dispensing with them. I can remember that while I was governor there was much outcry against the extravagance of maintaining certain bureaus which in subsequent crises in the public welfare proved their great usefulness beyond cavil. Of course we shall encounter in this investigation and discussion a radical difference between legislators and others as to the function which a government in these islands ought to perform. It is entirely easy to run an economical government if all that you do is to maintain order and if no steps are taken to promote health, to promote education, and to promote the general welfare of the inhabitants. It is of course the object of the person charged with the duty of governing a country to reach the golden mean—that is, to make governmental provisions for the welfare of the people without imposing too great a tax burden for the purpose. The taxes in this country are imposed partly by the legislature and partly by Congress. The former will constantly have your attention. In so far as the welfare of the country is affected by the latter, to wit, the customs duties, and can be improved by a change of them, it would be wise for the legislature to devote much time and thought to recommendations to Congress as to how they should be changed, for I doubt not that Congress will be willing and anxious to take such steps as may commend themselves to the people of the islands in the matter of adjustment of duties, having regard to the raising of sufficient revenue on the one hand and to as little interference with useful freedom of trade as possible on the other.

"As you shall conduct your proceedings and shape your legislation on patriotic, intelligent, conservative, and useful lines, you will show more emphatically than in any other way your right and capacity to take part in the government and the wisdom of granting to your Assembly and to the people that elected you more power. There are still many possible intervals or steps between the power you now exercise and complete autonomy. Will this Assembly and its successors manifest such an interest in the welfare of the people and such clear-headed comprehension of their sworn duty as to call for a greater extension of political power to this body and to the people whose representative it is? Or shall it, by neglect, obstruction, and absence of useful service, make it necessary to take away its existing powers on the ground that they have been prematurely granted? Upon you falls this heavy responsibility. I am assured that you will meet it with earnestness, courage, and credit.

"In closing, I can only renew my congratulations upon the auspicious beginning of your legislative life in a fair election, and to express to you my heartfelt sympathy in the work which you are about to undertake, and my confidence that you will justify in what you do, and do not do, the recommendations of those who are responsible for that section in the organic act that has given life to this Assembly."

Upon the completion of the address and at the direction of the Secretary of War the executive secretary read the list of delegates elected according to the records of his office, with a request that each member rise as his name was called. The reading of the roll resulted as follows:

Present—Macario Adriatico, Mindoro; Felipe Agoncillo, Batangas; Marcelino Aguas, Pampanga; Quiremon Alkino, Leyte; Tomás Almonte, Albay; José Altavas, Capiz; Juan Alvear, Pangasinan; Tomás Arejola, Ambos Camarines; Andres Asprer, La Union; Amando Avanceña, Iloilo; Alberto Barretto, Zambales; Antiquio Bolles, Bohol; Candelario Borja, Bohol; Casiano Causing, Cebu; Gregorio Catigbac, Batangas; Pedro Chaves, Sorsogon; Nicasio P. Claravall, Isabela; José Clarin, Bohol; Melecio Cojuangco, Tarlac; Carlos Corrales, Misamis; Manuel Corrales, Misamis; Eugenio Daza, Samar; Salvador Demeterio, Leyte; Regino Dorillo, Iloilo; Vicente Singson Encarnacion, Ilocos Sur; Lorenzo Fenoy, Pangasinan; Isauro Gabaldon, Nueva Ecija; Emillano Gala, Tayabas;

Troadio Galicano, Cebu; Dominador Gomez, Manila; Matias Gonzales, Pangasinan; Fernando Ma. Guerrero, Manila; Leon Ma. Guerrero, Bulacan; Pablo Guzman, Cagayan; Adriano Hernandez, Iloilo; Carlos A. Imperial, Albay; Nicolas Jalandoni, Iloilo; Irineo Javier, Ilocos Norte; Antonio Jayme, Occidental Negros; Pedro V. Jimenez, Antique; Salvador Laguda, Iloilo; Gabriel Lasan, Cagayan; José M. Lerma, Bataan; Vicente Locsin, Oriental Negros; Cayetano Lucban, Rizal; Dionisio Mapa, Occidental Negros; Monico Mercado, Pampanga; Maximino Mina, Ilocos Sur; Simeon Mobo, Capiz; Agustin Montilla, Occidental Negros; Crispin Oben, La Laguna; Eusebio Orense, Batangas; Sergio Osmeña, Cebu; Nicanor Padilla, Pangasinan; Rafael Palma, Cavite; Pedro A. Paterno, La Laguna; Santiago Patero, Palawan; Florentino Peñaranda, Leyte; Eugenio Picazo, Capiz; Aurelio Pineda, Tarlac; Baldomero Pobre, Ilocos Norte; Manuel Quezon, Tayabas; Bartolome Revilla, Rizal; Manuel Rey, Ambos Camarines; Deogracias Reyes, Pangasinan; Angel Roco, Albay; Celestino Rodriguez, Cebu; Pedro Rodriguez, Cebu; Honorio Rosales, Samar; Leopoldo Rovira, Oriental Negros; Alejandro Ruiz, Cebu; Francisco Sandueta, La Union; Luciano Sinko, Samar; Francisco Soriano, Surigao; Fillemon Sotto, Cebu; Aguedo Velarde, Bulacan; Vicente de Vera, Sorsogon; Jaime C. De Veyra, Leyte; Juan Villamor, Ilocos Sur.

Absent—Francisco Alvarez, Ambos Camarines.

Number present, 79; number absent, 1.

THE SECRETARY OF WAR: "The call of the roll discloses the presence of 79 of the persons who appear by the returns to have been elected to this Assembly out of a total of 80, and so shows the presence of a full majority.

"By authority of the President of the United States, I therefore declare the Philippine Assembly open for the transaction of business. (The hour was 12 o'clock meridian.)

"With the permission of the members of the Assembly and by arrangement of the governor-general and the Commission, I invite Bishop Barlin to pronounce the invocation."

Bishop Barlin thereupon pronounced the invocation in the Spanish language, as follows:

"To Thee, O Most High Creator, omnipotent, sole king great and most terrible, who reignest with eternal majesty over the universe and over everything therein existing, as the one Lord God, who created it with Thy power, put it in order with Thy wisdom, sustains it with Thy goodness and governs it with Thy Providence; to Thee, word of God on highest, in whom the light of intelligence exists from eternity, and with which Thou enlightenest every man who comes into this world; to Thee, fount of wisdom, whose currents are eternal commandments, from right and from justice, for man and for States, for families and for societies, for peoples and for nations, for tribes and for empires; to Thee, O Father of light, from whom cometh every perfect gift, counsel and equity, prudence and fortitude; to Thee, in whose hands are the riches and the glory, the opulence and the justice of nations; to Thee, by whom rulers govern with wisdom, and law-givers decree just laws, and the princes and the heads of peoples command good things and the judges administer justice; we invoke Thee to-day, in the great day of our history, in the day when the Filipino people, a people who confess and adore Thee, come together for the first time to deliberate over their future destinies. Shower on their noble representatives the abundance of Thy gifts, light on their intelligence, firmness on their will, rectitude, nobility, and decision on their acts, prudence and skill on all their decisions; so that they may decree what will be good and useful for the people, that which will contribute to their greatest happiness and greatness, which will make them walk always in the path of true human progress, to the glorious summits of sound liberty and independence, where dwells the noble and great nation to which Thou hast entrusted the continuance and consummation of the work of their moral and political aggrandizement. Bless also, O Omnipotent God, the nation under whose protecting aegis Thou hast placed the direction and safeguarding of our social life, our peace, and our liberty. For its sentiments and practice of justice Thou hast made it great and strong, Thou hast exalted it with majesty and power over many peoples; cause it, O God, in carrying out the mission that Thou hast confided to it, to make the Filipino people great and happy among the other great peoples of the earth.—Amen."

THE SECRETARY OF WAR: "The assembly having been opened for business what is its pleasure? In the absence of proper organization and for the purpose of facilitating action, any motion now presented will be submitted by me to the assembly."

Sergio Osmeña, delegate-elect from Cebu, was recognized and moved "that the meeting do now adjourn to meet again at 5 o'clock this afternoon at the marble hall of the ayuntamiento." The motion was seconded by Eugenio Picazo, delegate-elect from Capiz.

The yeas and nays being taken, the yeas prevailed.

It being 12 o'clock and 15 minutes p. m., the Secretary of War, presiding, thereupon declared the assembly adjourned "to meet again this afternoon at 5 o'clock at the marble hall of the ayuntamiento," and directed the secretary to have prepared and furnished to the Assembly at the meeting of this afternoon a certified copy of the minutes of the morning's proceedings.

WM. H. DONOVAN,
Secretary, Philippine Commission, Reporter.

I hereby certify that the foregoing is a true record of the proceedings had at the opening of the Philippine Assembly, held this the 16th day of October, A. D. 1907.

A. W. FERGUSON,
Executive Secretary.

EXHIBIT M.

JOINT CONVENTION OF THE PHILIPPINE LEGISLATURE.

JOURNAL OF THE PHILIPPINE LEGISLATURE.

IN JOINT CONVENTION.

ASSEMBLY HALL, MANILA, P. I.,
Thursday, October 17, 1907.

At 3 o'clock p. m. the Commission and the assembly met in joint convention.

Governor-General James F. Smith, ex-officio president of this Commission, assumed the chair on the invitation of the president of the assembly.

The secretary of the Commission was directed to call the roll of the Commission.

The roll was called and the following members answered to their names: Commissioners Worcester, Tavera, Legarda, Luzuriaga, Forbes, Shuster, the President.

The presiding officer then requested the recorder of the Assembly to call the roll of the Assembly.

The roll of the assembly was called, with the following result:

Present.—Macario Adriatico, Felipe Agoncillo, Quiremon Alkuno, Tomás Almonte, José Altavas, Francisco Alvarez, Juan Alvear, Tomás Arejola, Marcelino Aguas, Andres Asprer, Amando Avanceña, Alberto Barretto, Eutiquio Bolles, Candelario Borja, Casiano Causing, Gregorio Catigbac, Pedro Chaves, Nicasio P. Claravall, José A. Clarin, Melecio Cojuangco, Carlos Corrales, Manuel Corrales, Eugenio Daza, Salvador Demeterio, Regino Dorillo, Vicente Singson Encarnación, Lorenzo Fenoy, Isauro Gabaldon, Emiliano Gala, Troadio Galicano, Dominador Gomez, Matias Gonzales, Fernando M. Guerrero, Leon M. Guerrero, Pablo Guzman, Adriano Hernandez, Carlos A. Imperial, Nicolas Jalandoni, Irineo Javier, Antonio Jayme, Pedro V. Jimenez, Salvador Laguda, Gabriel Lasam, José M. Lerma, Vicente Locsin, Cayetano Lukban, Dionisio Mapa, Monico Mercado, Maximino Mina, Simeon Mobo, Agustin Montilla, Crispin Oben, Eusebio Orense, Sergio Osmeña, Nicanor Padilla, Rafael Palma, Pedro A. Paterno, Santiago Patero, Florentino Peñaranda, Eugenio Picazo, Aurelio Plineda, Baldomero Pobre, Manuel Quezon, Bartolome Revilla, Manuel Rey, Deogracias Reyes, Angel Roco, Celestino Rodriguez, Honorio Rosales, Leopoldo Rovira, Alejandro Ruiz, Francisco Sandueta, Luciano Slinko, Francisco Soriano, Filemon Sotto, Aguedo Velarde, Vicente de Vera, Jaime C. de Veyra, Juan Villamor.

A quorum of both houses being present, the presiding officer arose and addressed the legislature as follows:

"The Philippine Legislature having met in joint session, the executive presents his first message and submits it for the consideration of both houses. To save time, and as all the members of both houses understand Spanish, the message will be read in Spanish by Mr. Rupert Fergusson, the official interpreter."

The message of the governor-general, which was thereupon read in Spanish, as directed, is as follows:

"To the Philippine Commission and the Philippine Assembly:

"Nine years ago last May the war flags of the United States fluttered over the waters of Manila Bay and 7,000 men engaged in deadly conflict marked the beginning of a new rule of national conduct, a new conception of national responsibility, and a new epoch in the world's history. Then for the first time since the world began did a nation, flushed with victory and mistress of the fate of conquered millions, turn her face from earth to heaven, and, catching some of that divine charity which inspired the Good Samaritan, set herself to lift a subject people to a higher plane of progress; nay, more, to make them sharers of all the rights, the privileges, and the liberties which she herself enjoyed. For her the story of the Good Samaritan was intended by the meek and lowly Savior as a lesson to nations as well as men, and though the hand extended by her in amity and brotherly love was roughly thrust aside by those she sought to aid, though her promises were doubted and her motives suspected, though her authority was disputed and her friendly advances met open defiance and resistance, she clung to her policy of disinterested benevolence with a tenacity born of conviction. She knew her neighbor, and while the smoke of battle still hung over the hills and valleys of the Philippines and every town and barrio in the islands was smoking hot with rebellion, she replaced the military with a civil régime and on the smoldering embers of insurrection planted civil government.

"The soldiers of the regular establishment retired to their stations, their barracks, and their garrisons, and from the body of the people but a little while before in armed resistance to her authority she organized a force of constabulary to protect life and property and to preserve the peace and public order. She has given to every municipality its own government and conferred upon it ample powers to impose municipal taxes, to incur obligations within the limit of its income, to expend as to it may seem proper all municipal revenues except moneys reserved for schools, and to administer its local affairs through officials elected by direct vote of the people. Neighboring municipalities having the same customs and speaking generally the same language have been constituted into provinces, and provincial boards composed of a provincial treasurer, appointed by the governor-general, and a provincial governor and third member elected by popular vote have been created to remedy official abuses and to exercise jurisdiction in all matters affecting the welfare and interests in common of the municipalities within the provincial limits.

"A pure, impartial, and upright judiciary has been created and an antiquated method of judicial procedure, which prolonged litigation and ruined litigants with the law's delay, has been replaced by one which secures to all who diligently seek its aid a fair hearing without favor, and justice without price.

"She has established an honest and efficient civil service and by making the subordinate offices and employments of the government rewards of merit she has secured the service from the baneful consequences of political intrigue and the corrupting influence of a traffic in positions of public trust.

"She has taken a census of the people that she might intelligently legislate in their behalf and provided a sanitary organization which, though bitterly opposed, has suppressed plague, practically eliminated smallpox as an endemic disease, successfully combated cholera, reduced the death rate, and greatly improved health conditions in those localities in which its rules have been respected and enforced.

"While other governments under similar circumstances might have feared knowledge among the masses of the people, she feared ignorance, and ignoring every selfish argument she has established a system of public instruction along practical lines which reaches nearly every nook and corner of the archipelago. Insular, municipal, and barrio schoolhouses have been erected, hundreds of teachers imported, and the opportunity for intellectual improvement and education brought within the reach of rich and poor alike. She has sent to the home land intelligent young men and women, natives of the Philippines, that they might have the advantage of the instruction given to her own sons and daughters, so that, becoming acquainted with her laws, her customs, and the practical workings of popular government, they might return to the land of their birth prepared to cooperate in the patriotic work of developing, uplifting, and regenerating the people of their own race.

"She has constructed 500 miles of highways and roads, hundreds of steel and concrete bridges, and thousands of concrete culverts.

"The weather bureau, which was founded by the Jesuit Fathers under the Spanish Government, has been so extended and amplified that practically at every port of call in the islands typhoon signals are displayed in ample time to warn navigators of impending danger.

"Formerly 25 light-houses and 31 buoys and unlighted beacons helped to guide the mariner over trackless seas. One hundred and seventeen light-houses and 107 buoys and unlighted beacons now point the way with certainty to the longed-for port of destination.

"For five years the labor of charting rocks, reefs, and shoals that menaced navigation has been steadily pursued and the ten-year task of surveying the dangerous waters that wash the shores of the Philippines engages the attention of three vessels fully equipped for the work where none was occupied before.

"She has completed the harbor works of Manila, at a cost of more than ₱8,000,000, and improved the ports of Iloilo and Cebu to the extent of ₱1,600,000 more.

"She has beautified the city of Manila and so improved its sanitary condition that the mortality and health statistics now very favorably compare with many of her own cities. Many of the streets of the city have been widened and all of them reconstructed. Large extensions of urban property have been made available for building purposes by the creation of beautiful boulevards and the building of new avenues of communication.

"A well-disciplined fire department, fully equipped with modern apparatus, has taken the place of the bucket brigade, and the hand engine, so old 'that the memory of man runneth not to the contrary,' is now a thing of the staid and stately past.

"The Bridge of Spain has been widened and two costly new steel bridges have been thrown over the Pasig River at convenient points. Two hundred acres of new-made ground now provide additional space along the harbor front for the needs of commerce and business, and 30 acres along the bay shore have been added to the system of city parks and pleasure grounds. Within a year the city will be blessed with a plentiful supply of pure water, free from all danger of contamination, and the present costly system of removing the filth and foulness of a large city will be replaced by a modern sewerage system imposing but little, if any, burden on the inhabitants.

"She has netted the islands with lines of telegraph and furnished to those parts of the archipelago cut off from ways of communication a system of inter-island transportation and subsidized steamers, which encourages increased production and opens up new markets to the farmer and the industrial.

"Hindered by almost insurmountable obstacles, she has established a postal system which, while defective in many particulars owing to lack of funds, reasonably meets the needs of business without unduly straining the resources of a very modest treasury.

"Fifty per cent of the tonnage tax imposed upon the smaller vessels has been removed and the owners of the thousands of lighter craft which ply the rivers and skirt the shores of the archipelago have been encouraged to extend their activities for the benefit of commerce and trade.

"To stimulate agricultural pursuits and the planting with marketable and useful products of the vast areas which now lie fallow for lack of transportation facilities, she has granted concessions for the construction of 750 miles of railroad and guaranteed interest on the bonds issued for the cost of construction.

"With the exception of first-group woods, lumber, timber, and other forest products may, for the construction of dwellings and buildings for personal use, be cut or extracted from the public forests free from taxes or other government exactions.

"The public domain has been thrown open to the people for settlement, and no one may now complain of lack of opportunity to acquire, without cost, land sufficient to modestly support a family and to build thereon a home with but little expense save that of his personal labor and energy.

"Agrarian difficulties, which for nearly a quarter of a century were a menace to the prosperity of many provinces and the peace of the archipelago, have been finally settled by the purchase of the landed properties of the religious orders and by giving to tenants an opportunity to acquire, on easy conditions, the title to holdings which they and their ancestors had cultivated and developed for generations.

"Finding that the majority of property holders had no title to the lands occupied and claimed by them as their own and that more than 200,000 claimants to lands and landed estates had no higher title than that of bare posses-

sion, she provided an easy and inexpensive method of perfecting inchoate or defective titles, and by means of a system of government insurance of the titles so perfected she has reduced transfers of real property and the obtention of loans thereon to a minimum of time, of cost, and of difficulty.

"She has abolished the inquisitorial system of criminal investigation and secured to every citizen, however humble, and whatever his crime, the right to know the charge against him, the advantage of a speedy trial before the civil tribunals, and the high privilege of being confronted and of examining at every stage of the proceedings the witnesses produced against him.

"Insular prisons are no longer institutions for the promotion of idleness and the encouragement of the liberated convict to continue his career of crime because he knows of no better method of gaining a livelihood. The prison has ceased to be an establishment designed solely for the punishment of the transgressor and has become a school for the uplifting and regeneration of those caught in the meshes of the law. If aught remains in him of good, the prisoner to whom the prison gates are opened starts life again with habits of industry and a useful trade or occupation. The spirit of regeneration is strong within him and he begins a new career confident of himself and sure that he and the world and all its trials are to meet on more equal terms.

"Animated by the same feeling of pity and sympathy which induced her to teach and better rather than punish and worsen those whom misfortune or an evil life had brought within prison walls, she has boldly undertaken the experiment of establishing a penal colony ruled and managed under government supervision by the prisoners themselves. Four hundred prisoners now guard themselves and maintain order and discipline at Iwahig, in the island of Palawan, under the supervision of a single man and his assistant. No weapons other than justice, kindness, and firmness compel obedience to authority. A life of comparative freedom, the busy day, the hope of gain, a sense of responsibility bred by the trust and confidence reposed in them, and the expectation that industry and good conduct will obtain the privilege of having with them their families will, it is hoped, convert the convict into a valuable and useful citizen. It may be that the experiment will prove a failure. But what if it does? It is worthy of a trial by a nation at once the most altruistic and most practical of all the world.

"She has taken the leper from the hospital and from his miserable life of isolation in the fields and has given to him not only a home, but the opportunity to follow most of the avocations and pursuits which make life happy or endurable to his fellow-men.

"She has sent her agents to the fastnesses of the wild tribes of the mountain and, making her officials the arbiters and the judges of the wild men's differences and disputes, she has brought them into touch with the benefits of a civilized life and by encouraging friendly relations and barter among them has prepared them to enjoy better things than constant internecine strife and mutual destruction.

"In the face of virulent opposition she destroyed without hesitation a system of taxation which imposed upon the poor and weak almost the entire charges of government and for it she has substituted a revenue system which so distributes the load that every citizen must carry his fair share of the burdens which every civilized people must bear for the sake of government. Under similar conditions the taxes are now the same for all who reside in the Philippines, and the invidious and annoying distinctions and discriminations formerly prevailing as to taxes and contributions exacted from Spanish and native citizens, from citizens of the half-blood, and from Chinese and European residents, have been entirely removed and abolished.

"For a variable and fluctuating currency which made trade and business a gamble and imposed heavy losses on those little able to pay them she substituted a stable currency and a settled measure of value.

"She has founded a postal savings bank to guard and invest the savings of the poor and to inculcate in the masses of the people habits of thrift and frugality.

"She has encouraged private capital to establish an agricultural bank and has authorized the insular government to guarantee interest on loans made to the farming and agricultural community.

"She has established a bureau of laboratories, the best equipped and furnished in all the East, for the scientific investigation of tropical diseases, whether of men or animals, the manufacture of serums, vaccines, and other

prophylactics, the study of the vegetable and mineral products of the islands, and the best means to make them valuable and marketable.

"She has placed the forests of the Philippines and its valuable timbers under government protection, and by forbidding forest fires and careless and improvident cutting she has secured for all time the majority of the provinces against the scarcity of timber which threatened to curse the entire archipelago.

"Freedom of speech and liberty of the press have been granted to the people of the Philippines, coupled only with the condition imposed upon her own people that neither shall be used to incite a disturbance of the public peace or the breaking of the law, and although both rights have been used by the deceived and unthinking to excite distrust in the minds of the unsuspecting masses and by the designing and malicious to malign and calumniate the sovereign power, both rights are as unimpaired to-day as they were on the day on which they were granted.

"The right of the people to peaceably assemble and petition for redress of their grievances is as well recognized in the Philippines as it is in the United States, and the right of every citizen to worship his God at the altar of his own choosing and to enjoy freedom of religious worship without discrimination, preference, or favor are as much a part of the organic law of the Philippines as they are of the American Constitution.

"These are some of the things which have been accomplished during the nine years of American rule, three of which were devoted to war and the suppression of public disorder and rebellion. This is some of the record of accomplishment of American altruism at which the nations of the world have laughed long and loud and for which, because it was unsanctioned by precedent and unproved by experience, those wise in the policies of the past have predicted failure and disaster. But enough of this. All that the United States has done in the past, all the sacrifices which she has made, all the patience which she has exercised, all the blood and treasure which she has expended will not have been in vain if it shall have taught the people of the Philippines to lay aside unworthy suspicions which make for failure and to give the trust and confidence which will bring success.

"With the organization of the Philippine Assembly a new era has commenced and henceforth the responsibility imposed upon the Philippine Commission, appointed by the President and confirmed by the Senate of the United States, will be divided with the representatives elected to the assembly by the Filipino people.

"It has been said that the Philippine Assembly enjoys no power and that in shaping the future of the islands its influence will be practically negative. To this let it be answered that the rights, privileges, and powers possessed by the Philippine Assembly are exactly the same as those enjoyed by coordinate branches of the legislature wherever liberal government prevails. True, it can pass no laws without the concurrence of the Philippine Commission; on the other hand, it is equally true that no legislative action on the part of the Commission can be effective or have the force of law until it has met the definite approval of the Assembly.

"The fact that the Assembly is elected and that the Commission is not presents nothing novel to the student of history or to the lawmaker who is well acquainted with the composition of such modern governments as recognize the right of the people to determine the legislation which is to govern them.

"The Imperial Diet of Japan is composed of two chambers—the House of Peers, made up of the hereditary princes, marquises, counts, viscounts, and barons of the Empire, and of the House of Representatives, the members of which are elected by the people.

"Germany has its Bundesrath, composed of members appointed by the former independent states, and the Reichstag, the members of which are elected by the people.

"In Italy the legislative power is vested in a Senate, the members of which are princes of the royal house and appointees of the King, and in a Chamber of Deputies, elected by the people.

"The Reichsrath of Austria is composed of hereditary princes and nobles, of certain ecclesiastical officials, and the appointees of the Emperor. Some of the members of the Lower House are elected by direct and others by indirect vote of the people.

"England, which is nothing more nor less than a republic with a hereditary president, vests all legislation in the House of Commons, elected by the people,

and in the House of Lords, composed of hereditary and created peers, the Irish and Scotch peers, and the bishops of the Church of England.

"Let this be as it may, the Government of the United States and the Philippine Commission consider the Philippine Assembly to be one of the important factors in the solution of the delicate problem of aiding and assisting a new people to permanently secure the rights, privileges, and liberties, the enjoyment of which by other peoples has been the development of a thousand years of trial and preparation.

"The Commission has gratefully looked forward to the coming of the Assembly in order that some of the grave responsibilities which have hitherto weighed heavily upon it might be shared with the representatives of the people, who through their intimate contact with the citizen and with the affairs of government will be able to bring about a better appreciation of those public measures and policies which have hitherto been misunderstood and misinterpreted.

"And this brings me to the consideration of those things which are of the highest interest to the people of the islands and to those who represent them in the Philippine Assembly.

"First of all, let me speak of the burning question of taxation, which has done so much to breed distrust and dissatisfaction. Complaints have been loud and deep that interior taxation has been multiplied and that the burdens of government have been increased by the Commission many times over those which were imposed by the previous régime. This would be important if true, but fortunately for the credit of the American Government in the Philippine Islands the facts do not sustain the charge. The following comparative statement of taxes imposed by the Philippine Commission and by the Spanish Government, as taken from the auditor's report for the year 1906 and the Presupuesto General de Gastos e Ingresos de las Islas Filipinas, will show that less interior taxes to the extent of \$746,000 gold were imposed by the Philippine Commission than were imposed by the Spanish Government. All amounts are stated in gold coin. Mexican is reduced to gold at the rate of 2 for 1.

Comparative statement for the years 1897 and 1906 of taxes imposed by the Spanish Government and the Philippine Commission.

Item.	United States Government, 1906.	Spanish Government, 1897.
Insular:		
Internal revenue.....	\$2,592,000	
Postal and telegraph service.....	193,000	\$50,000
Miscellaneous (fees, profits, etc.).....	1,263,000	93,000
Cedulas (Chinese head tax, non-Christian tribute, and miscellaneous direct personal taxes).....		3,478,000
Urbana (a form of land tax).....		70,000
Industrial.....		701,000
Forestry.....		85,000
Opium.....		288,000
Stamps and stamped paper.....		385,000
Lotteries.....		500,000
Provincial (including city of Manila, except municipal taxes):		
Internal revenue.....	342,000	
Cedulas.....	426,000	
Land tax.....	902,000	
Miscellaneous.....	52,000	
Municipal:		
Internal revenue.....	633,000	
Cedula.....	426,000	700,000
Land tax.....	348,000	
Urbana.....		7,000
Miscellaneous (including city of Manila purely municipal taxes).....	1,276,000	270,000
Money value of compulsory labor on public works, computed on the basis of 1 peseta per diem for fifteen days for each of 1,000,000 men subject to the tax.....		1,500,000
Fees and other legal perquisites collected but not covered into the treasury, as ascertained from official and personal records, but which, for obvious reasons, is far from complete.....		1,072,000
Total.....	8,453,000	9,199,000

Excess collected by Spanish over United States Government, \$746,000.

"In this statement the customs collections under the American Government and the Spanish Government have not been included for the reason that exports have increased from \$16,535,000 under the Spanish régime to \$33,721,517 under the American, and imports from \$14,251,000 to \$29,606,140. To show that more interior taxes have been imposed by the Commission than by the Spanish Government it would not only be incorrect but manifestly unfair to compare the duties collected on imports and exports which had doubled with the duties collected when only half the amount of business was done.

"If the foregoing statement be correct—and it is—the government of the Philippine Islands now realizes from interior taxation \$746,000 gold less than was collected under the former sovereignty. True, the banker and the farmer, the merchant and the capitalist pay very much more in taxes now than was exacted from them under the Spanish rule; on the other hand, it should be remembered that a heavy burden of taxation has been taken from the shoulders of the poor and the weak and that all the complaint which has been made as to taxation is nothing more nor less than a complaint that the burden has been transferred from those less able to bear it to those who are stronger and better able to carry the weight. Under the former régime a graded cedula tax was collected on men and women of full age, whereas since the transfer of sovereignty a tax of but ₱1 has been exacted, and that from men only. From cedulas the Spanish Government derived, according to its *Presupuesto General de Gastos é Ingresos de las Islas Filipinas*, ₱8,178,000, while ₱1,700,000 measures the full sum derived annually from the same source under American rule. One million two hundred and fifty thousand men were liable under Spanish laws for the *prestación personal*, a tax of fifteen days' labor on public works. Reducing the number of men to a million and fixing the wage at a peseta a day, the value of this tax in money reached the comfortable sum of not less than ₱3,000,000.

"As the present government collects only ₱1,700,000 in cedulas and does not exact the *prestación personal*, it is easy to see that on these two items alone the body and mass of the people have been relieved of a burden of taxation of ₱9,478,000, all of which loss has been recouped through the imposition of the land tax and internal-revenue taxes with the exception of ₱1,492,000 (\$746,000 gold), which represents clear gain to the people, taken as a whole. The taxes imposed prior to the change in sovereignty and those imposed since are clearly set out in the foregoing statement and may be verified by reference to the official records.

"The Philippine Islands to the number of 3,141 dot the waters of the China Sea and the Pacific Ocean from 5° to 21° north latitude and from 117° to 126° east longitude. Their territory covers an area of 127,853 square miles, and they have a population of 7,635,428, of which number 6,987,686 are civilized and 647,740 are uncivilized. The revenue of the insular government, excluding that of municipalities and provinces, is \$11,601,000 gold, or \$1.52 gold for each inhabitant.

"Cuba is a compact little place, not scattered over a sea of waters, and has an area of about 44,000 square miles. Her population is 1,572,845 and she enjoys a revenue of \$20,112,241 gold, or \$13.33 for every inhabitant residing within her confines.

"Porto Rico has an area of a thousand square miles less than that of the Island of Panay and a population of less than a million. Its revenues for insular purposes amounted, in the fiscal year 1903, to the sum of more than \$3,500,000 gold, or about \$3.70 gold for each inhabitant.

"Bulgaria has an area of about 37,000 square miles and a population of about 3,500,000. Its expenditures amount to about \$7,000,000 gold, or \$2 per inhabitant.

"If Cuba spends \$13.33, Porto Rico \$3.70, and Bulgaria \$2 for the benefit of each inhabitant within its jurisdiction, it would seem that the Philippine government, considering the cost of maintaining order and of educating the people, has not been extravagant when it has spent only \$1.52 per inhabitant.

"Other countries struggling for advancement and practically in the same condition as the Philippines might be selected for comparison. I refrain, however, from making further citations and leave to the Legislature the consideration of whether taxes should be further reduced, in view of all that must yet be done for the education and advancement of the people.

"During the fiscal year 1907 there was a very decided increase in both the import and the export business of the Philippine Islands as compared with that of 1906. For the latter year the value of imports was \$25,799,290 gold, and that of exports reached the sum of \$31,918,542. The importations during the

fiscal year 1907 amounted to the sum of \$29,806,140 gold, and the exports to the sum of \$33,721,517 gold. The value of imports for the year 1907 exceeded that of the year 1906 by the sum of \$3,800,850 gold, and the exports for the fiscal year 1907 exceeded those of 1906 to the amount of \$1,802,975 gold. The balance of trade for the fiscal year 1907 was in favor of the islands to the extent of \$4,055,377 gold. The articles of import which largely increased during the past fiscal year were cotton, iron and steel (machinery), mineral oils, opium, and paper and manufactures thereof, as will appear from the following statement:

Article.	1906.	1907.
Cotton goods.....	\$6,754,369	\$8,416,246
Iron and steel (machinery).....	1,796,653	2,544,992
Mineral oils.....	447,176	816,768
Opium.....	448,464	513,287
Paper, and manufactures thereof.....	410,083	508,704

"There was a decrease in the importations of rice, malt liquors, and jewelry as follows:

Article.	1906.	1907.
Rice.....	\$4,375,500	\$3,662,493
Malt liquors.....	225,482	141,838
Jewelry.....	150,984	40,410

"Though coupled with a loss of revenue the decrease in the importation of rice is highly gratifying and much more satisfactory than the sad condition which in 1903 obliged an importation of rice to the value of \$12,552,382 gold—a drain on the country which meant ruin if continued. Every dollar expended for imported rice has gone to Saigon and not a dollar of it has ever returned to the islands. The great reduction in rice importation demonstrates to an absolute conclusion that the agricultural condition of the country is improving and that the rice which was imported in 1903 is now made up by local production to the extent of nearly \$9,000,000 gold.

"The exports of the Philippine Islands, which have shown an increase during 1907 as compared with 1906, are as follows:

Article.	1906.	1907.
Hemp.....	\$19,446,769	\$21,085,081
Copra.....	4,043,115	4,053,198
Tobacco.....	2,389,890	3,129,194
Magney.....	219,064	298,997

"I regret to say that there was a material decrease in the export of sugar which amounted to \$4,863,865 in 1906 and to only \$3,934,460 in 1907. The decrease in quantity was 5,418 tons. For this decrease the failure of Congress to pass favorable tariff legislation was largely responsible.

"During the year 1894, the last year for which data are available, the exports from the islands amounted to \$16,000,000. During the year 1907 the exports reached \$33,721,517—an increase of more than 110 per cent. Prior to the change of sovereignty the average export during the five years from 1891 to 1895 was \$19,532,000, while the average export for the five years 1902 to 1906 was \$30,439,000. Yet we are constantly confronted with the statement that the country is ruined and that very much more business was done in Spanish times than since the change of sovereignty. Even if the prospects of the future were dark and forbidding, which they are not, it is scarcely wise to announce to the buyers of the world that the producer is hard pressed and that almost any price will be accepted for his product. Men of prudence when in need of money, far from making a display of their rags and tatters, usually don their best "bib and tucker" and outwardly at least bear such an appearance of prosperity as not to prejudice the coveted loan.

"The customs collections for the year 1907 were \$8,194,708.52, as compared with \$7,553,206.06 for the year 1906. Of the customs collections for the year 1907, \$185,494.86 accrued to the Moro Province as against \$159,429.84 for the year 1906. The total expenditures for customs collections during the year 1907 was \$461,111.45, as compared with \$491,081.68 for the year 1906.

"The improper packing of abaca and the use of a coarse-edged knife in breaking it out, coupled with carelessness in caring for it after once "drawn," have seriously affected the reputation of the fiber in foreign markets. This fact, together with its high price, has driven the foreign manufacturer to the expedient of substituting some other fiber, and in time a serious loss will result to the farmer and to the islands unless steps are taken either by the farmer himself or the Legislature to compel proper packing and proper caring for the product.

"The quality of the tobacco has also deteriorated, principally because the paternal rule which formerly obliged the proper cultivation, caring for, curing, and packing of the tobacco can no longer be enforced. Seed is not carefully selected for planting, no effort is made to produce the large fine leaf for wrapping, the tobacco is exposed to the sun until it is as dry as biscuit, and when partly cured it is sold on "palitos" which have torn the leaf and completed the ruin which the sun began. After the tobacco reaches the factory, the tobacco manufacturer is forced to remedy, as far as remedy is possible, the negligence of the farmer, and the cost of the labor so employed is deducted from the price paid for the product. The manufacturer of abaca, forgetting that to ruin the reputation of any article of commerce is to damage the producer, excuses his conduct by the statement that an inferior quality of abaca in greater quantities is worth more money to him than a less quantity of fine quality. This excuse, poor as it is, does not avail the tobacco farmer, whose negligence works a loss to himself, the manufacturer, and all concerned. Low prices now prevail for tobacco and low prices will soon prevail for abaca. It seems to the executive that the Legislature should give most careful study to these questions and, if possible, furnish a remedy by appropriate legislation.

"The executive is sorry to say that to-day, owing to the negligence and indifference of municipal officials, the roads and highways of the islands have fallen into such a disgraceful condition that in the rainy season they are better suited for boats than land transportation, and this would not be so bad if the roads were properly navigable. Exclusive of the Benguet road, the insular government has constructed some 500 miles of road, and expended for the purpose more than ₱3,000,000. And for what? To see the highways go to ruin through the indifference of the very people for whose benefit they were constructed. To enable municipalities to keep their roads in repair the Commission passed a road law, and, recognizing the autonomy of the local governments, made the law effective on its acceptance by the convention of municipal officers. It was not accepted, and the Legislature is now confronted with the proposition of devising some means by which the roads and highways, so necessary for the benefit of agriculture and the advancement of trade, may be put in proper condition and new highways constructed. To build all the roads which are necessary for the development of the Philippine Islands and to put the existing highways into proper condition would cost somewhere in the neighborhood of \$65,000,000 gold. The Philippine government probably has less income in proportion to population than any other government on earth, and unless the people are willing to make some sacrifices for their own welfare and prosperity, the development of the resources of the islands will be long delayed indeed. In one province during the last year the cost of transporting a picul of abaca a distance of 5 miles was ₱3, and this contribution to bad roads was paid willingly and without a murmur: the imposition however of a tax of the same amount for the purpose of securing good roads and a reduction of the cost of transportation by 75 per cent would have been considered by those most concerned as an intolerable act of tyranny and oppression.

"As a counterbalance to this lack of public spirit, to this indifference to their own industrial and commercial welfare, it may be said with justice that the whole body of the Filipino people have made the greatest sacrifices for the cause of education and public instruction.

"From insular funds and the contributions of the people 24 high school, 20 trade school, and 2 intermediate school buildings, all of strong materials, have been constructed. The insular schools are housed in 13 buildings, and intermediate and secondary schools in 49 buildings. Three hundred and forty buildings of strong materials, 2,495 of mixed materials, and 493 of light materials

furnish accommodations to the municipal schools. Nearly all of these buildings have been constructed since American occupation. There are now contemplated or in course of construction 25 primary schools, 3 intermediate schools, 5 schools of arts and trades, 7 provincial high schools, and 3 schools for fishery, pottery, and agriculture. The total enrollment of pupils in the schools is 479,978, and the average attendance is 269,006. The increase in primary, intermediate, agricultural, arts and trades, domestic science, and provincial high schools for 1907 as compared with 1906 is as follows:

Kind of school.	1906.	1907.
Primary schools.....	3,109	3,435
Intermediate.....	92	162
Schools of domestic science.....	8	17
Arts and trades.....	17	32
Agricultural schools.....	2	5
Provincial high schools.....	36	36

"For the instruction of the 479,000 children only 840 American teachers and 5,200 Filipino teachers are available. The number of teachers employed is wholly inadequate to do full justice to the pupils seeking instruction. Moreover, the schools are overcrowded and additional accommodations should be furnished. The appropriation for public schools has been largely increased for the current fiscal year, but is still insufficient to meet the constant demands for more teachers and more school buildings. The appropriations for education should be increased. But how? 'There's the rub.' Eight hundred thousand children are now barred from the public schools, and the problem of furnishing out of the meager revenues of the government the modicum of instruction which is required to them for the modest needs of a modest life presents some difficulties. In the past large sums of money have been spent for the maintenance of peace in Cavite, Batangas, Samar, and Leyte, and, if the present satisfactory condition of public tranquillity continues, it is possible that the moneys which have been expended in suppressing disorder may be utilized for educational purposes.

"The relations between the Philippines Constabulary and the officials and people of the provinces and municipalities I am glad to say are highly satisfactory. Constabulary officers and men have gained the confidence, trust, and good will of the people, and that alone has aided greatly in keeping crime and lawlessness in check without the necessity of employing extreme or extraordinary measures. In this connection I can not let the opportunity pass of paying a tribute to the governors of the various provinces, who have left no stone unturned to maintain order and to suppress crime within their respective jurisdictions.

"Rinderpest, which has worked such destruction to the farming animals of the country, was reduced at one time during the year to such limits that the entire suppression of this disease seemed in sight. Unfortunately, the importation of cattle from Saigon, China, and other points caused a reinfection, and during the last month cattle diseases, and especially rinderpest, have again assumed dangerous proportions. A quarantine law has been passed and a large appropriation has been made for the establishment of quarantine stations. It is hoped sincerely that the Legislature will lend its aid should further appropriations be required, and that the best influence of the members of the Assembly will be exerted to cultivate a public sentiment in favor of quarantine measures, without which any attempt to preserve the cattle of the Philippines will be utterly useless.

"A largely increased appropriation for the bureau of posts has been made in order to establish a paid rural carrier service. It is expected that this extension of the service will remove many just grounds of complaint which resulted from the fact that, in the interests of economy, the distribution and transfer of the mails was confided to unpaid or poorly paid municipal officials, who took but little interest in the work. With the appropriations made the service will be bettered but not perfected. Perfection or anything approaching it can not be hoped for until larger sums of money are available for the distribution and prompt delivery of the mails.

"The executive is of the opinion that a more careful administration of municipal affairs is necessary and that steps should be taken to train and instruct

subordinate municipal officials as to the proper method of keeping their records, books, and papers. In many of the municipalities the expenditures of public money have been unwise, not to say wasteful. In 88 municipalities out of 685 the entire revenue was expended for salaries and not a single cent was devoted to public betterments or improvements. Sixty-three municipalities spent on public works less than 1 per cent and 163 less than 10 per cent. Such a condition of affairs is to be deplored, and the Commission was obliged to pass a law within the last few months prohibiting municipalities from spending for salaries more than a fixed percentage of their revenues. Municipalities of the first class are allowed to spend 50 per cent of their revenues on salaries, municipalities of the second class 60 per cent, municipalities of the third class 65 per cent, and municipalities of the fourth class 75 per cent. A statement of the total percentage expended by the various municipalities for public improvements is appended to this message and marked 'Exhibit A' for the information of the Philippine Legislature.

"Provincial governments, as a rule, have been well administered, and the provincial boards are deserving of high commendation for the energy and interest which they have displayed in bettering conditions within their respective jurisdictions.

"Railroad work in Luzon, Cebu, and Panay began about the beginning of the present calendar year. The following table will show the progress of the work:

"Manila Railway Company.

	Kilometers.
Dagupan-San Fernando, Union, Line:	
Earthwork completed for.....	12.5
Track laid for.....	12.5
Partly ballasted for.....	12.5
Work begun on station buildings.	
San Fabian-Camp One Line:	
Grading completed for.....	15
Track completed for.....	13
Partly ballasted for.....	10
Dau-San Pedro-Magalang Line:	
Grading completed for.....	9
Track completed for.....	7
Partly ballasted for.....	5
Paniqui-Tayug Line:	
Grading begun.	
San Fernando-Florida Blanca Line:	
Grading completed.....	24.52
Track laid for.....	10
Partly ballasted for.....	10
Work begun on station buildings.	
Mariquina-Montalban Line:	
All work completed and line in operation April 17, 1907.....	12.87
Belt Line, Manila:	
Grading completed for.....	9
Track laid for.....	3
Partly ballasted for.....	3
Manila-Batangas Line:	
Grading completed for.....	50
Track laid for.....	5
Antipolo Line, beyond Taytay:	
Grading completed for.....	4
Track completed for.....	3
Cavite Short Line:	
Grading completed for.....	25
Rails laid for.....	9
Partly ballasted for.....	9

"Tarlac Tramway Company.

Paniqui-Camiling Tramway:	
Grading and track laying completed.....	20
Line not in operation on account of being washed out by Tarlac River.	

"Philippine Railway Company."

	Kilometers.
On Cebu:	
Grading completed from Danao to near Carcar.....	65
Track laid from Danao to about 13 kilometers south of Cebu.....	44.6
Grading is partly completed from Carcar to Argao, a distance of....	32
Storehouse and oil house at Cebu are partly completed.	
Work begun on Cebu station building.	
Work is progressing on part of station buildings north of Cebu.	
On Panay:	
Grading completed for.....	35
Rails laid for.....	11
Partly ballasted for.....	6.5
No work done except on temporary buildings.	
On Negros:	
Nothing done.	

"With the exception of the dam it is expected that the construction of the Manila waterworks will be completed about the 1st of July of the coming year. In all probability the completion of the dam will be delayed until the next dry season, but it is hoped that construction work thereon will have so far progressed that water can be supplied from the new system by July 1, 1908.

"The sewer system will not be fully completed until December 1, 1908, at which time the pumping stations will be ready for operation.

"It is pleasing to note that during the fiscal year 1907 there was a marked increase in the application for homesteads, free patents, and sales and leases of public lands. This indicates that the people have been finally aroused to the necessity of acquiring a title to their holdings and of securing from the public domain homes of which they will be the lords and masters. There have been 10,607 applications for free patents, of which number 870 have been surveyed. Seven thousand one hundred are pending survey and 2,637 are under consideration. Three thousand nine hundred and sixty-seven applications have been filed for homesteads and 968 allowed. Two thousand nine hundred and ninety-nine are held for further consideration. One hundred and eighty-seven applications have been made for the purchase of public lands, of which number 19 sales have been accomplished and the balance are pending consideration or otherwise disposed of. Forty-two applications for lease have been filed, 22 of which are now under survey, 1 is accomplished, and the rest are awaiting consideration.

"The total area of the friar lands is 158,677 hectares, 65.8 per cent of which has been surveyed.

"The total rentals contracted for the friar-lands estates is the sum of ₱247,555.12. As yet no sales have been made to tenants, principally because the work of subdividing the estates and making proper surveys thereof has not yet been completed.

On the 1st day of July, 1907, there was in the insular treasury available for appropriation	₱6,708,486.19
From which sum, however, should be deducted liabilities existing June 30, 1907, and not provided for by appropriation, as follows, to wit:	
Sinking fund, public works bonds, act 1729....	₱404,204.13
Reimbursement to friar-lands bonds funds, act 1749.....	696,184.31
	<hr/> 1,100,388.44

Net balance available for appropriation July 1, 1907.... 5,608,097.75

During the current fiscal year the following is a conservative estimate of the revenues and receipts which may be expected to accrue to the insular treasury:

Customs revenue.....	₱15,000,000.00
Internal revenue.....	5,500,000.00
Miscellaneous	800,000.00
Reversion from lapsed appropriations.....	600,000.00

Total estimated revenue and reversion..... 21,900,000.00

The total available for appropriation from the insular treasury for the fiscal year 1908 on the basis of the net balance actually in the treasury and the estimated receipts was on the 1st of July, 1907, the sum of..... 27,508,097.75

From this sum the following appropriations have been made:

Interest, public-works, bonds, act 1729-----	₱282,500.00
Sinking fund, public-works bonds, act 1729-----	142,848.44
Sinking fund, friar-lands bonds, act 1749-----	140,000.00
Interest, friar-lands bonds (estimated amount payable from general fund), act 1749-----	350,000.00
Annuities to the Sultan of Jolo et al-----	15,200.00
Subsidies to steamship companies, act 1715-----	230,000.00
Liability on account of railway guaranty, act 1730-----	270,000.00
Liability on account of agricultural bank, act 1730-----	
Insurance fund, act 1728-----	250,000.00
Current expenses, insular government, act 1679-----	17,495,980.00
Aid to subprovinces of Apayao and Kalinga, act 1642-----	1,000.00
Reimbursement to provinces on account of suspension of the land tax, act 1686-----	700,000.00
Public works, insular government, act 1688-----	3,502,655.00
Aid to province of Agusan, act 1693 (estimated)-----	25,000.00
30 per cent current expenses, city of Manila, act 1706-----	1,000,000.00
30 per cent public works, city of Manila-----	85,000.00
30 per cent sinking fund, city of Manila sewer and water- works bonds-----	59,622.00
Refund to city of Manila on account expenses Pasig River walls, act 1750-----	207,000.00
Agricultural loans, friar-lands haciendas, act 1736-----	100,000.00
Fidelity-bond fund, act 1739-----	40,000.00
Reimbursement to provinces on account of court fees, act 1764-----	75,000.00
Bounties to tobacco growers, act 1767-----	13,250.00
Sundry current expenses insular government, act 1785-----	197,700.00
Provincial roads and bridges, act 1783-----	200,000.00
Reserve for contingencies-----	2,125,342.31

Available for appropriation ----- 27,508,097.75

"In conclusion, the executive, on his own behalf and for and on behalf of the Philippine Commission as its president, tenders to the Philippine Assembly, and through them to the people of the Philippines, most heartfelt congratulations on the formal opening and permanent organization of the body which from now henceforth is to share with the Philippine Commission the responsibility for the laws which are to govern the Philippine Islands. From this day participation by the Filipino people in every department of the Philippine government begins. Three Filipinos of eminence, renown, learning, and ability are now justices of the supreme court, headed by the distinguished juriconsult Don Cayetano Arellano. Out of 21 judges of the court of first instance 10 are Filipinos. The court of land registration is represented by 1 Filipino and 1 American. The chief of the bureau of justice is a Filipino, who is assisted by 5 Filipinos and 5 Americans. All the fiscals of the various provinces are Filipinos. In the executive branches of the government the offices of responsibility and trust held by those born of the soil are too numerous to mention. On the Philippine Commission three well-known, able, and distinguished Filipinos, appointed by the President of the United States and confirmed by the Senate, have rendered notable service to the legislative department of the government. To-day 80 assemblymen, elected by popular vote at the general elections held on the 30th day of July of this year, assume their part in the affairs of government, and upon them now devolves a stewardship of which a rigid accounting will be exacted by history, by their own people, and by other peoples struggling to take their part in the onward march of civilization. The service rendered by Filipino officials, whatever their office and wherever employed, has been of the most pronounced benefit and advantage to the land of their birth. That which is to be rendered and will be rendered by the Philippine Assembly can not be measured. On the Philippine Assembly more than on any other branch of the Philippine government depends the future of the Philippine Islands, and on the energy, the earnestness, the devotion to duty, the self-sacrifice, the unselfishness, and, above all things, the entire conservatism and sane judgment of its members depends the realization of the hopes and the ideals of the Filipino people. If this Assembly fails of its purpose, the peoples who have looked to it to demonstrate their capacity to legislate wisely and well will have just reason

to regret that the high privilege of participating in the making of the laws to govern them was ever conceded. If, on the other hand, success attends it, and, all the circumstances considered, the product of its labors compares not unfavorably with that of other legislative bodies, no names will shine brighter on the pages of Philippine history than those of the members of the first Philippine Assembly.

"JAMES F. SMITH,
"Governor-General of the Philippine Islands.

"EXHIBIT A.

"MUNICIPAL PUBLIC WORKS.

"There is shown in the statement which follows the percentage which the expenditures for public works in each municipality bears to the total expenditures of that municipality for all purposes. The municipalities of each class are shown in their relative order of superiority in this respect.

Municipalities of the first class (population 25,000 or over).

Municipality.	Province.	Per cent.	Municipality.	Province.	Per cent.
Dalaguete.....	Cebu.....	27.71	San Pablo.....	La Laguna.....	11.59
Taal.....	Batangas.....	25.01	Imus.....	Cavite.....	11.33
Vigan.....	Ilocos Sur.....	24.42	Magao.....	Iloilo.....	11.15
Batangas.....	Batangas.....	23.61	Barili.....	Cebu.....	10.78
Laong.....	Ilocos Norte.....	23.59	Argao.....	do.....	7.48
Calasiao.....	Pangasinan.....	23.51	Lipa.....	Batangas.....	7.13
Mambajao.....	Misamis.....	22.11	Santa Bárbara.....	Iloilo.....	6.43
Carcar.....	Cebu.....	15.60	Cebu.....	Cebu.....	5.81
Sara.....	Iloilo.....	14.84	San Carlos.....	Pangasinan.....	5.29
Malolos.....	Bulacan.....	14.76	Janluay.....	Iloilo.....	5.26
Iloilo.....	Iloilo.....	14.75	Dumanjug.....	Cebu.....	3.67
Camiling.....	Tarlac.....	14.70	Calibo.....	Capiz.....	3.00
Pototan.....	Iloilo.....	13.33	Sibonga.....	Cebu.....	2.95
Baliuag.....	Bulacan.....	12.05	Bauan.....	Batangas.....	2.69

Municipalities of the second class (population 18,000 or over and less than 25,000).

Municipality.	Province.	Per cent.	Municipality.	Province.	Per cent.
Aparri.....	Cagayan.....	41.11	Baybay.....	Leyte.....	9.57
Tanauan.....	Leyte.....	34.50	Dumaguete.....	Oriental Negros.....	8.57
Candon.....	Ilocos Sur.....	32.46	Buenavista.....	Iloilo.....	8.04
Iriga.....	Ambos Camarines.....	28.76	Mangaldan.....	Pangasinan.....	7.78
Burauen.....	Leyte.....	27.72	Tuburan.....	Cebu.....	7.59
Boac.....	Tayabas.....	26.46	Mangatarem.....	Pangasinan.....	7.34
Malabon.....	Rizal.....	25.65	Opon.....	Cebu.....	7.09
Dagami.....	Leyte.....	24.85	Guagua.....	Pampanga.....	7.08
Silay.....	Occidental Negros.....	24.18	Bacarra.....	Ilocos Norte.....	7.04
Daraga.....	Albay.....	23.96	Bangued.....	Ilocos Sur.....	6.40
Dingras.....	Ilocos Norte.....	23.89	Manaoag.....	Pangasinan.....	6.25
Catarman.....	Samar.....	23.82	Asingan.....	do.....	6.21
San Fernando.....	Pampanga.....	23.57	Pura.....	Tarlac.....	5.94
Hagonoy.....	Bulacan.....	23.40	Calbayog.....	Samar.....	5.77
Ouyapo.....	Nueva Ecija.....	23.13	San Francisco de Malabon.....	Cavite.....	5.58
Arayat.....	Pampanga.....	22.28	Tanauan.....	Batangas.....	4.97
Urdaneta.....	Pangasinan.....	21.50	Capiz.....	do.....	4.95
Dagupan.....	do.....	21.33	Carigara.....	Leyte.....	4.58
Gulnobatan.....	Albay.....	21.07	Tarlac.....	Tarlac.....	4.25
Bago.....	Occidental Negros.....	18.03	Leon.....	Iloilo.....	4.16
Macabebe.....	Pampanga.....	16.66	Ormoc.....	Leyte.....	3.90
San Miguel.....	Bulacan.....	16.57	San Jose.....	Antique.....	3.57
La Carlota.....	Occidental Negros.....	16.08	Bantayan.....	Cebu.....	2.97
Lubao.....	Pampanga.....	15.24	Cagayan.....	Misamis.....	2.89
Tabaco.....	Albay.....	13.37	Guluan.....	Samar.....	2.82
Lingayen.....	Pangasinan.....	13.26	Batac.....	Ilocos Norte.....	2.73
Passi.....	Iloilo.....	13.11	Maasin.....	Leyte.....	2.59
Siquitor.....	Oriental Negros.....	12.40	Barotac Nuevo.....	Iloilo.....	1.76
Narvacan.....	Ilocos Sur.....	12.33	Ilog.....	Occidental Negros.....	1.72
New Washington.....	Capiz.....	10.93	Looc.....	Bohol.....	.89
Nabua.....	Ambos Camarines.....	9.64			
Oabatuan.....	Iloilo.....	9.62			

Municipalities of the third class (population 10,000 or over and less than 8,000). •

Municipality.	Province.	Per cent.	Municipality.	Province.	Per cent.
Palo.	Leyte.	46.52	Balanga.	Bataan.	9.36
Oavite.	Cavite.	45.54	Rosario.	Batangas.	9.36
Surigao.	Surigao.	41.09	Meycauayan.	Bulacan.	9.15
Santa Cruz.	Tayabas.	40.15	Tayabas.	Tayabas.	9.15
Oton.	Iloilo.	34.21	Bugasong.	Antique.	9.13
Cabanatuan.	Nueva Ecija.	33.63	Luna.	La Union.	9.11
Oatbalogan.	Samar.	31.66	Camalig.	Albay.	9.00
Dapa.	Surigao.	31.35	Bacolod.	Occidental Negros.	8.85
Santa Maria.	Ilocos Sur.	31.27	San Fernando.	Cebu.	8.77
Sorsogon.	Sorsogon.	30.60	Leyte.	Leyte.	8.43
Canlian.	Surigao.	30.22	Polo.	Bulacan.	8.33
Tuguegarao.	Cagayan.	29.98	Pontevedra.	Occidental Negros.	8.33
Paniqui.	Tarlac.	27.85	Ligao.	Albay.	8.16
San Luis.	Pampanga.	27.10	Romblon.	Romblon.	8.13
Jagna.	Bohol.	26.66	Jaro.	Leyte.	7.96
Oatmon.	Cebu.	26.12	Nueva Caceres.	Ambos Camarines.	7.92
Balasan.	Iloilo.	25.31	Pitogo.	Tayabas.	7.58
Saraya.	Tayabas.	24.65	Tubigon.	Bohol.	7.54
San Marcelino.	Zambales.	24.20	Toledo.	Cebu.	7.48
Santo Domingo.	Ilocos Sur.	23.84	Liloan.	do.	7.32
Gapan.	Nueva Ecija.	23.35	San Fabian.	Pangasinan.	7.20
Paoy.	Ilocos Norte.	23.28	Binalbagan.	Occidental Negros.	7.12
Noveleta.	Cavite.	22.99	Albay.	Albay.	7.01
Apalit.	Pampanga.	21.23	Dao.	Antique.	7.00
Calape.	Bohol.	20.96	Alcala.	Pangasinan.	6.85
Malasiqui.	Pangasinan.	20.80	Bacon.	Sorsogon.	6.70
Angeles.	Pampanga.	20.79	Daan Bantayan.	Cebu.	6.63
Langaran.	Misamis.	20.60	Indan.	Cavite.	6.39
Binalonan.	Pangasinan.	20.35	Binmaley.	Pangasinan.	6.27
Bauang.	La Union.	19.87	Allaga.	Nueva Ecija.	6.23
Bayambang.	Pangasinan.	19.54	Palompon.	Leyte.	6.21
Lacy.	Oriental Negros.	19.32	Panay.	Capiz.	6.17
Balaocan.	La Union.	19.23	Loay.	Bohol.	6.02
San Fernando.	do.	18.45	Tagulig.	Rizal.	5.71
Valladolid.	Occidental Negros.	18.10	Misamis.	Misamis.	5.53
Rosales.	Pangasinan.	17.51	Moalbual.	Cebu.	5.46
Oroquieta.	Misamis.	17.27	Badoc.	Ilocos Norte.	5.39
Agoo.	La Union.	17.24	Hilongos.	Leyte.	5.33
Bulan.	Sorsogon.	17.20	Gulumbal.	Iloilo.	5.32
Itagan.	Isabela.	17.15	Naga.	Cebu.	5.21
Larena.	Oriental Negros.	16.90	Alonguiñsan.	do.	5.07
Mandaue.	Cebu.	15.93	Dao.	Capiz.	4.85
Basey.	Samar.	15.63	Quingua.	Bulacan.	4.76
Peñaranda.	Nueva Ecija.	15.56	Talisayan.	Misamis.	4.73
Talisay.	Cebu.	15.32	Bangui.	Ilocos Norte.	4.59
Atimonan.	Tayabas.	15.07	Pozorrubio.	Pangasinan.	4.40
Saravia.	Occidental Negros.	15.02	Maribojoc.	Bohol.	4.37
San Narciso.	Zambales.	14.85	Mexico.	Pampanga.	4.27
Malinao.	Albay.	14.40	Pontevedra.	Capiz.	4.16
Bogo.	Cebu.	14.30	Maragondon.	Cavite.	4.14
Tandag.	Surigao.	13.93	Pandan.	Antique.	4.07
Asturias.	Cebu.	13.56	Zumarraga.	Samar.	3.73
San Isidro.	Nueva Ecija.	13.44	Cadiz.	Occidental Negros.	3.63
Concepcion.	Tarlac.	13.20	Badlan.	Cebu.	3.38
Ibajay.	Capiz.	13.00	Alangalang.	Leyte.	3.33
Navotas.	Rizal.	12.90	Nalc.	Cavite.	3.23
San Carlos.	Occidental Negros.	12.88	Siaton.	Oriental Negros.	3.25
Gubat.	Sorsogon.	12.84	Candaba.	Pampanga.	3.17
Talisay.	Occidental Negros.	12.73	Minglanilla.	Cebu.	3.17
Bais.	Oriental Negros.	12.73	Oas.	Albay.	3.10
Culasi.	Antique.	12.69	Danao.	Cebu.	3.08
Saisa.	Pangasinan.	12.62	Orani.	Bataan.	2.99
San Juan.	La Union.	12.40	Santa Maria.	Bulacan.	2.94
Lucban.	Tayabas.	11.98	Libmanan.	Ambos Camarines.	2.85
Loboc.	Bohol.	11.91	Balingasag.	Misamis.	2.54
Villasis.	Pangasinan.	11.75	San Isidro.	Leyte.	2.38
Santa Cruz.	La Laguna.	11.58	Ayuquitan.	Oriental Negros.	2.35
Oras.	Samar.	11.31	Bifan.	La Laguna.	2.35
Bacolor.	Pampanga.	11.25	Aringay.	La Union.	2.29
Calumpit.	Bulacan.	10.97	Banate.	Iloilo.	2.23
Daet.	Ambos Camarines.	10.86	Jimamaylan.	Occidental Negros.	1.99
Isabela.	Occidental Negros.	10.69	Victoria.	Tarlac.	1.77
Naguilian.	La Union.	10.61	Alfonso.	Cavite.	1.75
Gigaquit.	Surigao.	10.52	Echague.	Isabela.	1.70
Borongon.	Samar.	10.51	Manapla.	Occidental Negros.	1.53
Sbalom.	Antique.	10.02	Balamban.	Cebu.	1.54
Pasig.	Rizal.	9.97	Dimiao.	Bohol.	1.52
Medellin.	Cebu.	9.67	Indan.	Ambos Camarines.	1.51
Bulacan.	Bulacan.	9.53	Tayug.	Cebu.	1.49
Moncada.	Tarlac.	9.39	Angat.	Pangasinan.	1.46
Inabanga.	Bohol.	9.38	Alaminos.	Bulacan.	1.43
Baikyan.	Batangas.	9.37	Cabagan Nuevo.	Pangasinan.	1.36
Mauban.	Tayabas.	9.37	Escalante.	Isabela.	1.36

Municipalities of the third class (population 10,000 or over and less than 8,000)—Continued.

Municipality.	Province.	Per cent.	Municipality.	Province.	Per cent.
Tanjay.....	Occidental Negros.	1.35	Barugo.....	Leyte.....	.84
Hinunanga.....	Oriental Negros.	1.31	Tigbauan.....	Iloilo.....	.27
Binangonan.....	Leyte.....	1.18	Taft.....	Samar.....	.16
Tagbilaran.....	Rizal.....	1.07	Tayasan.....	Oriental Negros.	.15
Wright.....	Bohol.....	1.03	Odiongan.....	Romblon.....	.08
Dulag.....	Samar.....	.87	Jinigaran.....	Occidental Negros.	.02
Ginatlian.....	Leyte.....	.81	Bocause.....	Bulacan.....	None.
Oslob.....	Cebu.....	.73	Gandara.....	Samar.....	None.
Patnongan.....	do.....	.72	Infanta.....	Tayabas.....	None.
Malabuyoc.....	Antique.....	.69	Lauaan.....	Antique.....	None.
Dauin.....	Cebu.....	.66	Malitbog.....	Leyte.....	None.
Guiluguan.....	Oriental Negros.	.63	Nagecarlan.....	La Laguna.....	None.
Pinamungajan.....	do.....	.49	San Juan.....	Batangas.....	None.
San Antonio.....	Nueva Ecija.....	.47	San Nicolas.....	Pangasinan.....	None.
Bacacay.....	Albay.....	.36			

Municipalities of the fourth class (population less than 10,000).

Municipality.	Province.	Per cent.	Municipality.	Province.	Per cent.
San Remigio.....	Cebu.....	37.43	Paombong.....	Bulacan.....	11.12
Tusao.....	Cagayan.....	36.91	Santo Tomas.....	La Union.....	11.11
Barcelona.....	Sorsogon.....	36.63	Pedra Blanca.....	Cagayan.....	10.97
Gasan.....	Tayabas.....	34.50	Hindang.....	Leyte.....	10.87
Hinatuan.....	Surigao.....	33.57	Nasugbu.....	Batangas.....	10.85
Orion.....	Bataan.....	32.97	Santo Niño.....	Samar.....	10.79
Magsingal.....	Ilocos Sur.....	30.88	Lal-lo.....	Cagayan.....	10.73
Valencia.....	Bohol.....	29.49	Antequera.....	Bohol.....	10.71
Butuan.....	Surigao.....	28.79	San Vicente.....	Ambos Camarines.	10.63
Caloccan.....	Rizal.....	28.00	Dumalag.....	Capiz.....	10.42
Cabaddaran.....	Surigao.....	25.52	Lapog.....	Ilocos Sur.....	10.24
Gumaca.....	Tayabas.....	25.44	Tiaon.....	Tayabas.....	10.19
Sevilla.....	Bohol.....	25.42	Bautista.....	Pangasinan.....	10.09
Sual.....	Pangasinan.....	23.70	Paranaque.....	Rizal.....	10.06
Calamba.....	La Laguna.....	23.69	Carmen.....	Cebu.....	9.90
Solana.....	Cagayan.....	23.69	Paracale.....	Ambos Camarines.	9.86
San Miguel.....	Ilocos Norte.....	23.34	Abulug.....	Cagayan.....	9.73
Mabusao.....	Capiz.....	23.29	Abucay.....	Bataan.....	9.72
Bongabon.....	Nueva Ecija.....	22.45	Baao.....	Ambos Camarines.	9.29
Oasiguran.....	Sorsogon.....	21.50	Piat.....	Cagayan.....	9.15
Magalan.....	Pampanga.....	20.72	Manito.....	Albay.....	9.06
Pila.....	La Laguna.....	20.41	Alegria.....	Cebu.....	9.02
Lavezares.....	Samar.....	19.94	Cabugao.....	Ilocos Sur.....	8.92
Bilar.....	Bohol.....	18.74	Libacao.....	Capiz.....	8.69
Sagnay.....	Ambos Camarines.	18.64	Legaspi.....	Albay.....	8.42
Licab.....	Nueva Ecija.....	18.50	Santa.....	Ilocos Sur.....	8.26
Tibiao.....	Antique.....	18.46	Tinambao.....	Ambos Camarines.	8.11
Mabalacat.....	Pampanga.....	18.26	Sierra Bullones.....	Bohol.....	8.01
Duero.....	Bohol.....	17.98	Caballan.....	Leyte.....	7.94
Irosin.....	Sorsogon.....	17.52	Placer.....	Surigao.....	7.77
Pagbilao.....	Tayabas.....	17.18	Santiago.....	Ilocos Sur.....	7.77
Cabuyao.....	La Laguna.....	16.85	Santa Lucia.....	do.....	7.69
San Pedro Macati.....	Rizal.....	16.81	Antipolo.....	Rizal.....	7.68
Juban.....	Sorsogon.....	16.45	Santa Cruz.....	Zambales.....	7.54
Victorias.....	Occidental Negros.	16.08	San Felipe Neri.....	Rizal.....	7.31
Catubig.....	Samar.....	15.76	Morong.....	do.....	7.34
Gamu.....	Isabela.....	15.62	Dinalupijan.....	Bataan.....	7.25
Lopez.....	Tayabas.....	15.25	Arevalo.....	Iloilo.....	7.07
Jamindan.....	Capiz.....	15.23	Silang.....	Cavite.....	7.00
Guinayangan.....	Tayabas.....	15.08	San Jose.....	Ambos Camarines.	6.87
Taytay.....	Rizal.....	14.70	Lumban.....	La Laguna.....	6.47
Naguilian.....	Isabela.....	14.55	Albuquerque.....	Bohol.....	6.24
Pagsanjan.....	La Laguna.....	14.53	Mariquina.....	Rizal.....	6.17
San Juan.....	Nueva Ecija.....	14.28	Millagros.....	Sorsogon.....	6.11
Calauag.....	Tayabas.....	14.20	Nabas.....	Capiz.....	6.00
Passy.....	Rizal.....	14.07	Santa Cruz.....	Ilocos Sur.....	6.00
Calaca.....	Batangas.....	13.73	Iabo.....	Ambos Camarines.	5.97
Ubay.....	Bohol.....	13.73	Ivisan.....	Capiz.....	5.94
Magallanes.....	Sorsogon.....	13.72	Tubao.....	La Union.....	5.82
San Mateo.....	Rizal.....	13.18	Malinao.....	Capiz.....	5.81
Lucena.....	Tayabas.....	13.08	Lobo.....	Batangas.....	5.52
Tigaon.....	Ambos Camarines.	12.85	Tagudin.....	Ilocos Sur.....	5.51
Sinalit.....	Ilocos Sur.....	12.63	Tagoloan.....	Misamis.....	5.45
Tiw.....	Albay.....	11.80	Virac.....	Albay.....	5.40
Buh.....	Ambos Camarines.	11.63	Babatungon.....	Leyte.....	5.38
Borbon.....	Cebu.....	11.62	Alabat.....	Tayabas.....	5.31
Jetafe.....	Bohol.....	11.33	Millar.....	Ambos Camarines.	5.23
San Jose.....	Batangas.....	11.29	Pamplona.....	Cagayan.....	5.08
Coralla.....	Bohol.....	11.25	Claveria.....	do.....	4.88
Porac.....	Pampanga.....	11.18	Bojo-on.....	Cebu.....	4.87

Municipalities of the fourth class (population less than 10,000)—Continued.

Municipality.	Province.	Per cent.	Municipality.	Province.	Per cent.
Bato.	Albay.	4.39	Mauanan.	Cagayan.	.83
Calabanga.	Ambos Camarines.	4.19	Santa Rita.	Pampanga.	.82
Masbate.	Sorsogon.	4.09	Capul.	Samar.	.73
San Isidro.	Pangasinan.	4.06	Tanay.	Rizal.	.73
Minalabac.	Ambos Camarines.	4.01	Ibaan.	Batangas.	.67
Castilla.	Sorsogon.	3.83	Sanchez Mira.	Cagayan.	.67
Candijay.	Bohol.	3.82	Villareal.	Samar.	.63
Pasuguin.	Ilocos Norte.	3.80	Sogod.	Leyte.	.62
Masinloc.	Zambales.	3.78	Sigma.	Capiz.	.61
Tolon.	Oriental Negros.	3.74	Ouenca.	Batangas.	.59
Cortes.	Bohol.	3.72	Mulanay.	Tayabas.	.57
Luisiana.	La Laguna.	3.70	Floridablanca.	Pampanga.	.56
Aicala.	Cagayan.	3.68	Piddig.	Ilocos Norte.	.55
San Remigio.	Antique.	3.56	Paete.	La Laguna.	.48
Libon.	Albay.	3.55	Bani.	Pangasinan.	.45
Oquendo.	Samar.	3.50	Palangui.	Albay.	.43
Panitan.	Capiz.	3.48	Cajidiocan.	Romblon.	.41
Bangar.	La Union.	3.46	Oalbiga.	Samar.	.41
Olongapo.	Zambales.	3.37	Santo Niño.	Cagayan.	.39
Garcia Hernandez.	Bohol.	3.29	Camalanagan.	do.	.38
Mobo.	Sorsogon.	3.23	Llana.	Surigao.	.37
Basco.	Cagayan.	3.27	Iguig.	Cagayan.	.35
Carmona.	Cavite.	3.21	Panglao.	Bohol.	.34
Dimasalang.	Sorsogon.	3.09	Rapu-Rapu.	Albay.	.32
Samboan.	Cebu.	3.07	Pillila.	Rizal.	.31
Cauayan.	Isabela.	3.00	Liloan.	Leyte.	.30
Baclayon.	Bohol.	2.91	Sipocot.	Ambos Camarines.	.25
Mallipot.	Albay.	2.90	Bulusan.	Sorsogon.	.22
Dinagat.	Surigao.	2.88	Badajoz.	Romblon.	.18
Saplan.	Capiz.	2.82	Talibon.	Bohol.	.18
Enrile.	Cagayan.	2.77	Capas.	Tarlac.	.17
Dolores.	Ilocos Sur.	2.75	Mabini.	Bohol.	.15
Siruna.	Ambos Camarines.	2.72	Sagay.	Occidental Negros.	.14
Tapas.	Capiz.	2.68	Calauan.	La Laguna.	.12
San Fernando.	Sorsogon.	2.43	Allen.	Samar.	.12
Umingan.	Pangasinan.	2.41	Tagle.	Isabela.	.12
Lupit.	Ambos Camarines.	2.40	Agno.	Pangasinan.	.10
Bacnotan.	La Union.	2.39	Jovellar.	Albay.	.10
Leyte.	Leyte.	2.28	Pilar.	Sorsogon.	.10
Bolinao.	Pangasinan.	2.18	Cauayan.	Occidental Negros.	.06
Taft.	Capiz.	2.13	Dumarao.	Capiz.	.05
Iba.	Zambales.	2.06	Lilo.	La Laguna.	.04
Magarao.	Ambos Camarines.	2.06	Almeria.	Leyte.	.03
Tolosa.	Leyte.	2.02	Jimenez.	Misamis.	.01
Corregidor.	Cavite.	2.01	Almagro.	Samar.	None.
San Ricardo.	Leyte.	1.94	Amulung.	Cagayan.	None.
Balangiga.	Samar.	1.88	Anda.	Pangasinan.	None.
Matnog.	Sorsogon.	1.81	Bagamanoc.	Albay.	None.
Pollilo.	Tayabas.	1.79	Baggao.	Cagayan.	None.
San Jacinto.	Sorsogon.	1.59	Bagac.	Bataan.	None.
Tabogon.	Cebu.	1.59	Baler.	Tayabas.	None.
Buruanga.	Capiz.	1.58	Bamban.	Tarlac.	None.
Laoang.	Samar.	1.56	Bato.	Leyte.	None.
Abuyog.	Leyte.	1.55	Batuan.	Bohol.	None.
Gainza.	Ambos Camarines.	1.53	Botolan.	Zambales.	None.
Matalom.	Leyte.	1.52	Calayan.	Cagayan.	None.
Murela.	Occidental Negros.	1.50	Calolbon.	Albay.	None.
Luzuriaga.	Oriental Negros.	1.45	Capalonga.	Ambos Camarines.	None.
Naval.	Leyte.	1.40	Caramoran.	do.	None.
Bacong.	Oriental Negros.	1.36	Caramoran.	Albay.	None.
Bato.	Ambos Camarines.	1.36	Carmen.	Bohol.	None.
Gattaran.	Cagayan.	1.36	Carranglan.	Nueva Ecija.	None.
Santo Tomas.	Batangas.	1.33	Catanauan.	Tayabas.	None.
Caybiran.	Leyte.	1.32	Donsol.	Sorsogon.	None.
Anda.	Bohol.	1.29	Goa.	Ambos Camarines.	None.
Magdalena.	La Laguna.	1.28	Infanta.	Pangasinan.	None.
Mavitac.	do.	1.22	Inopacan.	Leyte.	None.
Catalingan.	Sorsogon.	1.20	Kasiguran.	Tayabas.	None.
Baras.	Albay.	1.19	Lagonoy.	Ambos Camarines.	None.
Guindulman.	Bohol.	1.18	Libog.	Albay.	None.
Balibisan.	do.	1.11	Looc.	Romblon.	None.
La Paz.	Ilocos Sur.	1.08	Los Baños.	La Laguna.	None.
Mambulao.	Ambos Camarines.	1.05	Majayjay.	do.	None.
Talacogon.	Surigao.	1.05	Mandaon.	Sorsogon.	None.
San Quintin.	Pangasinan.	1.00	Mariveles.	Bataan.	None.
Pilar.	Capiz.	.97	Merida.	Leyte.	None.
Llorente.	Samar.	.96	Moron.	Bataan.	None.
San Fernando.	Romblon.	.96	Palapag.	Samar.	None.
Bula.	Ambos Camarines.	.94	Pampuna.	Ambos Camarines.	None.
Suble.	Zambales.	.94	Pambujan.	Samar.	None.
Dauls.	Bohol.	.94	Pandan.	Albay.	None.
Aroroy.	Sorsogon.	.93	Pantabangan.	Nueva Ecija.	None.
Pangil.	La Laguna.	.91	Pasacao.	Ambos Camarines.	None.
Bucay.	Ilocos Sur.	.90	Payo.	Albay.	None.

Municipalities of the fourth class (population less than 10,000)—Continued.

Municipality.	Province.	Per cent.	Municipality.	Province.	Per cent.
Pilar.....	Cebu.....	None.	Santa Magdalena	Sorsogon.....	None.
Pilar.....	Ilocos Sur.....	None.	Santa Maria.....	Isabela.....	None.
Pili.....	Ambos Camarines.....	None.	Santa Rosa.....	La Laguna.....	None.
Placer.....	Sorsogon.....	None.	Sinloan.....	do.....	None.
Prieto-Diaz.....	do.....	None.	Talavera.....	Nueva Ecija.....	None.
Pulunduta.....	do.....	None.	Torrijos.....	Tayabas.....	None.
Ragay.....	Ambos Camarines.....	None.	Tudela.....	Cebu.....	None.
Sampaloc.....	Tayabas.....	None.	Tumauini.....	Isabela.....	None.
San Fernando.....	Ambos Camarines.....	None.	Uson.....	Sorsogon.....	None.
San Francisco.....	Cebu.....	None.	Valderrama.....	Antique.....	None.
San Jose.....	Nueva Ecija.....	None.	Viga.....	Albay.....	None.
San Pascual.....	Sorsogon.....	None.	Ynita.....	Misamis.....	None.

Townships, special provincial government act provinces.

Municipality.	Province.	Per cent.	Municipality.	Province.	Per cent.
Trinidad.....	Benguet.....	52.93	Angaqui.....	Lepanto-Bontoc.....	0.62
Bagulo.....	do.....	50.64	Bambang.....	Nueva Vizcaya.....	.48
Coron.....	Palawan.....	42.99	Bayombong.....	do.....	.18
Tublay.....	Benguet.....	39.53	Solano.....	do.....	.17
Naujan.....	Mindoro.....	32.94	Adaoy.....	Benguet.....	None.
Iligan.....	Moro.....	32.54	Ampusungan.....	Lepanto-Bontoc.....	None.
Parang.....	do.....	30.05	Bacun.....	do.....	None.
Dsdls.....	Benguet.....	27.23	Bokod.....	Benguet.....	None.
Itogon.....	do.....	27.02	Bontoc.....	Lepanto-Bontoc.....	None.
Cotabato.....	Moro.....	23.84	Bugulas.....	Benguet.....	None.
Cayan.....	Lepanto-Bontoc.....	19.67	Cabayan.....	do.....	None.
Mamburao.....	Mindoro.....	18.78	Cagayanillo.....	Palawan.....	None.
Matl.....	Moro.....	17.35	Caluya.....	Mindoro.....	None.
Jolo.....	do.....	17.25	Capangan.....	Benguet.....	None.
Malabang.....	do.....	16.74	Caraga.....	Moro.....	None.
Calapan.....	Mindoro.....	16.61	Cateel.....	do.....	None.
Atok.....	Benguet.....	13.62	Concepcion.....	Lepanto-Bontoc.....	None.
Cuyo.....	Palawan.....	13.54	Daklan.....	Benguet.....	None.
Bagnen.....	Lepanto-Bontoc.....	11.81	Danglas.....	Ilocos Sur.....	None.
Dayao.....	Moro.....	11.68	Dupax.....	Nueva Vizcaya.....	None.
Siasi.....	do.....	11.27	Kayapa.....	Benguet.....	None.
Balakbak.....	Benguet.....	9.39	Kibungan.....	do.....	None.
Bulalacao.....	Mindoro.....	9.22	Lagangilan.....	Ilocos Sur.....	None.
Bauco.....	Lepanto-Bontoc.....	8.05	Lagayan.....	do.....	None.
Peñarrubia.....	Ilocos Sur.....	6.19	Langiden.....	do.....	None.
Puerto Princesa.....	Palawan.....	5.96	Manabo.....	do.....	None.
Cervantes.....	Lepanto-Bontoc.....	5.58	Palina.....	Benguet.....	None.
Banasa.....	do.....	5.33	Qulagan.....	Nueva Vizcaya.....	None.
Maneayan.....	do.....	5.03	Sabangan.....	Lepanto-Bontoc.....	None.
Zamboanga.....	Moro.....	2.83	San Emilio.....	do.....	None.
Sagada.....	Lepanto-Bontoc.....	2.79	San Gabriel.....	do.....	None.
Dapitan.....	Moro.....	2.46	San Quintin.....	Ilocos Sur.....	None.
Besao.....	Lepanto-Bontoc.....	2.41	Santol.....	Lepanto-Bontoc.....	None.
Pinamalayan.....	Mindoro.....	2.36	Sigay.....	do.....	None.
Alliem.....	Lepanto-Bontoc.....	2.34	Sudipen.....	do.....	None.
Sablayan.....	Mindoro.....	1.76	Sugpon.....	do.....	None.
Baganga.....	Moro.....	1.74	Suyo.....	do.....	None.
Lubang.....	Mindoro.....	.78	Taytay.....	Palawan.....	None.
Bagabag.....	Nueva Vizcaya.....	.73	Villaviciosa.....	Ilocos Sur.....	None."

The message of the executive having been read and submitted for the consideration of the legislature, the presiding officer stated that the joint session would be dissolved if there were no objection on the part of any of the members of the legislature, in order that both houses might be permitted to resume, separately, the consideration of public business.

There being no objection, the joint session was thereupon dissolved, the hour being 4 o'clock and 40 minutes post meridian.

JAMES F. SMITH,
President of the Philippine Commission.

SERGIO OSMEÑA,
President of the Philippine Assembly.

Attest:

WM. H. DONOVAN,
Secretary of the Philippine Commission.

JULIAN GERONA,
Recorder of the Philippine Assembly.

EXHIBIT N.

REPORTS OF PROVINCIAL GOVERNORS.

REPORT OF THE GOVERNOR OF THE PROVINCE OF ALBAY.

OFFICE OF THE GOVERNOR,
PROVINCE OF ALBAY,
Albay, P. I., July 1, 1907.

SIR: In compliance with the requirements of act No. 1044, Philippine Commission, I have the honor to submit my report for the fiscal year ended June 30, 1907, as follows:

The twelve months referred to throughout has been one of undisturbed tranquillity, even the usual misdemeanors, as a rule common to the best-administered communities, having been so few in number and importance as to be equal to almost nil.

The credit for this gratifying state of order was not especially due to extraordinary official supervision and vigilance, but to the resumption of their normal status on the part of the Bicolos of the province, which is one of peacefulness and industry.

Indeed, while the campaign for assemblymen is being prosecuted with some show of vigor by candidates, of whom there are many, it is neither sensational nor dramatic. None of them is radical in his views or intemperate in his utterances. All are conservative, well-poised, and farseeing. Public meetings and speech making have not been resorted to, the canvass of each proceeding quietly and without the least sign of furore.

The provincial board has always endeavored to secure to the municipalities local self-government in fact, and with this object in view has carefully avoided anything that might suggest officious interference. It has acted upon the theory that the president and councilors must be held, as their selection by the voters implies they shall be, responsible for the government of their towns. In consequence there is evidence of self-reliance and a real desire to be regarded worthy and efficient as reward for the confidence reposed in them. In proof of this statement is cited the infrequent necessity to suspend officials upon charges of maladministration.

The municipal officials, for the most part, do very well. They are improving all the time, and we who live among them and are charged with the duty of instructing them find them ready, willing, and well-intentioned if not always correct, a failing that is somewhat universal, by the way.

Providence has dealt most kindly with the province in the past year. There have been no epidemics, no bagulos, no pests, no disasters. The sun has been fair, the rains so essential to prosperity plenteous, and the crops abundant, for all of which the people are most grateful. But still there is lacking legislation by the Philippine Commission to relieve them from paying a penalty to Manila for the bare privilege of living here in southern Luzon, far removed from a friendly port of entry—a penalty wrested from the producer and the consumer by sheer and cruel force, wholly un-American and unjust.

A semiweekly newspaper, *El Heraldo Bicol*, was established at Legaspi in the month of April. It promises to be helpful to the government, its tone being high, its sentiments loyal and lofty, and its aim the development of the province in the interest of all who now reside therein and such others as may cast their lot in Albay in good faith.

A battalion of the Twenty-sixth Infantry has relieved a battalion of the Ninth Infantry, theretofore stationed at Camp Daraga. While these troops are not essential to preserve the peace of the province, their presence is popular and the moral effect thereof is not underestimated. When it was proposed, three years ago, to abandon this post, natives led in the protest against so doing.

The post enjoys the deserved distinction of being the most delightful in the archipelago. Certainly, it is the most healthful. It is sea-breeze swept, nestled in the shadow of stately Mayon and provided with excellent sanitary facilities and a pure water supply.

Second district headquarters of the constabulary has been transferred from Lucena to Albay, bringing the district director and his staff, and eventually there will come two companies additional to the one at Lligao and another at Tabaco. Likewise the presence of the officers and the soldiers of the constabulary is popular with the Filipinos resident here. Officially there is accord

and hearty cooperation among the various branches of the Federal and island governments represented, to the profit and benefit of both.

AGRICULTURE.

The province has not entirely recovered from the setback it received by the destructive baguio of September 25, 1905, in which abaca suffered so terribly. The crop of the fiber for this calendar year will not be normal—only near so; it will be at least 20 per cent short, the reason being that many plantations were stripped of their growing plants as effectually as if they had been cut down with knives, and the new plants have not matured. Nevertheless, the total production for the province should not be less than 400,000 piculs—more than Cebu exports, annually.

But it is the low price paid for hemp grown in this province that is causing much discontent among planters and general contraction of the circulating medium. For three years or thereabout the price paid for Albay hemp has average ₱20 a picul. At this price the receipts for this year would be at least ₱8,000,000. Instead, it has fallen as low as ₱13 per picul, although the hemp of northern Samar continues to bring from ₱20 to ₱25 per picul.

There has never been the least fault to find with the quality of Albay hemp—that is, the strength of the fiber. It is the strongest. The color has been objected to; and when bought almost all of it is classified as “Corriente-mala.” Then it is carried to Manila, where it is turned over to the exporters, who immediately proceed to reclassify it, and manage to extract considerable of the higher grades therefrom.

The producers claim that the exporters gamble in hemp, as they style it; that is, they manipulate the market just as wheat is manipulated in the United States. They say that when they furnish very white hemp the exporters call for corriente or corriente-mala, and that when they supply them with the latter then they shout for muy blanco, declaring there is no ready sale for corriente or corriente-mala, all the time bearing the market, whether they demand the one class or the other. In other words, the growers believe that they are tricked and underbought by the exporters at every turn, and it does look that way. They are at their mercy. Their hemp must be sent to a port of entry, and this means it must go to Manila.

A communication to the undersigned as president of the Albay International Chamber of Commerce, recently received from an interested person, contains information and light on this subject. It states that “the recent deplorable drop in the price of the product forming the principal object of industry and source of wealth in this province, viz, hemp, to ₱13 per picul, where it has remained some months and still remains—for, though apparently higher, there is such a number of classifications that the average price turns out to be ₱13—leads me to express the wish that the chamber of commerce, as the only representative yet formed in the interests of business, could put forth means to help the growers to maintain the true price of hemp in the future and prevent the slaughtering of prices. The true price of hemp to-day is undoubtedly something like ₱20; that is what growers ought to get for it here.”

Again, the same writer states something which is worthy of serious consideration, if the policy of the government be to protect and encourage the producer, in these words: “I feel convinced that recent reports as to the state of congestion in the Manila hemp market by extraordinary deliveries from the Visayas, and as to a similar state in world markets from the influx of sisal, displacing hemp, are the most transparent sorts of misrepresentations. The Visayas have been producing—just like Albay—fixed quantities for years; the hemp plantations have not been secretly and by collusion enormously extended, so as to have suddenly yielded their product in such immense quantities as to be able to throw the Albay product on the producers or make them sell it at great loss; neither has the long-made threat of raising sisal in other parts of the world (or any other fiber) to displace hemp been made good—as I believe it never will if we keep on producing half-decent hemp here. It is of great importance to note that some defect or other always appears in whatever fiber that it may be proposed to raise to displace hemp; either it is too short or it is too weak. This is not said to make hemp growers too secure of the hemp market, but only alert; and, furthermore, the world's demand for hemp—greatly in excess of supply, as it is constantly reported—ought to swallow up unnoticed all such increase of yield.”

The producer can not defend himself against these alleged tricks of the exporter; only the government may help and save him; and the government may do no more noble service than to institute an inquiry, and, if it be determined that hemp growers are being victimized as charged, enact legislation to prevent a continuation of the infamy.

Then the export tax refund to the exporters of hemp to the United States is a bill which comes out of the producer's pocket. This is plain to anyone who will think but once. All hemp is purchased on the presumption that it is for export to Europe. Nor can the purchaser be blamed. He can not tell when his agent at Legaspi buys a quantity of hemp, for example, whether it will be shipped to London or New York, and to make sure he assumes that it will go to London. If, instead, it be sent to the United States, he is in and the seller is out.

It would be more equitable and more satisfactory to the hemp grower if a straight export tax of 25 centavos a picul were laid upon and collected from every picul of hemp carried away from the islands, with no refund for any reason whatsoever. The result in that event would be that the producer could calculate upon what he should receive for his hemp, including the export tax deduction, and he would not have to engage in a continuous performance of involuntarily contributing to the enrichment of the exporter whose customers happen to be in the United States.

Hemp cultivation is the only industry worthy the name in the Philippine Islands, and yet the hemp grower is and since American occupation always has been the easy game of the exporter, who has dictated prices to suit his own notion of profit, without respect to the law of demand and supply. It does appear that the time has come for the government to champion the cause of the grower, at least to the extent of learning whether his grievances are real or fancied. But this can not be done by conferring alone with the exporter.

In April, 1906, an effort was made to have the insular government grant authority to this province to pay the freight charges on agricultural machinery to be tested in the Albay rice fields, in and about Libon, but it was denied. The Libon farmers had neither implements nor animals, but they did have pluck, and they banded together and with such crude implements as they could devise they went to work and planted all their fields, laboring cooperatively so to do. The crop was the largest in ten years. Polangui and Oas followed suit, and they reaped palay sufficient to meet their needs for a year, with some to sell. This year a school-teacher, selling disk plows for a Manila house, chanced to drop into the province. Before he himself could realize it he had sold every plow his principal had in stock, and more that had to be ordered.

Everywhere throughout the province to-day the fields are under cultivation, or, where not, are being planted, and the outlook is for an unheard-of rice crop, all of which is significant when there is taken into account the fact that there was brought into the province, sold, and consumed last year 675,000 sacks of rice.

It is an erroneous impression that Albay is only a hemp province. It grows as well as good a quality of rice as any raised elsewhere. While its shipments of copra did not exceed 20,000 piculs last year, it was not because there are not thousands of cocoanut trees. The truth is the cocoanuts are brought to the markets fresh and sold for domestic use, bringing from 4 to 8 centavos per cocoanut. It is altogether likely that in no other province are cocoanuts in as general use for preparing dishes for the table as in Albay, and it is safe to say that nowhere else do cocoanuts retail for as high prices as here.

Attention is respectfully invited to recommendations made in the report for the fiscal year ended June 30, 1906, under the subhead "Agriculture," and the same are hereby repeated in the hope that it is not too late for them to receive some consideration.

COMMERCE.

It is more evident now than it was a year ago, and it was emphatically so then, that this province will not be truly prosperous until it shall be given a port of entry. The proposition has been discussed at length by everybody who could command a hearing, but in all the discussion the point has not been made, and no one has attempted to make it, that the province could not support a port of entry if one were established therein. There has been some disagreement as to whether the port of entry should be at Tabaco or Legaspi. Those persons who view the matter from the bridge of a ship favor Tabaco because it

has the better, and perhaps safer, anchorage in its bay; those who intelligently see it from the counting room, the hemp late, and a customs office, know without doubt that it should be at Legaspi, because the business is there now, and with a port of entry there all hemp for export would be brought from Sorsogon, Camarines, and Samar, Legaspi being central and easy of access for these provinces; and Sulat Pass and Coal Harbor, either an hour's sail from Legaspi, splendid shelter for ships, large and small, afford safety from the most sudden and worst storms and, in time, are near at hand.

In the United States legislation is shaped to jealously foster and promote the interests of producers. The denial of a port of entry to Legaspi is a gross discrimination against the producers of more than one-half of the hemp of the Philippines, in the provinces of Albay, Sorsogon, and Camarines and the island of Samar, and in behalf of the Manila exporters, who are not Filipinos and only a very few of whom are Americans. To an American—one who is familiar with the history and traditions of his country—this policy seems to be foreign.

The recommendations heretofore made with respect to a port of entry for Legaspi are renewed and early favorable action respectfully urged, in the name of the hemp growers.

ECONOMICS.

The conditions described in the report for the fiscal year ended June 30, 1906, continue unrelieved, except that there will be a fair hemp crop harvested for the present current year; but, as heretofore explained, the price is so very low that the receipts therefrom will be small in comparison to what they should, or would, be in a normal season with all things normal.

The scarcity of real cash for transaction of business continues; shopkeepers complain of dullness in trade and there are signs of lethargy.

The recommendations heretofore made on this subject are again referred to you.

FINANCES.

The indebtedness of the province in the form of loans has been reduced to ₱60,000, the same having been borrowed from the insular government to build a second story upon the provincial carcel for provincial offices and court room.

The land-tax declarations were carefully examined by the board of tax revision, and uniform classification and assessment of the lands effected. Nevertheless it appeared upon sober reflection that in general the assessment is too low, when it is considered how bountiful the yield of abaca is and how high grade the rice grown in the province is, and how much soil not suited for the culture of hemp is exactly adapted for raising an excellent quality of rice, and accordingly it was agreed with the central board of equalization that the assessment shall be sufficiently increased with respect to both kinds of lands to insure a fair assessed valuation, which will be relatively the market valuation in each case.

Now that the authority has been given, the same having been made optional, in my opinion the provincial board will increase the cost of the cedula to 2 pesos. All other provinces, doubtless, are like Albay; their incomes are not enough to pay salaries and ordinary expenses and leave a balance to build and keep in repair roads and bridges, without which advancement along any proper development lines is most difficult indeed, if at all likely.

The 2-peso cedula will not be a hardship in this province. Wages are high and there is employment in all months of the year for the labor of the province, with the prospect that the demand for labor will steadily increase. For my own part, I believe in the graduated cedula, which was provided for by the Spaniards. I know of no good reason why the governor's muchacho should pay as much for his cedula as is charged the governor, or rather why the governor should not pay a great deal more for his—just as a graduated income tax is assessed. Nor can I see wherein there is anything un-American in the idea.

What we suffer from throughout the Philippines is a lack of revenue, in many sections, to make both governmental ends meet. We ought to be able to find a way to materially increase receipts, and the taxes should be laid where they will be the least felt. There are hundreds of men who should be carrying about with them the 35 peso cedula to-day, as not a few of them are receiving handsome salaries from the insular and provincial branches of the government. Leave the tao off with the peso cedula. That is well and good. Then graduate the price higher and still higher according to the individual's ability to pay.

Repeal the law allowing the hemp export-tax refund, when the hemp is for delivery in the United States, because, as hereinbefore pointed out, it works a fraud against the hemp producer and fills the purse of the exporter at his expense, and, instead, place a fixed export of 25 centavos upon each picul of hemp exported, whether it go to the United States or to Europe, just as Great Britain leveles an export tax upon all tin sent from Malaya to other countries. This tax is gathered into a peninsular fund which supplies a major part of the money to support the government. Of course the provinces contributing the proposed hemp tax should be the beneficiaries therefrom, in part at least; all of it should not go to the insular government, which has income enough for its present needs; and, besides, the time has come to put the provinces in shape if it be expected or intended to do anything worth while for the benefit of the greatest number.

The cash balances in the several provincial funds at the close of business June 30, 1907, were as follows:

General fund	₱16,590.82	
General fund, Catanduanes	1,093.69	
Total		₱17,684.51
Road and bridge fund.....	16,085.73	
Road and bridge fund, Catanduanes.....	1,285.36	
Total		17,371.09
Tabaco-Ligao road fund.....	16,347.83	
School building fund.....	6,970.82	
Provincial building fund.....	60,000.00	
Total.....		83,318.15
Total balance.....		118,373.75

The total provincial share of collections for the year amounted to ₱177,737.69, and was distributed as follows:

General fund, including land-tax reimbursement.....	₱127,994.76
Road and bridge fund, including land-tax reimbursement.....	48,742.93
Total.....	177,737.69

There was expended for the purposes enumerated the following sums:

Salaries	₱51,729.37
Travelling expenses.....	7,735.31
Sheriff's fees	287.28
Court fees	6,608.08
Office supplies	14,868.38
Postage	2,042.04
Premiums, surety bonds.....	2,209.88
Rentals for buildings.....	210.00
Maintenance of prisoners.....	3,583.13
Permanent equipment	2,959.36
Alterations, repairs and maintenance of buildings.....	951.03
Alteration, repair and maintenance of bridges.....	7,053.20
Construction and maintenance of roads.....	20,172.21
Miscellaneous.....	18,875.61
Total.....	139,284.88

The only provincial bill unpaid is as follows:

Court fees dating back to the year 1901 and for some time there-after	₱8,209.23
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Arrangements will be made with the auditor to withhold this amount from ample refunds due the province, in his custody.

PUBLIC HEALTH AND SANITATION.

This office has no official report covering the public health and sanitation of the province, since the president of the provincial board of health was legislated out of his position a year ago. He was succeeded by a district health of-

ficer who located at Nueva Caceres, Camarines, and has given but very little of his time to Albay.

Fortunately, as already stated, the province has been visited by no epidemics. Malarial fever and calentura are present in some of the municipalities, but in mild form. Some cases of malarial fever having appeared at Camp Daraga, the surgeons looked into its origin, the camp always having been free of it, and concluded that it was brought from Lucena by troops sent there, from Camp Daraga to the rifle range for practice and instruction. It spread to civilians in the vicinity, carried by mosquitos which examinations previously disclosed were not of the malaria variety, but which by subsequent examinations are so classed.

The provincial carcel, as it has periodically ever since American occupation, and for years prior thereto, furnished about the usual percentage of beriberi cases during the year.

In a number of towns the water supply is impregnated with deleterious substances, from various causes, which produce sickness. The municipalities wherein this condition exists, by circular, have been advised to furnish public driven wells, for general use, and to encourage residents to provide them for private and family use, but the advice has gone unheeded.

This was done last year in the capital of the Camarines, Nueva Caceres, and the sick rate which was alarmingly high was greatly reduced.

It is suggested that the board of health through its representative in this district interest itself in inducing municipal officials to realize the importance of seeing to it that the drinking-water supply be as free as possible from disease-breeding germs, and that in the absence of artesian wells, driven wells are the next best. The cost for pump, pipe, and labor for such a well is small—compared with the good flowing therefrom it is as nothing. The health officer's opinion is bound to be of more weight in such a matter than the layman's, and if he has not the power to force compliance with such orders he should be given it without delay, as he should in many other things relating to the public health and sanitation. His powers should be absolute, without the right of appeal.

He should name and fix the salary for municipal health officers, removable at his pleasure. He should be permitted to organize municipalities into health districts, each district to have a health officer to be appointed by him. Municipalities will not take the initiative to do this, because each will have a favorite for health officer and will not agree to consolidation unless promised the particular person preferred. Municipal health officers should be required to see and treat the indigent sick upon the municipal president's request.

The provincial officials have had burdened upon them much annoyance growing out of the refusal of the municipalities of Tabaco and Legaspi to pay the salaries fixed by the director of public health to their municipal health officers. Only the district health officer has jurisdiction to compel compliance with the law, and he is at Nueva Caceres.

In the year since the abolition of the office of president of the provincial board of health, according to his own figures, the district health officer has spent but thirty-nine days in Albay, and this includes the days employed in traveling to and returning from here to the Camarines; and he was, or will be, paid by the province of Albay a salary from January 1, 1907, to June 30, 1907, in the sum of ₱1,040, or at the rate of about ₱30 a day for the thirty-nine days given the province by him. It would be cheaper to hire a physician when needed. There have been no inspections of towns—no assistance, no counsel; practically nothing. It is not meant to censure the incumbent, as he acts under orders from Manila, goes when told to go, and remains at his headquarters when not ordered away. It is the system which invites attack; and without hesitation there is voiced herein the belief of the provincial board and people generally that the experience of this province is that the district health officer is a failure and a costly one at that. That this province is entitled, because of its importance and its geographical arrangement—its mainland and its cluster of islands, most of which are difficult to reach and yet which should be frequently visited—to have a provincial health officer, one assigned solely to Albay, by whatever name it may please the law to call him, there can be no reasonable doubt.

POLITICAL CONDITIONS.

The municipal elections in December lacked the animation of that of the former year, which was natural, because presidents were not to be elected and

the councilmen to be chosen would have no membership in an electoral college for the choosing of a governor. None of the elections was annulled. There were few feeble protests, but these were filed more out of a wish that they might be than a conviction that the elections should be set aside.

The law requiring an officeholder to resign his office to be a candidate for another office is without precedent in the United States and seems new and strange to Americans, while Filipinos regard it as a punishment for entertaining an ambition to hold another office.

To the provincial board the effect of the law would be amusing if it placed less responsibility upon the members in the naming of successors to fill vacancies, and provoked many less communications asking for constructions of the law; as, for example, whether a deputy sheriff or notary public or lieutenant of barrio must resign to be eligible to election to a seat in a municipal council.

Something like 25 such resignations already have been received, and election day is more than four months distant.

The three assembly districts have had presented to their voters, the candidatures of a goodly number of gentlemen, all well known for their conservatism and stability, so that the province in any event may rely upon being sincerely represented in its manifold interests.

The new election law gave rise to a multiple of questions from the municipalities, which, when very important and involving the spirit of the law, were promptly resubmitted to the executive bureau, Manila.

PUBLIC BUILDINGS.

Plans and specifications for a second story to be erected upon the present provincial carcel, to be used for the accommodation of provincial offices, a court room, court offices, and offices for representatives of the insular government in the persons of the district engineer, the district auditor, the superintendent of schools, and any others who may be stationed here, were adopted long ago, but work has not been commenced.

The original appropriation and loan to undertake the said improvement was ₱35,000, which was not half enough. The insular government increased the loan to ₱60,000, but this was not sufficient. Accordingly, it was decided to deposit the total amount of the appropriation in banks, to draw interest, until the earnings should bring up the total to approximately ₱65,000. The excess beyond ₱65,000, necessary to complete the building in accordance with the plans and specifications, will be appropriated by the provincial board from the provincial funds.

The large and beautiful site—Casa Real, 60 ares—covering an entire block, flanking the provincial plaza at Albay, was ceded to the insular government by the provincial government, on which to erect a building to be used as district constabulary headquarters. The design of the building to be erected is attractive and imposing, and the cost to build the same will be approximately ₱52,000. The work on the provincial building and the constabulary building, it is intended to begin at the same time, and by the 1st of next March both should be occupied.

The secretary of education has been solicited to favor an appropriation of ₱30,000 from the school building fund, set aside for his apportionment among the provinces, to construct a two-story building on the old administration-building site, also facing the provincial plaza on the side opposite the old Casa Real site, the building to be used as a trades school on the first floor and as a boys' dormitory on the second. This building is badly needed, and the high school is inadequate to furnish space for the purpose. Besides, if the old administration-building site shall be utilized for such a building, the Spanish plan, by which at either end and on either side of the provincial plaza there was a building, all forming a harmonious whole, will be renewed and the character and class of the edifices improved.

PUBLIC WORKS.

No new road or bridge work to speak of has been done since July 1, 1906. The building of a road from Virac to Bato, island of Catanduanes, was started, but it was stopped because the foreman in charge could not get labor to do the work.

The road from Legaspi to Libon, a distance of 30 miles, and the Gogon road, Daraga to Legaspi, 3 miles, have been kept in good repair.

The bridges from Legaspi to Libon, many of them of heavy masonry, constructed by the Spaniards fifty, sixty, and seventy years ago, have been put in as good repair perhaps as they had been at any time since they were finished, concrete being used with which to do the work. Forty-four bridges and culverts in all were repaired in the province.

This road, from Legaspi to Libon, doubtless is the best stretch of road in the Philippine Islands. The bridge over the Banao River, a splendid Spanish structure, was washed out by a flood some years ago, leaving a missing link in this incomparable highway, which it is expected will be supplied before the close of the present calendar year. It is the intention to place in its stead a reinforced concrete bridge of one span and no center pier, to cost about ₱30,000. Then a toll is to be fixed for vehicles, with the expectation that the receipts for five years will be equal to the original cost of the bridge, and thus leave it to the province free of cost.

There is still hope that a road from Legaspi to Tabaco may be constructed, following the route of the one maintained in the days of the old régime. Then work on the Virac-Bato road, if at all practicable, will be resumed, and it is in mind to build a road from Pandan to Caramoran, island of Catanduanes.

The total cost of the maintenance of each road for the fiscal year ending June 30, 1907, and the cost per mile per year is seen in the subjoined table:

	Legaspi-Libon road (28 miles).	Gogon road (3 miles).	Bridge repair.	Tabaco-Tiwi road (8 miles).
July.....	₱1,361.04	₱118.84	37.50	₱102.50
August.....	816.79	59.67	100.50	168.00
September.....	311.75	54.99	663.61	181.73
October.....	790.19	60.00	411.91	190.50
November.....	788.76	57.00	236.14	190.50
December.....	890.22	60.00	371.32	192.50
January.....	904.50	60.00	526.68	161.03
February.....	831.50	145.50	478.55	172.50
March.....	876.65	60.00		171.83
April.....	927.81	59.33	728.03	185.15
May.....	975.57	60.00	753.41	192.50
June.....	906.49	60.00	180.65	190.50
Total.....	10,571.30	855.33	4,488.30	2,189.24
Cost per mile per year.....	378.00	285.00		274.00

I am sure it was a mistake to abolish the office of provincial supervisor and substitute therefor the office of district engineer. I did not think it was when the provincial governors were in session in Manila and the almost unanimous sentiment was arrayed against the change.

Few provinces do more work than Albay on public roads. Here the work can not be neglected even for a moment; it must be kept up throughout the year; especially must the Legaspi-Libon and the Tabaco-Tiwi roads be maintained in good repair. It is regretted that the latter is not in as good condition as it should be and that no new road building has been planned. This is nobody's fault: it is due to the reorganization of the engineer corps, the placing of an engineer in charge of the public works in the provinces of Albay, Sorsogon, and Camarines, instead of in one of these provinces—for example: the attempt to have him serve three masters, a task much more difficult of performance than to serve two, which latter in all ages has not been a celebrated success.

I venture the assertion that no one of the three provinces in this district is content with the change. There is naught against the individual. Under the circumstances, a prince of his profession could not please. District engineers are not wanted by the public any more than by the officials for the reasons cited. Let me illustrate. The provincial board on February 14 asked for an estimate of the probable cost of a bridge over the Banao River between Ligao and Guinobatan, and up to this date none has been received. Since about the same time a report on a scheme to restore the street canal system for running water in the capital, Albay, has been awaited and not without murmuring on the part of the members of the provincial board and the president and council of Albay.

Returning in February from an inspection of the upcountry towns—nine of them all told—I requested through the provincial board estimates touching proposed improvements by these municipalities and other information, but none is forthcoming. The municipal officials very naturally suspect that I gave no

concern to these matters. The Tabaco-Tiwi road needs to be carefully inspected and placed in good repair before the rainy season shall set in, but it is inconvenient to reach Tabaco.

The district engineer is kept constantly on the go. When he is in one province each of the others has something for him to do there—something which provincial officials imagine he should drop all else to look after. This is human nature, and if he be absent in each of or in the two other provinces a month, six weeks, or two months and then return to Albay, he has to learn Albay anew. Conceive of three counties in the State of Ohio or the State of Virginia with one county surveyor and how long the scheme would be tolerated by taxpayers. True, an American legislative body would not consider such a thing.

I have visited several provinces in the past year, talked with a great many provincial officials, and do not recall one who thought well of the change. There are provinces, many of them, which do not require the services of an engineer—a road foreman or builder will answer in lieu—whereas the provinces that do need to have the services of civil engineers want to have them available every day in the year. And, moreover, the provinces should be permitted to select the engineer to be assigned to them. An eligible list might be kept at Manila; but no province should have put upon it a man not desired—a man unsuited for the particular class of work to be done in that province. While it is unwittingly done, I doubt not, still it often occurs that when an American becomes useful to a province and is liked by the people, who prefer to have him remain among them, he is transferred to some other province, where in instances I have known he was less useful and not at all popular. The question often has been asked me in this province why this or that appointee was sent away, when everybody wished to have him stay, and I know of no man who thus has gone away from Albay who has not longed to be back. I never go about the province that I do not have frequent inquiries about the health and welfare of such persons from Filipinos. The insular authorities should be glad to keep the Americans identified with the government in the provinces in which they have proved their usefulness and won the confidence and respect of the natives, and when it is the wish of the latter that they shall continue in their positions and not be sent away. If higher salaries have been earned, allow them without the necessity of transfer. They should never be driven out because of pique toward them on the part of other Americans.

NATURAL RESOURCES.

The natural resources of the province are no longer secrets, but have frequently been the topic of reports and of articles in periodicals, so that it is unnecessary to mention them at length.

The coal deposits of the island of Batan, however, have come into no little prominence only recently, and it would be remiss not to advert to the subject. Coal is being mined in Batan and ships are being coaled therefrom. A mine on the coast owned and operated by private parties is producing, it is reliably reported, 70 tons per day and merchantmen, coast-guard cutters, and other craft to the number of 22 are buying the coal they consume from this mine, which is giving satisfaction.

Up to the present time coal mined in Batan is of the surface variety, but as the tunnelling progresses beyond, the quality becomes better, and ere long it should be, as tests heretofore made determine it to be, the equal, if not the superior, of Australian and Japanese coals.

In some respects it is unlike any other bituminous coal, if it may be thus classified. It reduces to a fine white ash under heat, forms no clinkers, and vapor rather than smoke escapes from its combustion. It has to be used differently from any other coal and should be banked in the furnace and kept banked; under no circumstances should it be stoked. The furnace, furthermore, should be provided with fine grate bars close together.

Its cleanliness, cheapness, and tremendous heating capacity commend it to mariners especially, and in time it is confidently thought bunkers will require no more space for a supply of Batan coal for a voyage of any particular number of days than is now required for Australian coal, the difference at present being about 20 or 25 per cent against Batan coal, which difference is more than made up in the low cost of Batan coal, the same being furnished on board ship at ₱6.50 per ton. Compared with Japanese coal, 10 per cent less in bulk is required for steaming any given number of days, the strongest imaginable argument why there should be no delay in making arrangements to coal

transports from the Batan mines when the military branch of the Government shall be ready to do so from its reservation, and meantime from existing mines if their output be sufficient.

The military branch of the Government, on or about the first of the year, paid the purchase price of ₱100,000 for certain lands in Batan bought by it from two residents of Albay, and Congress declared it to be a reservation. Congress neglected, nevertheless, to make an appropriation to mine and develop its coal interests, and only lately has the division commander managed to secure permission to explore this possession. No doubt the rumors of probable war with Japan impressed officials at Washington with the grave risk taken over here in not having a huge coal pile in the sole control of the United States Government.

The island of Batan is reached by the way of San Bernardino Strait or by Rapu-Rapu Strait. The Coast and Geodetic Survey discovered and has indicated on charts a narrow but very deep channel through each to Legaspi, passing the island of Batan. Both of these straits are vast networks of reefs, and before the present channels were discovered and indicated on the maps it was difficult and even dangerous to enter either. In case of war these self-same reefs might be turned into natural defenses, and with the aid of artificial defenses and explosives entrance through either one of these straits could be easily and completely blocked, and that, too, without the expenditure of either much time or labor.

Batan is but 18 miles distant from the course traveled by the transports between Manila and San Francisco. Once the Government has its mines in operation, no trouble will be experienced in coaling transports in one of the harbors of the island of Batan instead of at Nagasaki. Moreover, the two days lost in going to Nagasaki for coal will be recovered and the journey between the islands and the United States reduced to a like extent.

Batan has a number of very good ports. Coal Harbor is the best because the largest, and it can afford anchorage for several of the deepest seagoing ships at the same time. Coal Harbor, which was lately discovered and chartered by the Coast and Geodetic Survey, abuts the military reservation. There are also some smaller deep-water harbors well protected against both monsoons.

As the outlook is for the development of Batan coal into an industry of considerable magnitude, it should be accorded the hearty encouragement of the civil branch of the Government and should not suffer from indifference. The coal-claim law should be amended so that the outlay of a large amount of money by individuals or companies to perfect a claim would not be necessary. A claim in the island of Batan contains 64 hectares. To secure a patent the charge is ₱6,400 or ₱3,200, depending upon the distance the director of public lands may hold Legaspi, the nearest port, is from the claim sought to be perfected. In either case the cost is too high to induce persons to explore and develop. There are outcroppings throughout the island, it is true, but the best stratum of the coal is far below the surface, necessitating shafting, with investment in costly machinery; and not every hole sunk will locate veins that will prove facile and profitable.

The Government through its branches expends a great deal of money annually for coal, and all of this money is sent out of the country. If it shall be kept here it will constitute no small contribution to the era of prosperity so long promised and so patiently waited for by Filipinos and Americans alike.

STATE OF ORDER.

The excellent state of good order already has been elaborated upon herein and there is no occasion for further emphasizing the condition beyond citing the criminal record for the year as indicated by the court calendar.

There were instituted 81 prosecutions and 11 prisoners were given Billibid sentences, the highest being three years, excepting in one case of homicide, the culprit receiving twelve years.

There were 20 persons convicted of misdemeanors and sentenced to short terms in the provincial jail or to pay small fines.

There were 26 acquittals and dismissals, 22 cases remaining yet to be tried.

FUSION.

The nine towns of the island of Catanduanes were consolidated into five. As was anticipated, the people of the towns which were absorbed by the one which carried the name of the new municipality were somewhat displeased. Because

of their affection for the town of their birth and the home of their fathers, naturally they held some resentment; but they are becoming reconciled and the assertion is risked that in course of time they will be heartily conformable to the new condition because of the ability of the present municipalities as now organized to pay salaries and accounts when due.

The provincial treasurer reports that the new towns are self-supporting, with balances on hand to make improvements, the only embarrassment they suffer from being the indebtedness inherited from the old towns, which were not self-supporting, some of them not paying salaries for as long a period as two years.

The fusion of the towns of Legaspi, Albay, and Daraga is again urgently recommended. As indicated in previous reports made by this office and Treasury Examiner Dean, these towns form one continuous and uninterrupted settlement from the Gulf of Albay to and into the heart of Daraga, a distance of not more than 3 miles. The stranger passing from one of these towns to the other and thence to the third is unable to make out where the limits of any one ends and the other begins.

The population and buildings are more dense than in Iloilo and the barrios of Jaro and Molo. This proposed fusion would give to the province a city of the first class, with a population of 41,950 according to the census, but more nearly 50,000 in fact, and the consolidated towns should carry the historic name Legaspi, as has been recommended heretofore.

Furthermore, the consolidated towns to be known as Legaspi would be self-supporting, with a comfortable balance for improvements. Now Legaspi is far behind in the payment of salaries; the police have not received their salaries for two months; Albay is always struggling, its receipts barely paying salaries, with not funds available for the repair of roads or buildings. The reconstruction of the presidencia was begun but had to be abandoned on this account. Daraga, once the chief commercial town of the three municipalities, is a victim of retrogression. Before the insurrection it had the distinction of being the most beautiful pueblo in the Philippines, but its palatial mansions and attractive shop buildings were destroyed, and since that time no effort, public or private, has been made to restore its beauty or its commercial activity. It must be rejuvenated, and to become a part of a first-class city will tend to assist it in doing so.

Men of capacity, progressive men, men who are for upbuilding will not be candidates for the offices in these towns under existing conditions. There is no inducement. There is no hope to do anything for the public good or to make for development. With the towns consolidated into one it would be different. The kind of men who make communities prosperous and great would stand for and be elected to office, and soon Legaspi would take rank with Cebu, Iloilo, and Zamboanga. Fusion must be a good thing for all concerned in it or in the United States we would not have a greater New York, a greater Chicago, and a greater Pittsburg. There can be no valid objection to fusion by even the politicians. When the governor was elected by a college of officials—the vice-presidents and councilors—the politician did not relish the proposition for fusion. But under the new law the governor is chosen by popular vote and fusion would not affect the result in any wise. Then at this time the presidents of Daraga and Albay, each having served two terms, are not eligible for reelection, and it is not probable that the president of Legaspi cares to contest for another two years of strenuous officeholding.

I know of no serious objection to fusion. I have been told if there were fusion and the municipal buildings were placed at Albay the distance from Legaspi to go to pay taxes would work inconvenience and expense to taxpayers. This objection falls of its own weight. From the presidencia Legaspi to the presidencia Albay is not to exceed a mile and a half. People come from a much longer distance in Manila to pay taxes and think nothing of it. In the United States a person no farther distant from the city hall in a first-class city would speak of living "downtown." But this objection is easily overcome. The municipal treasurer could and would send a clerk every now and then for a definite number of days to Daraga and Legaspi for the sale of cedulas and the collection of other taxes. The provincial treasurer has said that, in case of consolidation, he would approve of it, so that objection is removed.

I know of no other real or fancied objection. Considerable adjacent territory of both Daraga and Legaspi is nearer the presidencia at Albay than it is to the presidencia of Daraga or Legaspi. It seems opportune to make the order for fusion at this time, when nobody and no interest can be hurt thereby.

PUBLIC INSTRUCTION.

The importance of public instruction coming next after property, life security, and health protection is keenly appreciated by all classes of our residents, and the public schools are met with little, if any, opposition from any element.

The problem here is how to get the greatest number of children of school age into the schools. This means into the primary schools—into the little red schoolhouses, as we are wont to say at home. Poverty, indifference or ignorance of parents, long distances to walk, and customary uses to which child labor is put contribute to keep no small percentage of children of school age away from the schools.

No set of persons can do more to assist in having these children sent to school than the municipal officials, including the members of the municipal councils. This is obvious, and there is evidence of the fact in the towns where this aid is cheerfully rendered in contrast with the towns where the officials lend no encouragement whatever.

The enrollment for the year was 10,342; but all these did not attend throughout the year. When the schools were resumed, after the long vacation, the enrollment was only 6,877. The superintendent of schools states "in these statistics may be found one of the difficulties of the school work; that is, the irregular attendance of children in the first and second grades." After pupils have been at school for a couple of years, he says, the difficulty does not longer exist, a fact established by the reports of attendance, which always show a very high percentage, almost 100, in the third and higher grades. The average attendance for the month immediately preceding the long vacation was but 4,834, a little more than one-third of what the average attendance upon the public schools should be, to wit, 13,350 children, according to the rule of one-eighteenth of the total population of 240,326, the figures of the official census.

There are many private schools, so called, where the alphabet, reading, and the catechism are taught. These are generously distributed in the province and attract not a few children. They are denominational, and this may be assigned as the reason.

The province has a paucity of public school buildings, something not to its credit, but which can not well be overcome because municipal effort and revenues must be relied upon to supply them. There are 23 municipalities in the province; there are but 9 of these provided with municipal schoolhouses owned by the public. Besides more than half the barrio schools occupy rented houses or dwellings let gratuitously.

Industrial instruction has been begun and has been attended with considerable progress. Classes in agriculture and carpentry are taught. The carpentry class in the year just closed made and sold to the municipality of Albay 35 school desks of the Kirtland pattern, besides 50 of the same kind of desks for the provincial school. In addition there were made numerous cupboards, lockers, tables, and carpenter's benches. Work in bamboo also was done and a number of light, strong, and serviceable tables were made and sold. Instruction was given in agriculture, but it was interfered with by rains and winds, and tillable ground was difficult to acquire.

In the Legaspi central school the larger boys, together with the teachers, made 90 school desks at considerable less cost than they could have been bought in the market. Most of the schools in the provinces did gardening, and some did very well.

Handiwork, such as the making of rulers, baskets, articles of bamboo, miniature agricultural implements, and articles of furniture on the part of the boys, and plain sewing, embroidery, and the making of fancy articles by the girls, according to the superintendent, was carried on in most of the schools. These articles were collected and placed on exhibition in Albay during June when the normal institute was in session. Prizes were awarded to 16 pupils and a number of the articles were sold to visitors. During the institute the entire body of municipal teachers received instruction every afternoon along industrial lines in order to prepare them as well as might be done to teach systematically the handiwork and industries prescribed by the new course of study. The interest of the teachers was most gratifying, and augurs well for the success of the work the present year. There were classes of carpentry, bamboo work (the making of chairs and tables), hat making, basket weaving, two classes of gardening, a class in plain sewing, and instruction in clay modeling, paper pulp map making, and several different kinds of busy work useful with the small children. Three

native artisans were employed by the province to aid in teaching hat and basket weaving and bamboo furniture making.

The superintendent further says that most of the municipalities in the province have ordered gardening tools and materials for sewing for the schools, and a number are also buying carpentry tools; and the only lack in the prosecution of industrial work is that of trained teachers. However, this need will gradually be supplied and it will not be long until the wholesome effect of this very practical and useful instruction will be felt throughout the province.

The greatest need in the way of equipment is a school of arts and crafts at Albay in connection with the high school, where young men can be taught and trained as artisans and teachers. The provincial board has by resolution called the attention of the Philippine Commission to this need, and has requested assistance in the building of a combined trade school and dormitory for boys, heretofore mentioned.

It is with no little satisfaction that the good feeling existing between the superintendent of schools and the teachers under him is referred to because anteriorly this province suffered from an absence of harmony and reciprocal kindly relations in this respect. It is a pleasure to meet and converse with the teachers of the province. As a whole, they are exceptionally capable, and not being under unusual restraint, they are free to take the initiative and exercise their own judgment when required. They get among the Filipinos and in many ways outside the schoolroom make themselves valuable to the community in which they abide in the promotion of the general well-being thereof.

HOT SPRINGS OF TIWI.

The hot springs of Tiwi were celebrated among the Spaniards as well as the natives for the curative property of their waters, and on the occasion of the recurring festival of Santa Salvacion, the 10th of August, thousands of persons, old and young, decrepit, deformed, diseased—the maimed, the halt, the blind—make pilgrimages in quest of relief from their sufferings and restoration to sound limbs and bodies and the sense to see. And they go away, many of them, in the belief that they have been healed or benefited.

That the water contains medical virtues has been clearly evidenced in the treatment of many cases since American occupation. The army surgeons stationed in southern Luzon knew of the remedial qualities of these hot springs, and soldiers suffering from blood disorders before the same became chronic frequently were sent to Tiwi. From the baths taken there they returned seemingly in good health.

The springs cover a half mile square at least. They are many. One in particular is wide, long, and deep and the water so clear that the bottom is plainly seen from the top, while the temperature is intensely high.

A pool for bathing, covered by a rude shed, provides the means therefor. Two streams paralleling one another lead to this pool. They have their origin in Mount Mayon. The water of one is very hot; that of the other very cold. Gates are arranged in each so that they may be raised or lowered to admit the water in such volume from each stream as to furnish the bather with a temperature to suit him. Then all about columns of vapor here and there may be seen, rising to a height of 20 to 25 feet.

It is quite common to boil eggs and corn in the water in a few minutes.

There are no such other springs in the islands anywhere. That bathing in the water will cure rheumatism is certain. It is said it will cure paralysis and some of the most terrible of the diseases of the blood.

There is no analysis of the water on file in Manila, but there should be. It is believed from what has been seen and heard with regard to the springs and from what army surgeons who have visited them think and state that it will repay the trouble and expense which the Government would incur to send a chemist here to report upon the same.

Very respectfully,

CHAS. A. REYNOLDS,
Governor of the Province of Albay.

The EXECUTIVE SECRETARY,
Manila, P. I.

REPORT OF THE PROVINCIAL GOVERNOR OF AMBOS CAMARINES.

[Translation]

OFFICE OF THE GOVERNOR,
PROVINCE OF AMBOS CAMARINES,
Nueva Cáceres, July 18, 1907.

SIR: In accordance with law, I have the honor to forward the annual report for the fiscal year 1907 of the most important events which have occurred in the government and administration of this province.

Before entering upon the report proper I have the honor to state that all the municipalities of this province are enjoying the most complete peace and tranquillity and at no time have there been disturbances by brigands or ladrones.

I consider public tranquillity one of the most essential conditions for the development and prosperity of the municipalities, for it is notorious that in places where public order is disturbed agriculture, industry, and commerce suffer paralyzation and can not develop as they should, and it is therefore the cause of immense losses and disturbances to the economic life of the municipalities, the consequences of which are reflected in the various manifestations of life. This is the cause of the great crises that are wont to traverse our municipalities and from which the Philippines are now suffering.

Although in that part of the province which borders on Tayabas Province, as in the municipalities of Capalonga, Mambulao, Paracale, and Ragay, certain public disorders have occurred owing to the presence of the brigand chiefs Cabayo and Avila; nevertheless they are not of importance, since the former was killed by the constabulary in a hut in one of the barrios of the municipality of Capalonga. His capture was due to secret information which I had, as a result of which the president of Capalonga, accompanied by a number of constabulary, repaired to said place. With respect to Avila, I expect that he will soon be taken, alive or dead, for the constabulary are pursuing him.

As to the general condition of the province there is very little change from what I stated in my report of last year. This is due to the precarious condition resulting from the same cause, namely, the scarcity of carabaos for farming, and which I consider essential for even the partial restoration of the province, since without them it would be difficult if not impossible to restore it to the original condition in which it was before these animals were decimated by the terrible rinderpest.

AGRICULTURE.

Agriculture continues in the same condition as stated in my last report, and it may be said that it is now even worse off, due to causes which I will enumerate.

The inhabitants of the province can not be blamed for the present conditions, for the fact that they have not secured the fruits of their labors is due to causes entirely foreign to their intents and desires. Nearly all the farmers who had the means planted rice more or less extensively, according to their means; some with their own carabaos and others by borrowing money. This was the case in the rice-growing municipalities, which constitute the larger part of this province, and whose principal product is rice. Yet, since the American occupation, and owing to the high price of abaca and the death of carabaos, many have engaged in planting abaca; and it may be said without exaggeration that, though formerly only a small part of the lands of this province were planted to abaca, it has now doubled, so that the production of abaca constitutes at the present time the principal article of export, and has kept the inhabitants from hunger, which they would have suffered were it not for this plant. As I have stated, a large extent of rice lands was planted owing to the efforts which the farmers and landowners made, and one-third of the rice lands of the province was planted, according to a conservative estimate. The crop was favored by the weather, for there was no scarcity of rain, which, though not so abundant as was hoped for, was nevertheless sufficient. Hence rice had an extraordinary growth, as it was the first crop in four years, due to the death of carabaos, and, moreover, according to old residents, to the fact that the land was idle for four years; in short, because everything was very favorable to the farmer and a relatively abundant crop was anticipated. I foresaw this myself on my official inspection of the municipalities. When the time for heading arrived all was promising, so a good crop was expected and the farmers were overjoyed; but their rejoicing was shortlived, for when the harvest time

arrived and the farmers had but a little while to wait to gather the fruits of their labor a new calamity appeared (as if those we had suffered were not sufficient) in the form of rats and night insects. It is pitiful when large tracts of lands are planted to rice and matured and in condition to harvest to see the crops vanish in a night as if by enchantment. Many may doubt this, but it is true, for it is the unanimous statement of all the farmers, and personally I have not the least doubt in the matter, since I am one of the sufferers. This is the reason why I consider the present condition of the province more critical than that of the previous fiscal year; the farmers have suffered another loss, and those whose farms were mortgaged have suffered an additional burden, instead of having their sad condition alleviated.

However, in spite of all these calamities and misfortunes, the farmers have never lost hope, and this year, to my knowledge, they are again planting rice, hoping that they will be recompensed this time for their labors. It gives me the greatest pleasure to note this constancy. I continually encourage the farmers to be persevering; and I have told the municipal presidents and councils to do likewise.

One of the causes of the paralyzation of agriculture is the excessive mortality of animals, not only carabaos, but also other cattle and horses, and which still continues. Live stock was one of the sources of wealth of this province, so much so that other provinces were supplied by it with all kinds of domestic animals, but unfortunately we now have to get our supply of animals from other provinces and, moreover, without the assurance that they are free from rinderpest. Some farmers, wishing to plant their rice lands, bought 10 or 20 carabaos; but after a relatively short time they died, the victims of diseases the origin of which is unknown so far.

Taking into account the high price of carabaos at this time, ranging from ₱120 to ₱150 per head, the great losses caused will be seen. And apart from this crisis there are other sufficiently weighty affairs to dishearten the most courageous.

In my last report I stated that the production of abaca had diminished considerably during the fiscal year 1905-6 in consequence of the heavy tempest which devastated this province in the month of September, 1905, and the drought, so that it may be asserted that the production had dropped off about one-half; but I am pleased to state that during the last six months of the past year all the abaca plantations began to recover, so that the production has increased about 30 to 35 per cent during the present year, and I feel certain that by the end of the year it will have resumed its normal condition.

COMMERCE.

Commerce in the province has also been in a critical condition, as if other calamities which this country has suffered were not sufficient.

As I had occasion to state in my report of last year, abaca is the principal article of export from this province; it is the product which in the main has sustained the inhabitants; in other words, were it not for this article famine would have been the inevitable result, for in spite of the fact that a little rice has been harvested, the price of rice is still almost as high as formerly.

Commerce has continued in the same condition, with the exception of small changes in the prices of articles which are the object of trade in this province, such as abaca, rice, and copra, and other articles of secondary importance, not necessary here to mention.

However, about a month ago the price of abaca in this locality began to fall at an alarming rate, and in an extraordinary and unaccustomed manner, as a result of which there was a fall of ₱6 per picul. This decrease will undoubtedly affect everybody, some directly and others indirectly, and carry with it as a certain consequence the raising of prices of almost everything, and especially of rice.

FORESTRY.

The province is very rich in forest products. It has all kinds of timber known in this country; but it is very difficult to cut and secure, first, because of the want of draft animals (carabaos), and, secondly, because the valuable timber is found in the interior of the forests and is difficult to take out.

Other information concerning this subject I have already had occasion to set forth in my last report, and I refrain from mentioning it at this time, as there has been no change.

As to the mineral resources of this province the same remark applies.

PUBLIC HEALTH AND SANITATION.

In general the condition of public health is satisfactory, with the exception of a few cases of smallpox and traces of cholera of but little importance.

The following is furnished by the sanitary authorities of this province:

"From July 1, 1906, 80 deaths from smallpox were reported during the first three quarters of the fiscal year—first quarter, before my arrival in the province, 45 deaths; second quarter, 28; and third, 7. No cases have been reported during the fourth quarter. The majority of these cases occurred in municipalities from San Fernando to Libmanan, and were due to neglect of proper vaccination in previous years, vaccinations having been made, but with virus which had not received the proper care. September 28, 1906, a systematic vaccination of that part of the province known as Camarines Sur was begun at Ragay, a group of 23 vaccinators being employed under my personal direction and supervision. No cases of smallpox having been reported from Camarines Norte, that district has been left unvaccinated until the province of Albay (excepting Catanduanes) is completed. While the vaccinators are primarily engaged to vaccinate, one of their duties is that of sanitary inspector, carrying out my directions in placing each municipality in which they are vaccinating in as good a sanitary condition as possible. This was a necessary provision, as my inspection of towns shortly after arrival in the province revealed the worst possible sanitation or rather absolute neglect of any sanitation whatever.

"With the exception of two municipalities, Tinambac and Siruma, all towns of Camarines Sur were thoroughly vaccinated with fresh virus, the work being completed May 27, 1907, eight months after beginning, 190,031 persons having been vaccinated, with from 65 to 70 per cent successful result.

"The result of this work was immediately apparent. In towns where smallpox had existed from time immemorial the disease has been completely stamped out. The result will be even more apparent as the present generation matures, when the pock-marked person will be an exception rather than the rule, as to-day.

"Upon arriving in the province the northern part that borders upon Tayabas was threatened with an invasion of cholera from that province where the disease prevailed. Great efforts were made to place the town of Ragay in the best possible sanitary condition. This was accomplished notwithstanding the indifference and lack of cooperation on the part of the town officials, and I am happy to say that the dread disease did not invade this province. Had it done so before placing this town and those bordering on the Bicol River in a better state of sanitation its ravages probably would have been frightful.

"Malarial infections, easily preventable, have claimed 1,463 victims during the first nine months of the year. Owing to the incomplete rendering of reports this does not represent the true number, which, according to the average mortality, would be over 2,000. There is but one way to prevent this disease, and, while I have urged it repeatedly, it seems almost an impossibility to get a result—the mosquito bar, without the universal use of which loss of life will continue to be the penalty.

"Four hundred and ten infants have died from convulsions during these nine months, according to reports received, which does not represent the entire number. A conservative estimate, based on the average mortality, would place the number above 500. This is due, mainly, to incorrect diet and lack of care. The mortality could be greatly reduced if mothers could be prevailed upon to refrain from giving their babies solid food before 9 or 10 months of age, and then sparingly.

"Tubercular diseases have claimed 321 victims, needlessly sacrificed to 'custom.' I refer to the custom of shutting out all ventilation possible during sleeping hours. Fresh air is the greatest enemy of the germ that causes tuberculosis; and, until the fear of fresh night air is eliminated, this great plague of the Filipino that claims far more victims than cholera, smallpox, beriberi, and bubonic plague combined, will continue to claim many useful lives that might easily have been saved.

"Every life lost is a direct drain upon the resources of a community. This is emphasized when lives are needlessly sacrificed to 'custom.' Out of 3,987 deaths reported during the period of nine months, 2,237 died of the easily preventable diseases above enumerated, nearly 60 per cent, from either ignorance of the most simple knowledge of hygiene or refusal to apply the teachings of the bureau of health."

FINANCE.

Although the land tax has been suspended for two years (the past year and the present one) and the provincial treasury has only been reimbursed to the extent of one-half the annual income therefrom, and while there are a great number of delinquents in cedulas and land taxes (the former in the considerable sum of over ₱90,000 and the latter in more than ₱70,000), nevertheless the province has conducted its affairs comparatively well, though it has not been able to undertake any public works, with the exception of some repairs of roads of minor importance.

For all these reasons, and in view of the fact that agriculture has not yet recovered for the reasons already mentioned, I am of the opinion that the suspension of the land tax should be continued for two years more. In this way the inhabitants of this province would be given an opportunity to recoup their considerable losses due to the rinderpest (I refer to the owners of lands and farmers), and it would be another cause of gratitude to the nation that now governs us.

The following table shows the operations of the provincial treasury, according to data furnished by the provincial treasurer:

Receipts and disbursements during the fiscal year 1906-7.

Receipts:

Balance on hand July 1, 1906.....	₱34,059.26
Registry of land.....	1,090.51
Registry of mines.....	148.00
Rents.....	3,067.67
Cart tax.....	263.00
Land tax.....	8,340.88
Refund of land taxes (act No. 1455).....	19,343.52
Cedulas (act No. 82).....	575.00
Daet tramway.....	118.13
Cedulas (internal revenue).....	29,548.50
Refund from the insular treasury.....	22,224.70
Refund of the expenses for delinquent tax sales.....	1,231.60
	<hr/>
	₱121,010.77

Disbursements:

Salaries.....	44,696.53
Transportation and subsistence.....	7,514.81
Sheriff fees.....	755.80
Court fees.....	848.00
Office supplies.....	4,607.48
Postage stamps.....	1,436.72
Bond premiums.....	827.40
Rents of buildings.....	1,014.00
Maintenance of prisoners.....	2,103.12
Permanent equipment.....	958.84
Repairs and preservation of buildings.....	714.60
Repairs and preservation of bridges.....	1,448.32
Repairs and preservation of roads.....	3,287.54
Miscellaneous expenses.....	3,011.59
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	73,224.75

Balance on hand June 30, 1907.....	46,786.02
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PROVINCIAL JAIL.

This establishment, which formerly was under the custody of the constabulary of this province, on May 1, last, passed under the care of the provincial guards.

The object is to leave the constabulary completely unembarrassed, in order that public order may be effectively assured, and any attempt on the part of the brigands or ladrones be suppressed.

The following table accounts for prisoners during the fiscal year just ended: *

* Omitted and filed in the Bureau of Insular Affairs, War Department.

PUBLIC INSTRUCTION.

Here is the branch of the government which I consider the most important, for it relates to the prime necessity of all young nations who aspire to independence. An ignorant people will never be independent, and if at some day it should attain independence without the necessary instruction such a people could not retain its independence, and if perchance it did retain it for any length of time then true liberty would not be enjoyed, for it would in this case be a government by a small minority in the interests solely of caciques and to the prejudice of the majority. This has ever been observed in all peoples.

As to public instruction in this province, I am pleased to state that it is very efficient, not merely because the division superintendent says so in his report, but for the reason that I have observed it to be so myself.

One proof is that at the last school contest held in the neighboring province of Albay this province secured the prize for declamations in a competition with Albay, Sorsogon, and Masbate.

I regret that this is the only province of southern Luzon which has no high school as yet. Albay, Sorsogon, Batangas, and Tayabas already have theirs; but nevertheless the province is to be congratulated, for, thanks to the endeavors of your honor for the education of the Filipino people, within a short time we can have a high school worthy of the province through the loan just authorized to the province.

Respectfully submitted.

MARIANO ABELLA,
Governor of Ambos Camarines.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF ANTIQUE.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF ANTIQUE,
San José, July 13, 1907.

SIR: I have the honor, in compliance with act No. 1044, to submit herewith the following report for the fiscal year ended June 30, 1907.

AGRICULTURE.

It is estimated that 450,000 cavans of rice were harvested during the year, of which 250,000 were grown in the wide plain of Sibalom, comprising the municipalities of San José de Buenavista, Sibalom and San Remigio.

The pueblos situated on this plain are in fact the granaries of the province, as the grain produced in excess of the quantity necessary for the sustenance of the population makes up a large part of the exports of this province. The fields are naturally fertile, especially at Sibalom; but no improvement has been introduced so far in the cultivation of the rice, in the implements used, or in the irrigation of the fields. The plows used are of the most primitive kind and scarcely remove the subsoil of the clayey ground, and there are no irrigation ditches to regulate and fix the time for the preparation of the crops. Excepting the *cañigins*, the method used is to transplant shoots prepared during the wet weather, which is uncertain as to time and is the sole factor in determining the time for the work in the fields.

This plain is traversed by the large Sibalom river and by the Tipulwan and Inabasan rivers, whose waters, which never fail at any time of the year, could easily supply an extensive irrigation system, sufficient to irrigate seven-tenths of the area of the plain mentioned. With this irrigation the crops grown each year could easily be increased five times.

The remainder and the larger part of the province, comprising the municipalities of Dao, Patnongon, Bugason, Lawan, Tibiao and Culasi, excepting that of Pandan, produce sugar rather than rice; but as there are still very few cattle, and the sugar estates have not yet reopened, and since the work of tilling the cane fields is much more costly than that of growing rice, preference has been given to the cultivation of rice, as was the case in former years. For this reason the rice crops have almost never come up to the hopes of the farmers here, and in this part of the province there are few large property owners able to harvest more than 1,000 cavans per annum. The year which has just closed was not,

however, a bad year for the pueblos mentioned, excepting Dao, Patnongon and Pandan; this was not unexpected, as the crops harvested there have been sufficient to maintain the population during past years.

The fact that the pueblos from Bugason to Culasi, except Pandan, had a fair crop notwithstanding the lateness of the rains, is largely due to their irrigation system, which though still deficient, sufficed to provide what the weather denied to the farmers engaged in growing rice.

Generally speaking, and so far as the rice crop is concerned, the year covered by this report has not been a good one compared with the year before, as the Sibalom plain and the municipalities of Dao, Patnongon and Valderrama lost some of their rice through drought.

While the rice crop has been poor, the sugar crop has increased considerably. The harvest at Patnongon, Bugason, Lawan, Tibiao, and Culasi has been almost double what it was the year before, and the total production of sugar for the province is estimated at over 35,000 piculs. The quantity of cane now standing in the fields is larger than that of the previous year. Bugason and Culasi are the two pueblos of this province which have produced the most sugar and have the largest area of land suitable for growing cane, and Patnongon, Culasi, Bugason, Tibiao, and especially Lawan, have always produced a superior grade of sugar.

The cocoanut and abaca plantations, though still in an embryonic state, have produced more than the year before, and both the crop and the quality of the former has been better during the second half of the fiscal year covered by this report than that of the first three years, after several years of scant production. Unfortunately the output of copra and oil was not so large as the friends of the province would have liked it to be, and judging from the high prices at which it has recently sold in the markets producers would have secured larger returns. As it is, the majority of the cocoanut trees were used for the production of tuba, of which a great deal is consumed in the province. We may say that Pandan was the only pueblo in this province which exported copra and abaca, while San José de Buenavista exported oil.

The landholders of the coast pueblos, attracted by the high prices paid for copra, have enlarged their cocoanut plantations, and many persons have taken up land in the hills to plant abaca. These plantations, together with those made during the last three years, constitute the greatest hope for the material progress of the province in the near future.

The weather has been favorable this year for the cocoanut and abaca plantations, and few of the plants have succumbed to the heat; the weather has been more favorable this year than last.

The maize crop, however, which was planted during last March and April, brought disappointment to the farmers; drought and locusts destroyed nearly all that had been planted.

Now agriculture seems to be gaining, and the farmers have more animals and have commenced to repair their sugar estates, as they are convinced that on the north coast of the province the cultivation of rice does not compensate them for their efforts. The area planted in sugar cane this year exceeds that of last year by two-fifths.

Unfortunately the locusts began to appear last April and did much damage to the sugar cane, and left their young in all the pueblos of the province, which destroyed a large part of the rice seedling plots. The amount of locusts (locusts in the hopper stage) exterminated in May and June is estimated at almost 10,000 cavans.

Draft cattle are increasing rapidly, and the estate owners have secured a considerable number of carabao from Mindoro, which, with the increase within the province, has increased its registered cattle to a considerable extent. The increase in the number of cattle of all kinds during the year covered by this report is estimated at almost 2,500 head.

However, the rinderpest, which appeared at Dao on May 8, 1906, caused great ravages until the end of November of the same year and carried off, from July 1 to November 30, 51 head of carabao and 97 head of neat cattle, all in the municipality of Dao, to which we must add 29 head of carabao and 3 head of neat cattle that died of the foot-and-mouth disease in the several municipalities of the province.

During the epidemic of rinderpest an inoculator sent by the bureau of health inoculated at Dao some 30 head of cattle, but unfortunately nearly all died, the result being the failure of inoculation there. However, excellent results were achieved by the quarantine organized, maintained, and directed by the provin-

cial government, which isolated Dao from the rest of the province, the cordon being established between Arasasan and Masayo, a distance of nearly 2 miles, and no cattle or dogs or pigs were allowed to run loose in the district quarantined. The result was that the rinderpest did not pass the limits of the municipality of Dao.

COMMERCE.

Commerce has not yet recovered and makes only slow progress, due to the scant production of the province and the bad condition of its roads.

Exportation is confined to two products, viz, rice and sugar. During the year over 35,000 piculs of sugar were exported, which shows an increase of about 10,000 piculs over the last crop. A part of the crop was bought up by Chinese merchants at the price of ₱3.25 a picul, Culasi, Patnongon and Bugason having exported the most.

There were also exported, principally by the pueblos of Sibalom and San José de Buenavista, approximately 20,000 cavans of rice (unhulled) at the price of ₱1.50 a cavan, and some 18,000 piculs of rice (hulled) at the price of ₱0.16 a ganta, the latter being bought up exclusively by Chinese merchants.

All the sugar and hulled rice, and a small portion of the unhulled rice were sold in the Iloilo market.

FINANCIAL AND ECONOMIC.

At the conclusion of the previous fiscal year the balance in favor of the province was ₱21,580.74, of which sum ₱6,218.41 belonged to the municipalities.

During the year covered by this report the revenues of the province amounted to ₱94,228.27, of which ₱54,505.47 belong to the municipalities. These revenues were derived from the following sources:^a

These items give the total of ₱94,228.27, of which ₱35,462.44 are for the general funds of the province, ₱2,825.87 for the road and bridge fund, and ₱1,043.39 for the congressional relief fund. Of the latter sum ₱443.30 were the proceeds of the sale to the municipalities of the galvanized iron, and ₱600 were appropriated under act No. 1406 for the relief of the persons who suffered by fire in the pueblo of Culasi.

Adding to these partial sums the balance of the previous year, we have for the year covered by the present report: ₱40,474.22 for the general funds and ₱7,610.10 for the road and bridge funds, aside from other sums pertaining to special funds, such as the "congressional relief fund" and the "school buildings fund," kept under the provisions of act No. 1406 and act No. 1275.

The expenditures of the provincial government during the year were ₱43,008.88. Of this sum ₱34,607.44 were for general purposes, ₱4,469.73 for roads and bridges, and ₱3,356.01 for schools, aside from ₱575.20, which were paid, in accordance with act No. 1406, to the persons who suffered by the fire which occurred at the pueblo of Culasi.^b

Adding to the above the sum of ₱575.20, for the relief of the persons who suffered by the Culasi fire, we have a total of ₱43,008.38 of disbursements made by the province during the last fiscal year.

Finally, as a result of all the transactions realized during the year, we have a balance of ₱8,564.12 in favor of the province, distributed as follows:

General funds, ₱4,794.78; road and bridge funds, ₱3,166.17; congressional relief fund, ₱603.17, aside from ₱24.80, the balance of the ₱600 appropriated for the relief of the Culasi sufferers, and ₱2,296.57, school funds under act No. 1275.

PUBLIC INSTRUCTION.

On the 15th of October, 1906, the title of "head teacher" was changed to "acting division superintendent of schools," and the province of Antique was separated from that of Iloilo, to constitute an independent school division.

There were 63 schools, with 88 Filipino teachers, including 3 insular teachers, under the supervision of 5 American teachers. The latter were distributed as follows: One at Pandan, for the Pandan schools; 1 at Culasi, for the schools of Culasi and Tibiao; 1 at Patnongon, for the schools of that pueblo, and 1 at

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

^b The itemized statement of these expenditures has been omitted and is on file in the Bureau of Insular Affairs, War Department.

Sibalom, for the schools of Sibalom and San Remigio. One of the three insular teachers was assigned to Bugason as supervising teacher for the schools of Bugason, Lawan, and Valderrama.

In addition to the 5 American teachers mentioned there were 2 in charge at the provincial high school, to which a Filipino schoolmistress was assigned in the middle of the school year to teach the fourth grade. Instruction in the provincial high school went only as high as the seventh grade (inclusive), for want of pupils.

A comparison of the school year covered by this report with the one preceding shows marked progress in the efficiency of the teachers as well as in the number of the pupils. While the matriculation in the previous school year amounted to only 4,220, we have now a matriculation of 8,962, and an attendance of 6,899, the highest rate of attendance recorded in this province since the establishment of the public schools here.

In the provincial high school we had a matriculation of 170; 153 of the pupils matriculating attended assiduously during the school year. An intermediate school course, corresponding to the fourth grade, was established at Culasi, and the fifth grade is now being taught there, but in view of the scarcity of teachers I doubt whether there has been as complete a success as the parents and the department of education desire. What is needed there is an American teacher, who should have no other duties except the instruction and supervision of the intermediate school. The last convention of municipal presidents recommended that an intermediate school be established at Culasi, covering the fourth, fifth, and sixth grades, and I warmly recommend that this suggestion be acted upon favorably.

The inhabitants of the province and the presidents of the several municipalities subscribed with enthusiasm for a library for the provincial high school. This library consists at present of 375 volumes of selected authors, English and Spanish, and aside from this there are now ₱345.34 on deposit in the treasury of the province.

The province has now a spacious school building, with ample accommodation for teaching the intermediate and secondary classes, excepting the special course in agriculture. The latter is not taught here at present, but as it is unanimously desired that this be done, and that competent teachers be sent to this province for the purpose mentioned, I earnestly recommend that special attention be given to the wishes of the province, as it is of the greatest necessity for the material development of this region, which is essentially agricultural.

POLITICAL CONDITIONS.

Notwithstanding the poor rice crop peace and order have prevailed throughout the province. No cattle thefts have been reported, and aside from the assault on Pangalkagan, a barrio of Bugason, nothing is known of the existence of bands of evildoers within the province. The persons who sacked the barrio of Pangalkagan were brigands from Capiz, led by a notorious character by the name of Santos, and were prompted principally by a desire to revenge themselves upon this barrio for the reason that a son of the leader was killed there three years ago.

As to the administration of the pueblos, the municipal officers have shown greater efficiency and more devotion to their duties. However, two municipal presidents have been suspended and one councillor and three policemen removed. The latter were implicated in the theft of nearly ₱1,000 at the beginning of the fiscal year from the treasury of Dao. Also, two municipal treasurers were removed from office for the reason that the sureties withdrew from their bonds.

The administration has been both efficient and economical, and there has not been a single municipality in the province which has not been fully acquainted with its obligations, all having acted as their needs really required.

The old dissensions resulting from the difference of religion have disappeared entirely from the pueblos, and very few amongst the ignorant people have attempted to mix religion with politics. There are three creeds here at present, the Roman Catholic, the Aglipayan, and the Protestants; the work of the latter, who have started schools in several of the hill barrios and attract the inhabitants to civilization, preaching love of work and peace and the brotherhood of man, merits the most enthusiastic approval of the government. They have attracted many of the hill people, removing them from the action and influence of the persons who are leading bad lives, and have greatly contributed

to induce the hill people to pay the poll tax. In this manner they have contributed in a very efficacious manner to the work of complete pacification of the entire province, realized during the year covered by this report.

There are as yet no organized political parties here; but absolutely all our most intelligent and capable men are in favor of the creed of the "Partido Nacional Progresista," and only few advocate immediate independence. As the public schools have extended to all the barrios, the people have gained confidence in their political future, the preparation whereof has been put into the hands of the present government, composed of Americans and Filipinos.

PUBLIC HEALTH.

One thousand, nine hundred and sixty deaths have occurred during the year; 631 of these were due to fever, 368 to pulmonary consumption, and the rest to various diseases.

There has not been any epidemic during the year; only the measles appeared in some pueblos in June and caused 29 deaths.

Fever and pulmonary consumption have caused the greatest mortality; but these diseases were rather the result of a lack of care and of the suffering among the pauper classes.

While there have been 1,960 deaths during the year, there were, on the other hand, 4,098 births; consequently there has been an increase of population of 2,138 souls.

Diseases due to vice have been very rare, and the hygienic conditions of the province in general are excellent.

Only two of the eleven municipalities of the province have a municipal physician, viz, Bugason and Sibalom, and the contemplated consolidation of the province with that of Iloilo for sanitary purposes will not fail to result in great difficulties for Antique. This measure has not been well received by Filipinos, Americans, or foreigners from the outset. There are no physicians here, and only the municipality of Sibalom has a licensed physician, the present president of the board of health. The abolition of the position of district health officer and the transfer of the present incumbent thereof, therefore practically deprives the inhabitants, and especially those of the provincial capital, of the services of a physician.

The province has over 134,000 inhabitants, and communication with Iloilo is difficult, especially during the rainy season, which lasts some six months, and in the event of an epidemic the pueblos of the province would be abandoned to their fate. Considering that the economy to be obtained by the proposed consolidation is not great, as the province will be compelled to pay part of the expense of maintaining a health officer in the city of Iloilo, besides traveling expenses of the health officer for every visit he makes to this province, I recommend that the proposed consolidation be abandoned, and that in any event the salary of the health officer of this province be reduced to ₱1,800 per annum.

NONCHRISTIAN TRIBES.

Aside from the non-Christian tribe settlements of Badiañan, Igococ, and Igtonarum, I organized in January of the current year the settlement of Villafont, near Sibalom, where, as in the other settlements, a president, a vice-president, and three councillors were elected to govern the tribe.

None of the officials in any of the four settlements mentioned knows how to read or write, and only a few of the youths of the Badiañan and Igococ tribe can read; consequently the authority exercised by them over their respective settlements can hardly be adjusted to positive and written laws. Their powers are therefore based on custom and good usage, and it is in this way that the people of these settlements have been governed during the year, the councillors having acted as advisors of the president, with powers to disapprove and suspend in session of the council the acts of the president.

The inhabitants of Igtonarum, who are largely nomads and belong to the worst class of Aetas, have not advanced materially; but the contrary is the case with those of Badiañan, Igococ, and Villafont, who have increased their abaca plantations, have all settled down, and are engaged in agriculture. However, none of them owns real estate, their fields being on public land, which they have cleared without infringing forestry regulations.

When a balance was struck this year, the sum of ₱687.18 was found in the provincial treasury belonging to the non-Christian tribes fund, and I estimate

that the revenues for this fund will not be less than ₱400 per annum, and it is my opinion that the money at present available, together with future collections, will be sufficient to establish a school for the instruction of youth at Badiagan or at Villafont. It is probable that we will soon be successful in establishing a school, maintained by the government, in one of these settlements as an experiment tending to prove the degree of capacity for advancement of the Negrito inhabitants of this province.

Respectfully submitted.

A. SALAZAR,
Governor of the Province of Antique.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF BATAAN.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF BATAAN,
Balanga, P. I., July 1, 1907.

SIR: I have the honor to submit the following report for the fiscal year ended June 30, 1907.

AGRICULTURE.

The deplorable situation of the suffering farmers of this province has been further aggravated this year by the circumstance that in addition to the protracted economic crisis through which they are passing, due to past calamities, they have lost this season over one-half of the rice crop, as a consequence of the ravages of an insect known in this section by the name of "accip," which did considerable damage to the rice in the fields. The sugar crop was only one-third of what it is in normal years, owing to the drought which prevailed while the cane was developing, and the succession of storms last year. To cap the climax, there are very few farmers who have not lost draft cattle from rinderpest, which reappeared in the province this year, and the most serious blow for the sugar growers has been the lack of a foreign market for sugar, the only article exported from this province for the last ten years; and for which reason it takes them a year, or more, to dispose of it. Unfortunately they are unable to abandon the growing of sugar cane, since they have invested their capital in land exclusively for this purpose and in the machinery, storehouses, and implements employed in the grinding of the cane and the manufacture of sugar.

Hence the farmers of all the municipalities inspected by me are in despair over their precarious situation and see no means of salvation save through action of the Philippine Commission to the end of securing from the proper authority the immediate establishment of an agricultural bank by the government. They believe that its establishment by the trusts might mean immediate ruin for them. They further desire, as an immediate remedy for their desperate situation, a free port of entry for their products or a reduction of the customs duties, and an amendment of the law governing carts, so that sledges with runners 2½ inches in width shall be exempted from the prohibition contained in the second paragraph of subsection (j) of section 43 of the Municipal Code, as are carts with tires 2½ inches in width. The latter, due to their great weight, sink into the soil where it is soft, which is not the case with the sledges, whose runners enable them to glide with equal facility over muddy and dry land without sinking. Moreover, for the agricultural uses to which they are utilized, these sledges can not be replaced by carts of any kind.

COMMERCE.

As stated in previous reports, the principal articles of commerce are, in the order of their importance, sugar, timber, fresh and salted fish, firewood, salt, fruit, and vegetables, such as mangoes, pineapples, jicamas, and camotes. The fiscal year just ended was a bad one for sugar, and adding to this the low prices at present paid for want of a foreign market it may be affirmed that this province has not exported any sugar, and that the small quantity harvested this year is still in the warehouses. The timber trade has been fair, as it was last year, while there has been less business than usual in fruit.

Maguey has been planted in several municipalities, also a small amount of cocoanuts and abacá, apparently with satisfactory results.

FINANCE.

I have already stated, in my last annual report, that since the promulgation of the internal-revenue law this province has been going down grade financially, because of its small population, the crisis through which its agriculture is passing, and the stagnation of its inconsiderable commerce. It was therefore compelled to apply to the insular government for another loan of ₱6,000 when the honorable governor-general and Commissioners Pardo de Tavera and Legarda honored this province with their visit on February 17, in order to be able to meet its expenses.

Prior to the enactment of the law above mentioned, the personnel and salaries of the provincial government were:

Provincial governor.....	₱3,000.00
Clerk.....	720.00
Provincial secretary.....	2,200.00
Clerk.....	600.00
Provincial treasurer.....	3,600.00
First deputy.....	720.00
Second deputy.....	600.00
Third deputy.....	480.00
First clerk.....	456.00
Second clerk.....	360.00
Third clerk.....	240.00
Provincial supervisor.....	3,000.00
Messenger.....	120.00
Janitor.....	120.00
Provincial fiscal.....	2,200.00
Clerk.....	200.00
Provincial physicians.....	1,800.00
Total.....	20,416.00

At the present time the personnel and salaries are:

Provincial governor.....	₱3,000.00
Clerk and recorder.....	588.00
Provincial treasurer.....	3,600.00
Clerk.....	720.00
Clerk.....	480.00
Deputies (municipal treasurers).....	1,242.00
Provincial fiscal.....	800.00
Clerk.....	160.00
Total.....	10,590.00

As the foregoing tables show, the province of Bataan expended prior to the promulgation of the internal-revenue law, for salaries alone, the sum of ₱20,416.00; yet it did not find it necessary to obtain a loan from the insular government; on the contrary, it paid its indebtedness, ₱5,000, to the government contracted in connection with its organization.

Although the provincial government has at this time a smaller number of employees, as will be seen in the total of the second table, yet I have twice been compelled to ask the insular government for aid in order to meet urgent expenses; and this in spite of the fact that there are more taxes collected now than there were formerly. The cause of this is the internal-revenue law, which drains this province of the greater part of its revenues.

To corroborate my statement, attention is called to what the Hon. Henry C. Ide, late secretary of finance and justice for the islands, said in his report for the year 1902:

"Bataan: Organized March 2, 1901; total receipts, \$37,435.20, including balance on hand June 30, 1901, \$1,507.80; balance in treasury June 30, 1902, \$5,245.86. This is a small province, but one able to maintain itself." (Third Annual Report of the Philippine Commission, 1902, Pt. 2, p. 717.)

It is truly sad to see this province, which prior to the enactment of the internal-revenue law had life of its own, now hovering on the verge of ruin, although it has resources of its own, merely because it has the misfortune to be the smallest province in the Philippine Archipelago.

As the internal-revenue tax collections are distributed at present, this province contributes materially to the support of other provinces which have no resources of their own, but have a large population.

The province succeeded, however, in meeting all its expenses during the fiscal year just ended, as the annexed report of the provincial treasurer (Exhibit A) will show, and it may be here stated that if the insular government would cancel the small indebtedness of this province, as requested by the provincial board in its communication of June 5, 1907, this province would be able hereafter to stand alone.

It would also be well for the Philippine Commission or the Philippine legislature to take measures for bettering the condition of this province, which deserves a better fate in view of its past efforts.

PUBLIC INSTRUCTION.

It can not be denied that public instruction is making decided headway in several municipalities of this province, especially since October 15, 1906, when it was organized into a school division independent of Pampanga, with which it had been consolidated since the organization of the public schools under act No. 74.

Several school buildings were constructed during the year, some of them of masonry and lumber, with corrugated iron roof, as the one at Orion, which cost about ₱6,000.

However, in some municipalities the school attendance on the part of the children of both sexes is relatively small, which is probably due to the absence of a law making it obligatory for the parents to send their children to school, and to the abundance of private schools.

This state of affairs is, however, disappearing, thanks to the activity of Mr. J. M. Gambill, our division superintendent, and to the teachers under him, Americans as well as Filipinos, who are continually holding meetings to attract the children to the schools.

On August 16, 1906, the provincial board, in special session, unanimously resolved on the pueblo of Orani as the most suitable place for the establishment of the provincial high school, and on November 20 of the same year this transfer was effected by direction of the school authorities.

At the beginning it had been decided to establish the high school at Balanga, the capital of the province; but as it was impossible to obtain by subscription the sum of ₱5,000 required by the secretary of public instruction as a condition precedent to the gift of ₱6,000 to this province by the Philippine Commission, the board changed its resolution and chose the pueblo of Orani, because of its advantages and of the fact that it has a building of masonry, the property of the province, worth ₱3,500, which, added to the ₱2,370.42 subscribed, makes the total of ₱5,870.42, ₱870.42 more than had been requested from us.

The bids for the repair of this building were opened on May 24 last, several having been received, the lowest for ₱12,486, which is ₱4,115.58 more than the province has available for this work.

In view of this deficit we do not know when we shall be able to begin repairing this building, unless the Philippine Commission, in view of the trying ordeal through which this province is passing, comes to our assistance with the difference, in which case we could begin the work immediately.

It is therefore earnestly recommended that the Commission, in consideration of the facts above set forth, appropriate ₱4,115.58 to enable this province to repair immediately the building chosen for the provincial high school.

INDUSTRY.

The industries of this province are so few and of so little importance that it is hardly worth while to speak of them. However, mention might be made of the fisheries, which have increased considerably since my last annual report, some fish having been exported to the adjacent provinces. As to the other industries, I have already covered them in my last report.

FACTORIES.

The only factories in this province are for the manufacture of sugar, which, as stated in my former reports, is the principal source of its wealth. The factories for the distilling of alcohol from cane molasses and tuba, formerly operating here, closed down last year.

NATURAL WEALTH.

The natural wealth of this province consists of timber, which is first class. However, for want of easy communication with the places where this timber grows, it is not properly exploited. The scant commercial activity in this province and the death of a great number of draft cattle used in hauling logs practically place the lumber business at nil.

ROADS AND BRIDGES.

The wagon road from Orion to Dinalupihan has been repaired in its entire length, and it is now possible to travel over it in vehicles with the greatest comfort. This is due to the efforts of Mr. G. A. Benedict, the provincial treasurer, who has been tireless in pushing the repair work to its completion, within the shortest time and with the smallest outlay possible.

Several bridges have been built and others are in contemplation, as, for instance, that at Calaguisman (Orani), the material for which has been ordered from the insular purchasing agent through the bureau of public works.

There are, however, certain bridges (those of Layac, Samal and Orani) which this province will not be able to build without assistance. The construction of these bridges will require an expenditure of approximately ₱30,000 owing to their great size.

Balanga, the only municipality in the province with any means, has just repaired its most important bridge. If it had not done so in time, it would have had to spend thousands of pesos in building a new one.

Several road inspectors at a monthly salary of ₱12 each, have been appointed to look after the preservation of our wagon roads, and it is hoped that next autumn the province will be able to cover the entire length of its wagon road with a layer of gravel and sand, and thus make it more solid and lasting.

NON-CHRISTIAN TRIBES.

As stated in my last report, there are in this province a number of Negritos or Aetas, the only non-Christian tribe here. Owing to the policy of attraction pursued by the provincial and municipal authorities, these Negritos are now living in settlements.

On my last tour of inspection to the pueblos of Bagac and Moron I visited the settlements of the Negritos and observed that they begin to understand the sincerity of the intentions of the government to improve their mode of living. At times, however, the failure of the crops in their califings has forced them to move from one place to another; but they do so in groups, and not by families, as formerly.

They are, as a rule, inoffensive, good-natured, and submissive, but utterly refractory to social and cultured life in the settlements.

POLITICAL CONDITIONS.

Political conditions in this province could not be more satisfactory. As stated in my last report, the inhabitants are law-abiding and orderly, as the following incident will serve to illustrate: The provincial prisoners, aided by a member of the constabulary named Modesto Miaco, made their escape from the provincial jail on the morning of April 12 last; but they received no aid from the inhabitants; on the contrary, the people energetically condemned their action and actively aided in the capture of the fugitives.

They conscientiously contribute to the support of the government by punctually paying their taxes, and attend their daily labors rather than politics.

Since my last report peace has reigned throughout the province, with the exception of the period between April 12 and the last days of May of this year, when Miaco and a few fugitives who had not been killed or recaptured left the hills of this province and went to another.

With few exceptions all the municipal officers are working for the good of their respective municipalities, and good understanding prevails between them and the people.

PUBLIC HEALTH AND HYGIENE.

The public health of this province is very satisfactory. During the fiscal year just past there has not been one case of contagious disease. However, during the last few months there has been an excessive mortality among infants, which is usually the case every year at the beginning of the rainy season.

CONCLUSION.

Before concluding this report I have the honor to make the following recommendations:

1. That the Philippine Commission appropriate for this province the sum of ₱4,115.58, to repair the building to be used as the provincial high school.

2. That the bridges at Layac, Samal, and Orani be built at the expense of the insular government, as was done in the case of wagon roads and bridges in other provinces.

I also deem it my duty to state in this report my profound gratitude to my companions of the provincial board for their cordial and efficacious cooperation, direct and indirect, in the dispatch of the matters which have come before the board; and likewise to the municipal officers and the constabulary for their disinterested and loyal support, which has made it easier for me to perform the duties of the office I hold.

Respectfully submitted.

L. L. ZIALCITA,
Governor of the Province of Bataan.

The GOVERNOR-GENERAL.

EXHIBIT A.

Finances, province of Bataan, fiscal year 1907.

	General.	Road.	Congressional relief.	School.	Total.
Balance July 1, 1906.....	₱5,903.05	₱9,544.35	₱407.04	₱1,035.25	₱16,889.67
<i>Receipts.</i>					
Revenues:					
Registry of property.....	159.14				159.14
Cedula, 1901-1904 series.....	155.00				155.00
Cart.....	883.74				883.74
Land, 1902-1905.....	559.80	* 279.67			838.97
Internal revenue—					
Refund.....	ⁱ 5,409.57				5,409.57
Cedula.....	6,526.00				6,526.00
Other receipts:					
Acts 1455 and 1579.....	4,667.85	2,333.88			7,001.73
Refunds.....	890.00	1,396.90			2,286.90
Loans from insular government.....	* 6,000.00				6,000.00
Contributions.....			500.00	1,835.17	1,835.17
Total receipts.....	24,750.60	4,010.45	500.00	1,835.17	30,596.22
Exchange (net) Pfs.....	287.14				
Grand total.....	30,653.65	13,544.78	907.04	2,370.42	47,485.89
<i>Expenditures.</i>					
See abstract following.....	22,447.89	6,892.49	907.04		30,217.42
Exchange (net).....	219.24				219.24
Balance June 30, 1907.....	7,986.52	6,692.29		2,370.42	17,049.23

* Not pertaining to year 1907.

ⁱ ₱1,250 not pertaining to year 1907.

STRICTLY PERTAINING TO YEAR 1907 (GENERAL).

Income.....	₱17,000.00
Expenditures.....	16,500.00
Excess.....	500.00

G. A. BENEDICT,
Provincial Treasurer.

Abstract of expenditures, province of Bataan, fiscal year 1907.

	General.	Road.	Congressional relief.	School.	Total.
Salaries, officials.....	P7,753.32				P7,753.32
Salaries, employees.....	3,601.54				3,601.54
Per diem, judge only.....	120.00				120.00
Public buildings repaired.....	246.72				246.72
Traveling expenses.....	1,108.64				1,108.64
Office supplies.....	1,112.58				1,112.58
Equipment, permanent.....	440.09				440.09
Court fees.....	*5,968.00				5,968.10
Sheriff fees.....	90.40				90.40
Feeding prisoners.....	*1,707.10				1,707.10
Bond premiums.....	159.34				159.34
Loans to municipality.....		P1,324.00			1,324.00
Miscellaneous.....	50.21				50.21
Roads and bridges.....		5,538.49	P699.04		6,237.53
Gratuitous distribution.....			208.00		208.00
Total.....	22,447.89	6,862.49	907.04		30,217.42

* P5,450 not pertaining to year 1907. * P800 not pertaining to year 1907.

P300 for Bilbid prisoners.

RÉSUMÉ.

Actual expenditures	P22,450.00
See notes	300.00
	22,750.00
Other years	6,250.00
Net, 1907	16,500.00

REPORT OF THE GOVERNOR OF BATANGAS.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF BATANGAS,
Batangas, P. I., July 26, 1907.

SIR: I have the honor, in compliance with the provisions of act No. 1044 of the Philippine Commission, to submit herewith my annual report for the fiscal year ended June 30, 1907.

Pursuant to the programme furnished by the executive secretary, I shall begin by discussing the agricultural conditions of this province.

AGRICULTURE.

In comparison with the last fiscal year the condition of our agriculture has improved considerably. Not only has the production of sugar, abaca, and oranges increased, but the rice and maize crop is much larger than it was last year, which is shown by the small amount of rice imported, the rice grown being almost sufficient for the subsistence of the inhabitants. This is also demonstrated by the increase in the number of the rice-hulling machines, and by the fact that contrary to past years, large quantities of grain now go from the rice-growing pueblos of the interior to the coast towns.

According to information received from the orange-growing pueblos, Tanauan and Santo Tomas, the production has not increased to a very large extent, but is larger than that of last year.

The production of abaca in the pueblos formerly engaged in growing coffee has likewise increased, and it is remarkable what activity the agriculturists display in sowing the textile plant mentioned on land suitable for the purpose. I may affirm, without fear of making a mistake, that in the pueblos mentioned the revenues from this source will in 4 or 5 years come close to those derived by the same agriculturists from coffee growing when it was in its apogee.

With regard to the production of maize and rice, it must be borne in mind that instead of decreasing it has increased, notwithstanding the extraordinary mortality among the labor cattle, this being the best evidence of the efforts made by the agriculturists in employing manual labor.

The provincial government has received information relative to the appearance of locusts in several barrios of the municipalities of San Juan and Rosario; but as they have appeared in small numbers, it is hoped that it will be possible to speedily exterminate them.

INDUSTRY.

There are very few industries in this province, which is and always has been essentially agricultural. These industries are those mentioned in my report for last year, among them the breeding of hogs and chickens, of which large numbers are exported to Manila every week. The important industry of weaving continues, is almost general, and exists on a large scale in Bauan and Lipa, which export their products not only to Manila, but to other provinces.

While there has not been an increase in the quantity, the quality of the articles produced is improving gradually, and it may be affirmed that two-thirds of the rural population are clad in cloth woven in the province.

ECONOMICS.

The economic condition has improved visibly—in the first place because it did not have to bear the heavy burden of the land tax during the years of 1906 and 1907, and in the second place, because the provincial treasury has been greatly relieved by the Philippine Commission by the remission of its indebtedness for the benefit of public instruction, because though it is true that the province has to pay this indebtedness, yet the period of ten years granted for its payment makes it easy for the provincial exchequer.

The province has at present on deposit with a banking establishment at Manila, at the proper rate of interest, ₱70,000. At the end of the present year, as soon as the current liabilities contracted by the provincial exchequer have been paid, the balance on hand will be invested in the construction of several bridges, the plans and estimates for which being already in the possession of the provincial board.

The provincial government building and the court-house, the latter a one-story building annexed to the former, have been suitably repaired and painted, ₱8,000, more or less, having been expended for this purpose.

The municipal governments also report good economic conditions. Some of the municipalities, among them Rosario, have built town halls, and Lipa has set aside funds for the purchase of a building for an intermediate school.

The pueblos of Tanauan and Lipa, though they have applied for loans of ₱8,000 and ₱15,000, respectively, for the construction of town halls, and though they have until the present not been successful in raising these sums for the purpose of executing the work projected, have, however, sufficient revenues to fully guarantee the payment, in installments, of the loans requested.

The municipality of Batangas also has a surplus of ₱12,000 in its municipal treasury, which the council has decided to invest in the construction of a town hall.

The provincial treasury has made the following collections during the fiscal year 1907:

Register of deeds	₱55. 23
Registration of mining claims	12. 00
Revenues from provincial property	303. 50
Cedulas, act No. 83	996. 00
Cart tax	786. 40
Land tax, 1905 and preceding years	25, 103. 02
Land tax, acts Nos. 1455 and 1579	65, 044. 44
Fisheries	18, 818. 58
Certificates of ownership and transfer of cattle	15, 430. 00
Revenues, profits, and privileges	19, 808. 65
Licenses	13, 452. 29
Fines	4, 514. 85
Sale of estrays, act No. 1147	549. 50
Cemeteries	274. 90

Contributions toward school funds.....	297. 62
Sale of municipal property.....	582. 60
Cedulas, act No. 1189.....	63, 314. 00
Licenses, act No. 1189.....	5, 999. 50
Opium smokers' certificates, act No. 1461.....	110. 00
Internal-revenue tax refunds.....	74, 379. 53
Sale of supplies.....	3, 237. 16
Sale of carts.....	1, 600. 00
Court fees.....	319. 11
Refund of excessive collections of court fees.....	1, 648. 00
Refund of loans by municipalities.....	2, 989. 47
Transfer of deposit and trust funds.....	103. 11
Appropriations by municipalities for road work.....	2, 200. 00
Refunds, miscellaneous.....	542. 77
Total.....	322, 522. 23

Of this sum ₱113,804.76 went to the general fund (the revenues amount to ₱103,367.14); ₱18,049.29 to the road and bridge fund, and ₱190,668.18 to the several municipalities.

The provincial balances were on June 30, 1907, as follows: General fund ₱55,924.33, road and bridge fund ₱19,536.97, and school fund ₱5,166.44. The fund last named was created by act No. 1622, the money being appropriated from general funds.

COMMUNICATIONS.

Though it can not be said that the wagon roads are in absolutely good condition, yet it may be stated that it is possible to travel by carromata from one end of the province to the other; that is, from Nasugbu to the provincial capital, and from the provincial capital to the farthest pueblos, which are Tailsay on the north and San Juan de Bocboc on the southeast. The provincial board has gradually repaired these roads with the scant funds, which do not reach the sum of ₱20,000, available for this purpose, to put them in such condition as to make it possible for travelers to use carromatas. Only one pueblo, Lobo, has no wagon road, nor has it ever had any wagon road connecting it with this capital, because the construction of such a road, which would have to cross hills and gulches, would be exceedingly expensive. This municipality may, however, be easily reached in seven hours on horseback, or one may go there by sea, as the steamers which come to this capital call there for cargo two or three times a month.

NATURAL WEALTH.

There have been filed 23 applications for the registration of mining claims; of these 18 are located in the municipality of San Juan de Bocboc, 1 at Lobo, 2 at Bauan, and 2 at the provincial capital, Batangas, the applicants for the 20 claims first mentioned being Americans, and for the others Filipinos.

The 20 applications filed first do not specify the kind of the claim; but as to the others, two at Bauan are for placer mines, and that at Batangas for a guano deposit.

PUBLIC INSTRUCTION.

During the fiscal year 8,374 children attended the primary schools, 608 the intermediate schools, and 31 the seventh and eighth grades of the high school, making a total attendance of 9,013.

There are 22 American, 11 insular, and 161 municipal teachers.

The number of children attending the provincial school was 293.

The secretary of public instruction has granted the sum of ₱8,000 for the construction in this capital of an industrial school building on the lot on which the provincial school is located.

PUBLIC HEALTH AND SANITATION.

There has not been any epidemic disease in this province during the year.

In view of the unnecessary abolition of the provincial board of health—I say unnecessary, because this province has to pay its share, in proportion to its population, of the salary of the district health officer, who resides in Tayabas—this provincial government is unable to furnish the data regarding sanitation

which it furnished in the report for last year, because the presidents of the municipal boards of health report to the district health officer at Lucena, Tayabas.

Though matters pertaining to the health of the animals are now in charge of the bureau of agriculture, to which this subject has been transferred from the bureau of health, I will treat of the health of the labor cattle in this chapter.

During the last year this office has continually received reports of cases of rinderpest from the several pueblos of the province, which were immediately forwarded to the bureau above mentioned for the proper action. When the rinderpest was at its height in this province, 7 government inoculators were stationed here, to inoculate the infected animals with serum. These inoculations were so efficacious that the animals were cured within a few days; but I deem it my duty to state that these inoculators, notwithstanding their good intentions, were half of the time without work, because of the insufficiency of the quantity of serum received from Manila, the demand being extraordinarily large, and the agriculturists being so confident as to the efficacy of the serum that the inoculators were actually besieged and petted, in order to induce them to give preference to the persons who overwhelmed them the most with favors.

However, the serum inoculated was merely a preventive and its effects were limited to two or three months at the most, in view of the small quantity inoculated in each case, and when the plague reappeared the animals cured became sick and died, it being then impossible to apply the same remedy again on account of the lack of serum or of the transfer of the inoculators to other pueblos or provinces.

The havoc wrought by the rinderpest in this province last year has been so great that it is not an exaggeration to estimate that the number of the cattle decreased at least 60 per cent, and to say that rinderpest still exists, though not so extensively as before, and continues to diminish the already depleted labor cattle in several pueblos.

It is recommended that the residence of the inoculator and veterinarian stationed in this province be transferred from Lipa to the provincial capital, to the end that he can be informed immediately of reports of cases of rinderpest received from the pueblos.

POLITICAL CONDITIONS.

It may be affirmed, without fear of erring, that the province of Batangas enjoys at present an era of peace and tranquillity, which has been cemented by the favorable action taken by the Philippine Commission on the petition of the provincial government for the segregation of Lemery and Talisay from the municipalities to which they had been annexed, and their reorganization as independent municipalities. In my report for last year I stated in detail the reasons which induced me to request this segregation, and I believe that I did not make a mistake, seeing that my efforts in this direction have been crowned with success.

At the close of last and the beginning of the present year, a band of six or seven brigands infested the boundaries of the provinces of Laguna, Batangas and Tayabas, holding up the unfortunate laborers who went from one province to the other in quest of work.

The meeting of the governors and constabulary officers of the three provinces, requested by me and held last March at the pueblo of Santa Cruz, La Laguna, resulted in the disappearance of this band, some of the members surrendering to the president of San Pablo and others to the constabulary at Talisay, one of the chiefs, Miguel Amante, being captured recently at Banaybanay, in the municipality of Lipa, by the lieutenant councilor of said barrio and the municipal police of Lipa. Only one member of that band, Fulgencio de Guia, is still at large. His whereabouts are unknown; but the police do not cease the pursuit, and this fact impelled me to address a petition to your honor asking that a reward be offered for his apprehension, and another for that of the robber chief, de Castro, who, according to private information, is at present in the province of Cavite. These rewards were authorized by the Commission at its session of the 20th of the current month.

Since I have taken charge as provincial governor, it has been my greatest desire to make the municipal police as efficient as possible, inasmuch as that organization is charged with the maintenance of peace and order in the municipalities.

At the present time all the police of the province are uniformed alike and governed by the same regulations, which were drafted by the undersigned, submitted for approval to the municipal councils, and unanimously adopted by the

same, with a few insignificant amendments. These regulations are being printed by the Bureau of Printing and will soon be issued to the municipalities, in order that each municipal officer may have a copy for his guidance as to the relations between the police and the people.

Upon my petition, the governor-general has also authorized the exchange of the arms now used, which are almost unserviceable, for Springfield carbines. Knowing that these arms are necessary only for those pueblos which are in need of efficient means of defense against the outlaws, I have requested Springfield carbines only for nine municipalities, namely, Balayan, Lemery, Taal, Santo Tomas, Tanawan, Lipa, San José, Rosario, and San Juan, and do not deem it necessary to equip the rest of the municipalities with these arms, leaving them the rifles and revolvers which they have at present.

I have also filed a petition, which has been approved by the director of constabulary, General Harry H. Bandholtz, requesting that a subinspector of the constabulary be detailed to instruct the police of each municipality, and that after the completion of this instruction all the police be assembled at the provincial capital for a general course of instruction, during which time only the police indispensable for the maintenance of peace and order are to remain in the pueblo.

Upon concluding this report I wish to tender my thanks to the honorable the governor-general and to the members of the Philippine Commission for the assistance which they have rendered to this provincial government in its work for the welfare and tranquillity of this province, in view of which I will never cease for an instant to do all in my power to increase the prestige of the government in this province.

Respectfully submitted.

J. LOSADA,
Governor of the Province of Batangas.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF BENGUET.

OFFICE OF THE GOVERNOR, PROVINCE OF BENGUET,
Baguio, P. I., July 31, 1907.

SIR: I have the honor to submit the following report for the province of Benguet for the fiscal year ended June 30, 1907:

The government of the entire province of Benguet is administered exclusively under those acts of the Philippine Commission for the government of non-Christian tribes, and every district and all the people of the province are subject to the rules and advantages of the special provincial and township acts Nos. 1396 and 1397.

The native population of Benguet, with the possible exception of about 1,000, is Igorot, and thus most of this report will necessarily be a report of their condition.

NONCHRISTIAN TRIBES.

American occupation found here an almost inaccessible district peopled with a comparatively small population of poor, timid, oppressed barbarians. Being so-called infidels, they were without both the consolation and the protection of the church, which for three centuries had been a partner in the government of the islands, and being nearly naked barbarians these Igorots had been as far back as tradition recites the natural prey of the more enlightened and Christianized tribes. No attempts were made to redress wrongs committed against these people, and outrages of all kinds and abuses from private and official parties were so common that safety and peace seemed to be found only in poverty and solitude.

The people were naturally suspicious that in the change from the Spanish to the American Government they were but getting a change of masters in name only, and it has been a labor of much patience and constant consideration of their customs and habits on the part of all our government officials and representatives that has won the apparent confidence of these natives, which we now possess.

The principal attribute of Deity according to the Igorot belief is that of justice; and the laws governing this province, as framed by the Commission, were so considerate and just to them, and the administration of these laws in all branches of the service having been careful to live up to both the spirit and

the letter of the law, that the Igorots, like the old man who sees in every bright, sunny morning only a "weather breeder," have now only one fear—"that it can not last, that there will be another change of matters, and that they will eventually be again robbed even of the fruits of this prosperity."

PROSPERITY.

The natives of Benguet are prosperous. Their wealth consists of animals, rice fields, and agricultural lands.

Stock.—Last year we reported 10,000 head of cattle registered in the province, this year there are reported to this office 15,775 registered and the registration of animals does not begin until they are two years of age. This shows an increase of 50 per cent over last year. In addition to this increase there has been an enormous sale of matured cattle from the province, the township of Bagulo alone having transferred cattle to the value of ₱17,465.50. The Benguet cattle are prized by the lowland people as draft animals on account of their speed and wind, and bring exceptionally good prices, the natives here receiving from ₱90 to ₱140 for full-grown bullocks. The cattle industry is only in its infancy in Benguet, for with the vast ranges of first-class grazing lands in this province and the freedom from disease among stock, the fact that cattle will reproduce every ten months and that the only necessary expense involved is that of herding and shelter should, and doubtless will, interest and induce investors with small capital to enter this field of occupation for slow but large and safe returns on their money. The mountain districts of north central Luzon, if properly exploited, could easily supply the beef market of Manila. The natives of Benguet have also 10,144 pigs, 1,617 goats, 431 sheep, about 2,500 ponies, and 3,500 carabao.

Agriculture.—The demand for American vegetables by the large transient population in and about Bagulo and their successful growth at the government experimental station, thus demonstrating that the climatic conditions are favorable to these products, have stimulated the natives to produce them, and the increase in their production is marked. Irish potatoes for the last five years have been produced by the natives in small amounts, and the price for them being so alluring they have increased their little patches into fields and will attempt their growth on so large a scale as to more than supply the local demand for next year. One man is now preparing about 10 acres of ground for this crop alone. Native corn two years ago was unknown here as a product, although there were a few plants raised and prized as is a weakly palm in a hothouse back in the States. This year there were 1,802 baskets (about a half bushel per basket) raised and sold. Squash, cantaloupes, celery, parsnips, turnips, tomatoes, etc., grown and sold here by these natives are equal in size and flavor to those grown by the most careful gardener under the most promising conditions in the States. The supply only is deficient, and I fear this will continue to be our trouble, as the demand increases more rapidly than the belief in such a demand can expand in the mind of the native; in other words his hind sight is better than his foresight.

Rice paddies.—The construction of rice paddies in this province involves an enormous amount of labor, which is expensive. The natives terrace the hills from the lowest level to the level of the water supply. The walls of these terraces are made of stone, rising one above the other, and are then filled with rich productive soil. In the construction of these terraces they often build their walls, completing their improvements to the top, and then for the purpose of filling they go to the source of the stream and shovel black dirt into the waterway that runs down over the terraces; as the water strikes one level after another the sediment precipitates, forming the completed terrace, thus avoiding the effort of carrying the soil in baskets from possibly a long distance. In this way primitive man in a primitive way has accomplished an engineering feat, the principle of which is the same as that used in making the fill of the Luneta Extension of Manila. There has been a noticeable increase in the number of these paddies constructed throughout the province.

Lands.—Chapter IV of the land act giving free titles to native settlers was made applicable to this province January 1, 1906. The natives looked upon this with favor and have filed claims for about 1,200 parcels of land. These claims have been surveyed, mapped and monuments placed on the ground by the bureau of lands, and titles will issue as rapidly as counterclaims may be adjusted. The restriction of one claim to each property holder, while a great advance from any favor granted the Igorot by our predecessors, still fails to

cover the ground claimed by these people in anything like a satisfactory manner. Owing to the rough and broken surface of the country the parcels of ground cultivated by the natives are small and detached from each other. That is, one man owns several cultivated areas, mostly rice paddies, ranging in extent probably from one to four or five acres, all small. Now, under this ruling he can make claim for one parcel only, which he fears may leave the others open to pre-emption by other parties, although they have cost him much time and labor to construct. The limit of such free patent in extent of land conveyed is 16 hectares or 40 acres and it would seem advisable to limit their claims only by this limitation of area instead of by the number of parcels of land conveyed. Considering the ignorance and natural hesitation to adopt any new plan by these Igorots, their taking out of 1,200 claims under this provision of the law, small as it is, is indicative of their advancement and desire for individual ownership of property. A man who owns his home obeys the law that protects that home and insists that others do the same. It is a great advance from the nomadic state of barbarism.

FINANCE.

Township.—There are 16 townships in the province of Benguet. The collections of these townships as provided for in township act No. 1397 amounted to ₱24,073.63 and the expenses to ₱14,365.09, leaving a balance on hand of ₱9,708.54, of which ₱7,045.11 is due Bagulo township. This township has contracted for a market building for which excavations are now being made which will cost complete more than ₱5,000. The ordinary expenses of these townships are salaries, office supplies, road tools, road repair, bridges, and the maintenance of the public building, called the "tribunal." The receipts of the townships accrue from a head tax of ₱1 for each adult male, a property tax of one-half of 1 per cent on valuation, and a cattle registration fee of ₱1 per head and licenses.

Provincial.—The revenues of the province for the past year and the disbursements were as follows:

	General fund.	Road and bridge fund.
REVENUES.		
Balance on hand July 1, 1906.....	₱7,357.22	₱1,602.49
Registry of property.....	54.67	
Mining fees.....	623.00	
Judicial fees.....	488.64	
Court fees.....	16.00	
Insular government appropriation.....	20,860.00	
Internal revenue.....	2,692.32	
Miscellaneous.....	677.21	
Road tax.....		962.00
Refund overpay.....		15.50
Transfers, Bagulo-Trinidad road.....		1,308.35
Town and settlement.....		3,045.49
Provincial.....		4,000.00
Town school.....		827.78
Total.....	32,744.06	11,761.56
EXPENDITURES.		
Salaries.....	13,830.10	
Travel expenses.....	1,519.90	
Sheriff fees.....	27.36	
Court fees.....	384.00	
Office supplies.....	2,264.72	
Mail and telegrams.....	325.00	
Premiums, bonds.....	259.84	
Rental for building.....	1,800.00	
Maintenance of prisoners.....	537.00	
Equipment.....	149.14	
Repairs to buildings.....	2,154.16	
Construction, maintenance of roads.....		6,638.29
Miscellaneous.....	920.47	
Subsistence, industrial school.....	1,968.79	
Transfer of funds.....	4,000.00	827.73
Total.....	30,170.48	7,466.02
Balance on hand.....	2,603.58	4,295.54

In addition to the ₱6,638.29 expenditure for roads and bridges the province has also expended its quota of free labor, which is now ten days for each adult male in the province, on the repair of trails in the different townships and on the main provincial trails, Sablan and Baguio, Trinidad and Baguio road, Suyok and Baguio trail, and Antimok and Baguio road. The Sablan and Baguio trail is our natural outlet from Benguet to the coast by Union province. This is a much-traveled highway, as it connects the Army post, Camp Wallace, with the military post, Camp John Hay, situated at Baguio. The old trail has been changed in many places, cutting out high and adverse grades on a survey made, reducing the average grade of the trail to 5 per cent with a maximum of 6. At the present rate of progress on this trail it will take three years to develop the trail on this plan, but completed will fully demonstrate the possibility of reaching Baguio from the sea upon a low and practicable grade.

The road between Baguio and Trinidad has been partially metaled, and work on this line will continue until a perfect roadbed is constructed. The necessity of this being a first-class road will be readily understood by simply stating that in the Trinidad valley is located the government stock farm and the government experimental station, the latter of which supplies Baguio with its vegetables and strawberries. The trail to Suyok, about 45 miles in length, follows the mountain range without crossing a river and is expected to shorten the distance between Baguio and Cervantes, the capital of Lepanto-Bontoc, by two days, besides eliminating the dangers of the present trail, which follows up the valley of the Agno, necessitating several fords, impracticable during the rainy season. On this new trail, however, there is a vast amount of rock work, and while the work will be pushed as rapidly as possible the coming year it will take another before it is completed, and as it follows for several miles on its northern end the boundary line, the province of Lepanto should be requested to assist in the construction of that part, especially as the chief benefit to be derived from the construction of this trail will accrue to the people of Suyok, of that province. The Antimok road leads from Baguio through Bua down to the Antimok mines. It was planned that this road should be on an 8 per cent grade, as it was anticipated that the haul for loaded wagons would all be down, returning empty. Originally a trail, it was widened, making it passable for carts and wagons. The traffic over this road has been stupendous. Tons and tons of material have been transported to these mines and hundreds of tons are yet to follow. This road must be widened out, better bridged, drained, and metaled. The traffic over it has demonstrated its necessity, and the construction of mining plants will repay in their taxes all the expenditure for construction.

SCHOOLS.

We have but four schools in Benguet. The Baguio school with three American teachers is instituted as the central provincial school. To this pupils are sent from the different townships and here they are housed, subsisted, and clothed. A course of instruction in manual training is provided and the pupil is expected to spend half of his school day in the shops.

As a boarding school this is exclusively a boys' school—and Igorot boys at that—but as a day school it is open to all resident students.

The number in attendance as boarders has always been limited to 100 by the appropriation for subsistence, but this attendance has not been maintained throughout any year since establishment.

The present attendance of boarding pupils in this school varies from 30 to 50, but it is hoped and expected to double immediately after the rice harvest.

The Bua school is a boarding school for Igorot girls, the industrial feature being the teaching of weaving, housekeeping along American lines, and cleanliness in everything. Attendance, 25. One American female teacher and one assistant native female teacher.

The Cabayan school is a day school with an attendance of 100 boys and 25 girls, all Igorots, in charge of an American supervising teacher and native assistant, who also teaches weaving.

In connection with this school and under the same supervision is a school at Daklan and another at Bokod, each under an Igorot teacher and each with about 30 pupils attending.

The La Trinidad school has between 50 and 60 pupils, about equally divided between Igorots and Ilocanos. Here also weaving is being taught. This school is in charge of an American lady with two native assistants. The attendance here is expected to double after rice harvest.

No weaving had ever been done in this province, the natives buying the cloth from which to make the little clothing they consider necessary from their neighbors, the Ilocanos. The teaching of this industry is most favorably received by the Igorots.

MINING.

This year's report is the first to tell of mining in the province of Benguet. Heretofore it has been theory, prospects, assays of samples, hopes and fears. Now the experiment has been tried, modern machinery has been introduced, and modern methods employed with results encouraging if not satisfactory. The first year in any enterprise is usually accompanied with many discouragements, and when at a long distance from the base of supplies discouragements multiply.

At the time of the preparation of my last report the Benguet Consolidated Mining Company was busy installing the Hendy three-stamp mill and cyanide plant, with a water system to furnish power for operating the mill. The stamps were put in operation early in September, working at first on material from the dump. The cyanide plant was not put in commission until near the end of the year, owing to delay in getting duplicates for certain necessary parts that were lost in transit. Work was begun on reopening the mine and starting further development work therein early in September. Until this was well started the operation of the mill was somewhat intermittent, but since the first of January the mill has been operated steadily night and day on ore taken from the mine in the course of development work only, and the proceeds have been more than sufficient to pay for all operating expenses, inclusive of all development work, fixed charges, etc., and a very considerable margin left to apply on improvements. A new mill of three stamps has been purchased and is on the ground ready for erection. Material is arriving for a slimes plant, and two more leaching tanks are being ordered for the cyanide plant.

The yield of gold since the mill started is about \$17,500, United States currency.

The cost of operating is less than \$3.50 per ton mined and milled, including cost of development, assaying, supervision, etc., on a basis of 450 tons per month mined and milled.

There has been about 1,270 feet of development work done in the Minnesota mine alone during the year, of which about 450 feet is tunneling and drifting on ore, 170 feet of crosscutting, and 330 feet of shafts, raises, and winzes, all in ore. As a result a great deal of pay ore has been blocked out, enough to assure the operation of the property for some time to come, even were there to be no more ore put in sight. But more pay ore is being continually put in sight, and the results of the work are very gratifying.

The Nels Peterson mine produced \$3,500 in gold in three months' time actually employed, and Mr. Hansen, who put in a water-power stamp mill on the Copper King property just at the close of the last rainy season, and who only had about a ten days' run, reports obtaining the happy result in that short period of \$2,000 worth of gold.

The Bua Mining Company have a 6-stamp mill on the ground and nearly ready for operation. James Kelly expects his machinery next year.

There have been 102 mining claims filed this year. Prospectors are finding favorable mineral ground in new localities, and old prospects, especially in Lubang district, are being developed to the point where mining machinery may be profitably introduced.

For claims, field and registry fees for assessment work done, the province has received ₱628.

PATERNALISM.

The United States Government is beneficent and advantageous to these people in contrast to past conditions in the following particulars:

Whereas appointees were named in the different districts, called "gobernadorcillos," to carry out the will and pleasure of the ruling powers, now the natives elect from among themselves a presidente to represent them in council with their governor and under his direction and advice to govern their township.

Courts recognize in these natives the existence of the rights of men; their testimony is given dignified consideration and decisions are rendered for or against them as justice demands.

The bureau of health has a sanitary inspector constantly among them working to prevent disease, relieving minor troubles, and sending serious ones to the hospital at Bagulo.

The agricultural bureau by the establishment of an experimental station in the Trinidad Valley demonstrates the possibilities of the country in vegetables, plants, and berries in so acceptable a manner that the natives have ceased placer mining and taken to agriculture as a more certain and easier method of getting gold.

The same bureau has also a stock farm in this same valley, with fine breeding animals in horses, cattle, and swine for the benefit of the stock of the natives.

The schools established give to the Igorots hope that as their boys become educated they may replace the hated Ilocano, who now hold most of the positions as township secretaries. That their hopes are well grounded will appear when it is stated that two Igorot students are now holding such office in the townships of Kibungan and Cabayan with much gratification to the inhabitants of these towns and with more than average ability, rating by the other township secretaries of the province.

Roads are constructed opening up inaccessible districts; demand for laborers exceed the supply; good wages are paid promptly; abuse of workmen is not permitted, but they are invariably given due consideration.

They have the privilege of enlisting in the constabulary, have their own police, have been granted the privilege of making claims for lands, and for the first time in their history Igorots now have titles to homes.

RECOMMENDATIONS.

January 1, 1908, the natives of Benguet will have had for two years the exclusive privilege of filing claims for lands, and have been assisted and constantly urged to file their claims by the officials and agents of the government.

This is a white man's climate and here may be raised the products with which he is most familiar. Here he may engage in stock raising or agriculture, where the experience of like occupation in the temperate zone will be of value. The establishment of the army post "Camp John Hay" as a convalescent station, of a large civil hospital in Bagulo, of Bagulo as the summer capital of the Philippines and a health resort, create a demand for natural supplies, for products of the soil, and I would respectfully recommend that the entire land act be applied to the province of Benguet, giving homestead and leasing privileges.

All of which is respectfully submitted,

WILLIAM F. PACK,
Governor of the Province of Benguet.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF BOHOL.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF BOHOL,
Tagbilaran, P. I., July 17, 1907.

SIR: I have the honor, in compliance with the provisions of act No. 1044 of the Philippine Commission, to submit the following report for the fiscal year ended June 30, 1907.

POLITICAL CONDITIONS.

As in previous years, there has not been any party strife during the year, nor has any of the parties in Manila organized committees in any part of this province. For this reason it is impossible to determine absolutely, or even in a general way, the sentiments of the people as to the political status of the Philippine Islands.

Pulahanism, which had threatened to disturb the peace and tranquillity of this province, especially of the southern portion, disappeared with the capture of Catalino Lagare, Benito Adayo, Tomas Caguang, Juan Cagud, Alonso Rodriguez, and Pedro Pamon. Otherwise there has not been any change in the political conditions since my last report, and peace and order have not been disturbed in any way worthy of mention.

PUBLIC HEALTH AND HYGIENE.

Owing to the sanitary measures which are gradually being introduced in all the municipalities by the bureau of health, the public health continues to improve. This is shown by the decreased mortality revealed by a comparison of the number of deaths during the present with those of last year. During the past year the number of deaths recorded was 3,351, and during the present only 2,557, a difference of 794 in favor of the latter.

There were registered during the year 8,162 births, against 8,249 last year, showing a decrease of births; but taken jointly the data relative to deaths and births reveal an increase of the population.

The sanitary improvements which it is endeavored to introduce are the following: 1. The sinking of artesian wells in the municipalities of Tagbilaran, Bacayon, Calape and Tubigon. 2. The organization of the municipal boards of health into districts, in accordance with act No. 1813, the province to be divided into six health districts.

From October 29, 1906, until the present writing vaccinations have been performed in 16 municipalities, the total number of persons vaccinated being 129,815.

There has not been any epidemic disease during the period covered by this report.

The 71 lepers existing in the several municipalities of this province have already been gathered together and taken to the Cullon leper colony on May 27 of this year.

A pharmacy will soon be opened at Tagbilaran by private parties. It will be the first in the province and will have branch establishments in several of the municipalities. The introduction of this improvement in the life of the municipalities will fill a long-felt need of this province, as it is now very difficult, not to say impossible, for the people to secure medicine unless they have the time and money necessary to order them from the city of Cebu.

PUBLIC INSTRUCTION.

One of the branches to which this provincial government has devoted special attention, because it deems it to be of capital importance, is public instruction. In fact, seeing how little the provincial government is able to do, under present conditions, for agriculture, industry, and commerce, in view of the lack of means and resources for their development, it is evident that the future of the province lies in the instruction and education of the masses, it having been shown that the material prosperity of a country always stands in direct relation to the degree of intellectual culture of its people.

I have always made special efforts to convince the people of this truth, and judging from the decided support and efficient cooperation found on the part of the people in the construction of schoolhouses, and the great emulation which exists among the school youth, I do not believe that my hopes have been frustrated.

In my previous reports I have called attention to the progress made in this respect, and it only remains for me to state what has been achieved during the period covered by this report.

The following table shows the progress made in the province during this fiscal year in the construction of schoolhouses, and gives the approximate value of the assistance rendered by the people in each pueblo:^a

During this year the province has completed the construction of two provincial buildings set aside for secondary instruction and industrial training, described in detail in my previous report.

AGRICULTURE.

Rice.—The rice crop harvested has surpassed all the hopes of the growers of this grain, though this abundance is merely relative. It is estimated that the last crop exceeded the one before by 55 per cent, and the only thing to be regretted is that the area at present under cultivation is not even one-half of what it was in previous years, owing to the lack of carabao. It would be

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

desirable, for the improvement and development of the cultivation of this grain, to introduce mules at prices compatible with the scant means at the disposition of the small landowners.

Maize and abaca.—Very little maize is harvested. This is also due to the lack of carabao, because the agriculturists formerly engaged in growing maize have taken up the cultivation of abaca, which is increasing to a considerable extent, especially in the pueblos of Carmen, Bilar, Sierra-Bullones, Balilijan, Tubigon, Antequera, Jagna, Duero, Guindulman, Anda, Candijay, Dimiao, Valencia, and Garcia-Hernandez.

Cocoanuts.—A noteworthy improvement in the cocoanut trees has been observed recently.

Tubers.—The cultivation of tubers has given better results than in previous years, owing to considerable rainfall and in view of the fact that the use of carabao is not indispensable in the cultivation of this crop.

Agricultural bank.—The establishment of an agricultural bank in this province can not, in my judgment, be of benefit to the agriculturists therein, because, in view of the fact that the real estate is distributed among many owners, it is difficult, not to say impossible, for the small landholder to defray the excessive expense of perfecting his title in accordance with existing legislation, and this will make loans impossible, for the lack of sufficient securities.

The surra wrought great havoc at Ubay and Sierra-Bullones, carrying off 99 per cent of the horses therein. Surra prevails at present in the pueblos of Duero, Guindulman, Candijay, Mabini, and Anda.

Upon the appearance of this infectious disease the provincial board passed a resolution, in accordance with the provisions of act No. 133 (sec. 6, k), directing the isolation of infected animals, for the purpose of preventing the propagation of the disease, and resolved further, with a view to strictly enforcing this measure, to appoint a sufficient number of police inspectors, paid from provincial funds at the rate of ₱1 per day.

Promotion of agriculture.—Aside from the evils of a transitory character which now afflict agriculture, such as the lack of carabao and the locust plague, there exist others which, in my judgment, call for action on part of the administration, for instance, the lack of roads and of knowledge of agricultural matters.

I am of the opinion, and beg your pardon for insisting, that a road traversing the interior of this province, where the land is the most suitable for cultivation, would give an impulse to agriculture and commerce, especially if combined with the establishment of model farms at the most adequate places.

FINANCES.

The provincial and municipal sources of revenue of the province of Bohol have been the same as during former years, and the needs of the public service having been adjusted to the receipts from taxes, without an attempt having been made to create new ones, the financial condition has been such that the receipts fully covered the expenses.

The payment and collection of the taxes and imposts has been so regular that nothing has remained uncollected except very small sums for cédulas, which the persons interested were unable to pay, for worthy reasons. Considering the fact that to continue carrying the small amounts owing for cédula taxes due prior to January 1, 1905, would merely make it difficult to collect this tax for subsequent years, and that the remission of these amounts would make the tax more collectible, and therefore redound to the benefit of the persons above mentioned and of the province, the provincial board deemed it prudent to resolve, at its session of May 13, 1907, that the debts above mentioned be remitted.

The following table shows the financial life of the province of Bohol in the year 1906-7.

Financial statement for the fiscal year, July 1, 1906, to June 30, 1907.

Receipts.	Collection.	
	Philippine currency.	Spanish currency.
		<i>P/s.</i>
Cart tax.....	P116.00	
Land tax, prior year.....	24,457.02	
Interest on time deposit.....	583.40	
Municipal tax.....	26,684.77	
Cedulas, act No. 83.....	1,384.00	
Cedulas, act No. 1189.....	58,583.00	
Municipal licenses, act No. 1189-148.....	6,252.00	
Opium certificates, act No. 1461-27.....	415.00	
Refund from insular treasury.....	88,063.42	
Miscellaneous refunds.....	4,327.30	
Sales of supplies.....	8,989.04	
Exchange of currency.....	2,681.95	3,232.04
Transfer from Congressional relief fund.....		
Transfer from general fund.....		
Congressional relief fund, act No. 1275.....		
Repayment of loans by municipalities.....	14,948.50	
Total receipts.....	237,455.90	3,232.04
Provincial share.....	107,423.13	
Municipal share.....	130,032.77	

INDUSTRY.

The manufacture of mats, buri hats, salakots, and cotton and sinamay cloth has not experienced any impulse, nor has there been any improvement in quality or quantity. This is due to the primitive methods used in these industries; but as to the manufacture of sinamay, it must be stated that greater care is used, and that the quality has consequently improved.

These industries are still of little importance.

An oil factory is operating in the pueblo of Loay; and its annual output is estimated at 10,000 gallons. The cocoanuts or copra necessary are furnished by the municipalities of Loay, Alburquerque, Loboc, and Dimiao, the amount of copra consumed being estimated at 1,216 piculs per annum.

ECONOMICS.

In view of the bad condition of agriculture, industry, and commerce, the economic condition of this province is not satisfactory. Each year this province is obliged to send a considerable sum of money abroad for products, which falls far from being compensated by the value of its own. The fact that the province has not yet felt the evil consequences of economic ruin and penury is doubtless due to the coastwise trade carried on by a large majority of the pueblos of this province on a small scale with the islands of Luzon, Mindanao, Leyte, Samar, Iloilo, Cebu, and Negros. The profits from this source, though small, have apparently been sufficient to maintain the economic equilibrium in this island, while the people thereof endeavor to increase the output of copra and continue planting their land with maguey and abacá. Fortunately a relative improvement is already noticeable in the production of cocoanuts.

COMMERCE.

In speaking of the economic condition, we have already given a sufficiently clear idea of the commerce of this province. Agriculture and industry are unable to export in sufficient quantities to compensate for the large amount of importation. The small coastwise trade, however, into which the lack of fertility of the soil of Bohol has forced the great majority of the people, has doubtless saved the province from the sad consequences of its scant agricultural and industrial production.

NATURAL WEALTH.

As to the natural wealth of Bohol, it may be said that it has been reduced to almost nothing. As to lowland forests, there have never been any worthy of that name, and, as to high forests, there have not been any for many years, except the timber patches in the interior of the island, available, not for ex-

plottation for revenue, but only for gratuitous utilization by the natives, for which purpose the province of Bohol was included in the list of provinces called "provincias acotadas" in the times of the Spanish government. The few small mangrove swamps at Candijay, Ubay, and Ipil, and the patches of timber at Anda, which some parties from Cebu have been exploiting under a paid license granted by the present government, are the only ones which have produced revenue during the year.

RECOMMENDATIONS.

1. Opening of the port of Tagbilaran.
2. Establishment of a fishery school in the municipality of Tubigon.
3. Construction of the Loboc-Bilar road.
4. Extension of the mail-steamer line to the ports of Jagna, Guindulman, Ubay, Tubigon, Loboc, and Maribojoc in connection with the other steamers of the Cebu line.
5. Amendment of the road law so that labor be made available for other municipal works.
6. Establishment of a model farm at Carmen.
7. Introduction of mules for agricultural purposes at prices compatible with the scant means of the small landholders.

To the opening of the port of Tagbilaran the Commission is earnestly requested to give special attention. The reasons for which this is deemed advisable and necessary, together with those for my second, third, and seventh recommendations, have been set forth in my former reports.

The extension of the steamer routes is to secure the benefit which this system of communication is liable to bring to commerce and industry, especially at the present time, when the province is without roads connecting the pueblos of the interior with those at which the mail steamers now call.

The amendment of the road law is of imperious necessity, in view of the fact that the majority of the municipalities have not and can not have sufficient funds for the repair of the municipal buildings.

Very respectfully,

SALUSTIANO BORJA,
Governor of the Province of Bohol.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF BULACAN.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF BULACAN,
Malolos, July 1, 1907.

SIR: In accordance with the provisions of act No. 1044, I have the honor to forward the following annual report for the fiscal year ended June 30, 1907:

POLITICAL CONDITION OF THE PROVINCE.

The province of Bulacan has passed through an era of invariable peace. No event happened to cause an alteration of the public order, nor was the least attempt made by any armed band to disturb the peace prevailing in the province.

There were recorded a very few cases of assault, of insignificant importance, which were generally perpetrated in the distant barrios, and some holdups on the rivers, near their mouths, in the vicinity of the coast municipalities, that are very frequent in other municipalities similarly situated. Such abuses, either of persons or to property, do not constitute acts contrary to the maintenance of public order in this province. During the Spanish régime, before the vicissitudes and rigors were felt which the revolution carried with it, and after the revolution, these molestations occurred more frequently than at present, notwithstanding the tortures inflicted upon the alleged authors by the peace authorities of that time, even before the trial of the accused. Due to our secret service system and to the cooperation of the people, we have had the good fortune in the majority of cases to discover, capture, and place at the disposal of the courts of justice the authors of these vexations. Moreover, during the year the surrender of seven revolvers and two guns was secured, some found on suspects, and as a result such irregularities have become less frequent.

Owing to a rigid campaign against the cattle thieves of this province, who, in connivance with those of neighboring provinces, were the terror of the owners of draft animals, the number of thefts of carabaos has diminished considerably.

In this way terror has been infused into the carabao thieves, and now such thefts no longer occur with such frequency as formerly.

As a result of this campaign, the authorities have succeeded in placing the suspected thieves at the disposal of the courts of justice, while many of the stolen carabaos have been returned to their true owners, and the remainder, unclaimed, have been sold at public auction for the benefit of the municipal funds.

The greatest respect is maintained for the laws, and it is my great pleasure to record in this report the prodigious progress of the municipal officials in the administration of public affairs, all of whom have worked in conformity with the duties which the law imposes on them, as also the progress of the residents of this province in the observance of the regulations and laws in force.

The province is entirely Nationalist and trusts in the justice of its legitimate aspirations and in the liberality of the American Government, the master of the destinies of the country. It does all that it can to encourage its moral and material development, which constitutes its political labor of to-day. Two political parties, the former Partido Independista and the former Partido Union Nacionalista, now united in Manila, both of which advocate the independence of the country, are campaigning in the province, represented by the different candidates for the Assembly. These political parties were and are engaged in a warm contest, up to the present time legal, peaceable, and worthy of the contestants, such as might be observed in the most cultured nations, whom we need envy in no way in this particular.

AGRICULTURE.

The rice crop was small. The rice looked promising for some time after planting and until the ears appeared; the stems were fine and abundant, but the ears had very little grain.

The irregularity of the rainy season, which is changing, is surmised by many to be one of the causes of the scarcity of grain, and I concur in this opinion. The farmers have been unable to determine the season for preparing the seed, and other work previous to transplanting.

The great need of establishing an irrigation system in the manner which I had the honor of recommending in my previous annual report is undeniable. By this means I am sure that even though our farmers follow their primitive methods a decided improvement in the condition of our agriculture would be obtained.

Concerning the production of sugar I can say little or nothing, for it has not experienced any impetus. I believe this is due to the lack of capital and because there is no market for this product, and Your Honor will understand why the establishment of the Agricultural Bank is anxiously awaited by the landowners as the sole efficacious remedy for the crisis through which our agriculture is passing.

As promptly reported to the general government, rinderpest has appeared in several municipalities and has caused great damage among the draft animals, which, of course, is another misfortune for our agriculture. God grant it may not suffer any further decline on this account!

The use of fertilizers and irrigation is slowly being introduced, and owing to this and to the fertility of the soil comparatively good crops were obtained when the rains were seasonable.

Methods of cultivation, as well as the implements of labor, are the same as those of the preceding fiscal year; no change at all has been noted in this respect. The total land area cultivated in the province has increased, owing to the number of draft animals which the inhabitants of the province have acquired and to the greater security of property.

PUBLIC INSTRUCTION.

I do not believe that it is a hazardous assertion to say that the last school year has been one of the most successful for public instruction in this province. Instruction has progressed in such manner that for the months of October and November, 1906, the total number of students enrolled in all the public schools of the province amounted to approximately 16,000.

Its importance is no longer hidden from anyone. The apathy which some families indifferent to instruction felt for it in former times has entirely disappeared. An enthusiastic desire for knowledge has spread, and its necessity has impressed all the inhabitants of the province. There is no doubt now that the efforts of the government and citizens will be crowned with success and the general very earnest desire of the country to figure among the most cultured nations will be realized.

The excellent system of teaching which has been adopted by the government has greatly contributed to the development of public instruction, giving all social classes a chance to send their children to the public schools, and the good offices of the municipal executives, who through their influence have shown its advantages, also contribute to this end.

The province will soon have, besides the schoolhouses and dormitory, a school of arts and trades. The hope is entertained that the erection of such building will greatly assist the development of instruction and will be another stimulus to induce the public, without distinction as to social classes or religious creeds, to take a lively interest in the success of the system of teaching now adopted by the government.

The municipalities have succeeded during this year, as in the preceding years, in constructing some schoolhouses. Some of them, not having sufficient municipal funds, built their schools by public subscription. This public sentiment in favor of the intellectual progress of the province is worthy of approval.

A great falling off in the total number of students enrolled was noted in the month of January, 1907. Of 15,995 enrolled in the month of November, 1906, there remained only 9,401. This is unquestionably due not to the deficiency of the government system of teaching nor to the incorrect procedure of the teachers, but to the opening of many Catholic schools, which, taking advantage of the religious fanaticism of some and carrying on a competition with the public schools supported by the government, succeeded in taking away a considerable number of students. This unexpected reaction, which occurred simultaneously with the establishment of private or Catholic schools, is apparently in pursuance of the intolerance of the Catholic schools, which seem to have an aversion to the lay schools.

In the school year 1907-8, commencing in June of the present year, a comparative falling off in the number of students enrolled in all the public schools of the province has also been noted. I believe, however, that with the aid of the officials and employees of the bureau of education and of the municipal officials a moral influence can be exercised over the inhabitants of this province and that they can be convinced of the advantages which the public schools offer. The little success obtained up to the present time by the Catholic schools is merely temporary.

PUBLIC HEALTH AND SANITATION.

Public health during the year could not have been better. The province has had none of the epidemics formerly afflicting it—neither cholera, smallpox, nor any other.

The efforts for sanitation by the provincial sanitary officers and employees have not been in vain. The sanitary condition of the different municipalities is so satisfactory that, in view of their present knowledge, it is not possible to wish for better.

For some time past a great improvement has been noticed in the observance of personal cleanliness. Primitive methods formerly employed by the uneducated classes to keep their homes in a sanitary condition have now fallen into disuse. The true sanitary methods recommended by medical science are being rapidly introduced, even in the homes of the lowest classes.

The construction of several artesian wells in various municipalities contributes greatly to the preservation of good health. The drinking water that such wells now supply, and which directly affects public health, will take the place of the unhealthful water of the wells and rivers formerly used in the municipalities.

The province has therefore been more fortunate as to public health than in former years, and sanitation is comparatively satisfactory. The sanitary authorities have been continually engaged since December, 1906, in the work of vaccination, with very happy results. The total number of persons vaccinated throughout the province during the past six months was 92,686.

Vaccination, which in former years was objected to by the people, is now freely consented to and approved by them.

COMMERCE.

Bulacan is wholly agricultural; yet it has no great markets and but little business is transacted. Many, however, are engaged in trading on a small scale in the principal products of the province, such as palay, rice, sugar, etc. The palay business has developed during the year, it having attained a relatively high price.

The traffic between the municipalities has attained a development to which the easy communication between them by the railroad and good highways has chiefly contributed.

A very large improvement is noted in business, and a still greater development is expected from the dredging of the Malolos River and the opening of the canal between Malolos and Calumpit, which will also help the markets of both of these municipalities, which are the only ones of much importance in the province.

INDUSTRY.

The industries are as stated in my annual report for the fiscal year 1906: The cabinet shops, which furnish chairs and beds made of Balluag wood, and chairs, beds, cradles, etc., all made of rattan, from San Miguel de Mayumo; the harness shops of Meycauyan and Balluag, where the harness generally used in this province and in some of the adjoining municipalities of other provinces is made; the manufacture of silk cloths in Balluag, and piña and just in Hagonoy and Bulacan; the manufacture of hats and pocket cases of cane, nito, and uryay in the municipalities of Balluag, Quingua, and Calumpit; and of wooden shoes in Meycauyan; and cane chairs in Quingua and Gulguinto, municipality of Bulacan.

There are at the present time 12 machines for hulling and cleaning rice, and, as shown by the greater number of machines now in the province and with others to come, this industry is apparently progressing and giving good returns. The greater number of these machines are in continuous operation the year round.

In other industries no great progress has been observed, although a greater demand for articles supplied by the cabinet-shops has been noticed.

MANUFACTURES.

The province now has 6 alcohol distilleries, 26 cigarette and 11 cigar factories, all of which are in operation.

There appears to be a certain depression in the alcohol trade, which seems to be corroborated by the closing of 5 of the 11 distilleries operating in the province during the previous fiscal year.

Likewise a certain reduction in the number of cigar and cigarette factories has been noticed. There were 45 of these factories during the previous year, while now there are but 37.

NATURAL RESOURCES; MINERAL, FORESTRY.

During this year two guano deposits were discovered, one located at Bahay Panique, in the interior of the mountain of Biacnabato, in the municipality of San Miguel, and the other at Sibul (Norzagaray), municipality of Angat.

No mineral discoveries have been made except those already recorded in previous reports. These are all iron mines, the output of which for the present is only sufficient to supply points for plows and blades for arms.

In the mountains of San Miguel, Angat, and Santa Maria there are large forests, which if exploited on a large scale would greatly contribute to the improvement of the economic condition of the province.

It is beyond question that with the completion of the works now under way in the rivers of Bayabas and Ipo in Norzagaray (Angat) for the removal of the large rocks that obstruct transportation from the forests in the mountains a very great impetus will be given to forest industry.

Up to the present time these forests have not been appreciated, and they have been exploited only on a very small scale, even though their hard timber greatly surpasses that imported from America.

NONCHRISTIAN OR PAGAN TRIBES.

In the mountain of Katuiran of the district of San Jose, municipality of Santa Maria, there is a small settlement of Aetas, and in the mountains of Norzagaray, municipality of Angat, there is another. Besides these, many Aetas live in the mountains of San Miguel, Angat, and Santa Maria, and do not live in organized communities.

FINANCE.

Provincial funds during the present year have been sufficient to meet the ordinary expenses and to defray those occasioned by the various improvements made on the provincial roads and bridges, ferry system, and others of a different character. The provincial revenues for the year amounted to a very considerable sum, of which, after having deducted the expenditures occasioned by the administration, public works, etc., the province has on hand a balance of ₱19,773.46.

However, the provincial funds have not been, nor do I believe they will be for some time, sufficient to undertake the large works which the public service requires, such as the construction of the bridges of Quingua, Bagbag, Calumpit, Bigaa, Marilao, etc.

The municipal treasuries of the different municipalities have been in such a condition that they have been able to meet the expenses of administration and to introduce many improvements, with the exception of those requiring a very large outlay, such as the construction of large municipal buildings, bridges, etc.

In the provincial treasury there is on hand ₱93,448.87 from collections deposited by the different municipalities.

In short, owing to the financial administration and to the skill of its head, the financial condition of the province has been quite satisfactory throughout the year.

PUBLIC WORKS.

During the present year the province of Bulacan has attended to the repair and construction of various provincial and municipal roads, reenforced concrete bridges, culverts, and several ferry systems. I believe that about 100 culverts were constructed during the fiscal year. The reenforced concrete bridges in Mambog, municipality of Malolos; a similar bridge at Cambaog, between Quingua and Bustos, and others of the same character have been erected during the year out of provincial funds.

The municipalities have not been inactive in public works. Malolos has repaired several municipal roads and the municipal building, has constructed a reenforced concrete bridge and a landing place for the market. Polo has repaired its roads and constructed several bridges; Bulacan, its roads, and about the last of the year it commenced to erect its municipal building. Hagonoy and Calumpit have repaired and constructed several bridges, and Paombong has constructed a schoolhouse by subscription and the personal aid of the people.

The plans for the construction of the building for the school of arts and trades have been prepared and approved. It is expected that within the coming fiscal year we shall see this building erected. The construction of a provincial jail is likewise projected, and the hope is entertained that this work will be commenced within the coming fiscal year.

The provincial board has directed the district engineer to prepare adequate plans for the opening of a canal between Malolos and Calumpit to connect the Quingua and Malolos rivers. The commerce and industry of the province, the agriculture of Calumpit, Paombong, and Malolos, and the public health of Malolos, will be greatly benefited thereby. The provincial board, unless there is some very serious obstacle, will commence this work within the coming fiscal year.

At the expense of the insular treasury the great works in the Ipo and Bayabas rivers, district of Norzagaray, municipality of Angat, have been undertaken. The object is the destruction of large rocks in rivers that impede the passage of forestry products from the mountains. Fortunately they have succeeded in blowing up all the rocks which were obstacles to the transportation of the timber, much to the satisfaction of the population of Angat and Norzagaray. This work was recommended by me on account of its importance and useful-

ness to the province and to the insular treasury, and without doubt it will bring great improvements in the development of the utilization of the forestry products of this province.

In the municipalities of Quingua, Bocaue, Santa Maria, Angat, Malolos, and Quingua a large extent of roads has been repaired by voluntary labor of the residents thereof, who cheerfully perform this work so long as the law relative to compulsory labor, commonly called "prestacion personal," is not put in force or the cedula tax increased.

The municipality of Baliuag has this year undertaken a relatively great work, considering its resources. The river, which runs very near the center of the town, threatens to sweep away the fine market building which this municipality now possesses, and even to destroy the town. An immediate remedy was necessary. Due to my efforts, the inhabitants proceeded to build dikes and excavate part of the river, so as to make another channel and head the current in another course. It is not certain that this will relieve the critical situation of Baliuag, but up to the present time it has given at least favorable results. This municipality, together with those of Santa Maria, Quingua, San Miguel, Polo, Calumpit, and others, would have erected municipal buildings, presidencias, markets, schoolhouses, etc., were it not that the lands upon which such buildings must be erected were not registered in accordance with the law in force. The municipality of Bulacan began the construction of its municipal building about the end of the fiscal year.

At the request of the municipal council of San Miguel, seconded by the provincial board of Bulacan, the insular government is now constructing a road to Sibul. This work will redound to the benefit of the municipality of San Miguel in particular and to the public in general, who will have an opportunity to take advantage of the health-giving waters of its springs with the comforts of a journey that a good road offers.

RECOMMENDATIONS.

General.—1. In order that the municipal police may be more thorough in the performance of their duties, I suggest: First, that all the municipal police of a province constitute one body, the immediate chiefs of which are to be the respective municipal presidents, but under the direction of the provincial governor, who shall have the power to transfer all the municipal police of one municipality to another when he finds that the services of the said police are unsatisfactory and inefficient in the municipality where they are; second, that the police, especially the chiefs of police appointed by the councils, keep out of politics and, under penalty, take no part in any political campaign.

2. For the purpose of preventing the municipal funds of the municipalities of small resources from being absorbed by the salaries of officers and employees, I suggest that section 4 of the Municipal Code be amended to the effect that another class of municipalities be created inferior to the four already established, with lower salaries than those provided for municipalities of the fourth class.

3. In order to put a complete stop to the piratical acts that commonly occur at the mouths of all rivers entering the ocean, in all the coast municipalities, not only of this province, but also of the adjoining provinces, I suggest that the proper authorities be directed to patrol said places with coast-guard cutters.

4. To put a stop to the frequent carabao thefts which may occasion a hindrance to agriculture and kill the cattle industry, it is recommended.

(a) That act No. 1147 be enforced in Manila, the capital of the Islands.

(b) That a law be enacted requiring, under penalty, transportation companies to exact the presentation of the regular certificate of ownership in cases of transportation of cattle.

(c) That section 34 of act No. 1147 be amended, designating a period after which all large cattle over 2 years old which are not registered in accordance with law be considered estrays and be sold at public auction in conformity with the provisions of section 25 of said act No. 1147.

(d) That all persons who are in wrongful possession of stolen carabaos or other animals be considered as accomplices, and that a penalty of not less than two years' imprisonment be provided for the principals of carabao thefts and accomplices alike.

Agriculture.—1. That the teaching of theoretical and practical agriculture in all of its branches be obligatory in all the government schools, from the intermediate class up, and that expositions be had from time to time in order to encourage the inhabitants of these islands.

2. That study be given to the best manner to protect the growing crops, as the knowledge of the owner is not sufficient for the proper cultivation of many crops, such as palay, sugar cane, etc.

3. That the insular government recommend to the Government of the United States the reform of the treaties of commerce with China and Japan, which are the natural markets for sugar from the Philippines, and that the tariff on sugar be reduced in order to facilitate the entry of this product to the said countries.

4. That the Nagdasig Canal in Hagonoy be opened and fresh water brought from the Rio Grande de la Pampanga, so that the immense tracts of mangroves in that municipality may be utilized for rice lands.

5. That a canal be opened between Quingua and Bigaa for the irrigation of Bigaa, Guiguinto, and Bulacan.

6. That a drainage canal be opened between San Miguel and Candaba, so that the immense tract of very fertile land situated between San Miguel and Candaba may be planted in rice.

7. That the reservoir for the irrigation of the Lolombo estate, situate in the municipalities of Marilao and Meycauan, be enlarged.

8. That many small streams in the municipalities of San Miguel, Angat, and Santa Maria be utilized for irrigation by the construction of dams, for only by an irrigation system can a crop of rice be secured and an increase in the number of crops be assured. There is not enough rice for local consumption at present.

9. That these expenditures be borne by the insular treasury, as this province gives the insular government enormous collections in the form of internal revenue.

Public health and sanitation.—For the purpose of remedying the excessive mortality which occurs in the Philippines as compared with other countries, and which has its origin in a lack of knowledge of public and private sanitation, I recommend that a law be enacted providing that the presidents of the municipal boards of health be obliged to make regular stated inspections of the barrios comprising their respective municipalities, excepting on such days as their services may be required elsewhere to attend sick persons who are unable to go to the municipal board of health, and to give popular lectures at least once a week, in order to spread the knowledge of sanitation.

Public instruction.—1. I recommend that instruction be strictly obligatory up to the age of 14 years, as it is in Germany.

2. That physical exercise constitute an essential part of education.

3. That a knowledge of polite manners and the inculcation of the civic virtues also be made an essential part of education.

4. That there be at least one kindergarten in each municipality for young children.

Commerce.—1. For the promotion of commerce I recommend the dredging of the rivers leading from Malolos to Calumpit and from Bulacan to Manila.

2. The construction and repair by the insular government of the roads which connect Bulacan with the adjoining provinces. The want of provincial funds will not allow the provincial government to undertake such works, and the good to be derived from such improvements is not for Bulacan alone.

3. A patrol of coast guard cutters for our coasts, with instructions that they enter the mouths of rivers for the security of the merchants and their merchandise carried by cacos, piraos, and large bancas.

4. The establishment of small banking and loan associations for short-time loans to facilitate the operations of these merchants.

Public works.—The inspection, repair, and maintenance of roads, bridges, and ferries of the province, the cost of which does not exceed ₱500, and which are now under the charge of the provincial treasurer by virtue of act No. 1401, should be transferred to the provincial board, which should have the power to appoint from among its members one who shall be in charge thereof, because the provincial treasurer, with his duties as financial chief and purchaser of material for public works of the province generally has not the time to attend to and inspect them.

I recommend, also, that the general foreman be under the direct orders of the member intrusted therewith, as representative of the provincial board. This

recommendation is based on the fact that public opinion always holds the provincial governor, an elective officer, responsible for the bad condition of the roads, when the repair and maintenance of the same is not under his charge, but of the provincial treasurer.

Respectfully submitted.

T. SANDIKO,
Governor of the Province of Bulacan.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF CAGAYAN.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF CAGAYAN,
Tuguegarao, P. I., September 2, 1907.

SIR: I have the honor, in compliance with the provisions of act No. 1044, to submit for your consideration the following annual report for the fiscal year ended June 30, 1907:

POLITICAL CONDITIONS.

The misfortunes that have befallen the inhabitants of this province, and as a result the want of means to meet the necessities of life, might have caused the people to become desperate and alter their peaceable and tranquil ways; but such was not the case. The people have again shown themselves to be strong and resigned to their fate in the face of adversity, and have themselves sought the means of bettering their condition, always conducting themselves as good citizens, peaceable and orderly, and faithful in the performance of their duties.

During the recent electoral campaigns the candidates have, as always, been noble in all their actions, and the voters have given further evidence that they are making progress in the free exercise of suffrage, by electing, with entire independence, competent persons.

Cattle stealing has decreased very much, thanks to the constant vigilance and the wise measures adopted by the municipal presidents and to the active cooperation of the constabulary and the municipal police. Notwithstanding all these measures the cattle thieves, hard pressed by this active campaign on the part of the authorities, as well as the cattle owners themselves, have on their part, in order to escape prosecution by the authorities, adopted measures which are perhaps the worst that they could have adopted, as they mean an irreparable loss to the poor owners of the cattle. They slaughter the stolen cattle in uninhabited places and sell the meat to their neighbors, whom they tell that it is the meat of wild carabao. The hide they cut up and scatter, thus effacing all traces which might give the authorities a clue for the detection of the crime.

ADMINISTRATION AND PROGRESS OF THE PROVINCIAL GOVERNMENT.

I have noted with great satisfaction that all the branches of the government of this province are making progress, not only so far as their administration is concerned, but also as to their interior organization and to the prompt dispatch of their business, thanks to the initiative and activity of the officers in charge of its several branches and to the enthusiastic cooperation of their subordinates.

Notwithstanding all the calamities that have befallen the province, the inhabitants thereof in the midst of their sad condition comply with their civic duties and bear their share of the heavy burden of the state without protest, giving their aid unselfishly and without compensation to everything which tends to the public good, as the construction of schoolhouses, the transportation of material for these buildings over large distances, and the construction and repair of roads and bridges, and faithfully obeying the municipal ordinances. When they consider themselves injured in their rights, they protest quietly and peaceably.

AGRICULTURE.

In my last annual report I related the advancement which was being made in the cultivation of the maguey plant, due to the initiative and cooperation of the local authorities, and particularly of the farmers, who have responded with energetic efforts. The experiments made have undoubtedly given good results, and it is to be expected that a few years hence the maguey will be one of the principal sources of wealth, especially in the pueblos situated beyond Aparri, which are Abulug, Sanchez Mira, and Claveria.

As a consequence of the distribution of Hawaiian maguey seeds among the principal farmers, though in small quantities, of the good results of the experiment, and of the small amount of work involved in the cultivation of the plant, the enthusiasm for the same is becoming general among the farmers, especially among the owners of large tracts of hilly and arid land, which is well adapted to its cultivation and development.

A few farmers who tried to cultivate cocoanut trees last year are discouraged, in view of the bad results of the experiment. The plants, being already developed, withered one after the other, without the farmers being able to tell the cause. At all events, as already indicated in my last annual report, the cultivation of this plant will not give the same results in this province that it gives in La Laguna and in other provinces in the south of the archipelago, for the reason that the nut has very little meat here, and therefore gives copra of an inferior quality.

As to the cultivation of tobacco, there is much discouragement, due to the low prices paid in the Manila markets and for several other reasons, which I shall state in speaking of commerce.

The same is the case with nipa, from the sap of which the nipa "vino" is made by fermentation and distillation. All the distilleries of the pueblos of Buguey (Aparri), Abulug, and Pamplona have been closed on account of the requirements of the internal-revenue act and of the high tax which this law established for the proof liter.

COMMERCE.

I have just outlined the deplorable state of agriculture throughout this province, and particularly that of tobacco, its principal source of wealth, which is such that the great majority of the farmers are losing courage more and more. As stated in my report for last year, this state of affairs is due to the following causes:

1. The want of other markets for the products, which makes an increase in prices impossible.
2. The circumstance that there has not been even a reduction of the Dingley tariff duties on imported tobacco, which makes all competition with the tobacco of other countries impossible, and that the customs duties are very high.
3. The burdensome internal-revenue taxes on manufactured tobacco.

For the reasons just stated the firms established in this province exclusively engaged in the buying of tobacco, with the exception of the Compañia Tabacalera, will not buy large quantities of tobacco, but only what is strictly necessary for their factories—El Oriente, La Germinal, La Insular, and others of less importance; and even then only certain classes of tobacco are accepted, numerous other requirements being made, the ruinous consequences whereof all fall upon the poor planter, who, impelled by necessity and without other means of realizing on his tobacco, is obliged to submit to them.

We do not know how the poor tobacco growers would come out if it were not for the Compañia Tabacalera, which buys all the tobacco there is, after a just and fair classification, to cover obligations contracted with certain important firms in Spain and other countries and for its large factory at Manila.

As predicted in my report for last year, all the nipa distilleries in the municipalities of Abulug and Pamplona and in Buguey, a district of Aparri, have finally shut down, in view of the burden the internal-revenue act imposed on an industry as new in this province as the manufacture of alcohol, and many property owners have been plunged into ruin and destitution, numerous laborers are without means of support, and large tracts of nipa land are in a state of complete abandonment.

Taking advantage of this state of affairs, several residents of Aparri have combined to gather a small capital and purchase a still required by the internal-revenue act, and have now opened a distillery, which will end by monopolizing the business unless other distilleries are established.

I again insist upon the great necessity of your honor using your influence with the Commission for the opening of a canal connecting the Linao with the Abulug river, thereby giving commercial life to the municipalities of Sanchez Mira and Claveria by facilitating the transportation of the forest products, and especially of rice, the price of which latter will doubtless fall if transportation facilities are provided, with the result that less will be imported from Saigon than at present.

FINANCIAL CONDITION OF THE PROVINCE.

In speaking of agriculture, commerce, and the distilling industry I described the sad condition of the inhabitants, which is aggravated by the fact that only a small amount of tobacco has been harvested this year. Many farmers preferred to plant maize, owing to the loss occasioned by the last inundation.

This state of affairs necessarily had a direct influence on the financial condition of the municipalities, the revenues of which have suffered such a decrease that if these conditions were to continue for some time it would be almost impossible to maintain the municipal governments.

To provide against this contingency, I suggested to the provincial board a reduction of the police in all the municipalities, as I considered their maintenance very burdensome to the municipal treasuries. This recommendation was acted upon. I also recommended to the municipal councils the reduction of the personnel, which, with one or two exceptions, was acted upon by nearly all the municipalities. I do not believe, however, that the problem of the maintenance of the municipalities is solved unless a change occurs in the situation.

As to the financial condition of the province, there has been a change for the worse. However, due to the precautions taken during previous years, we will continue to be able to defray our running expenses with comparative ease. Nevertheless, as the annexed table shows, the financial condition of the municipal treasuries and of the provincial treasury, especially that of the latter, leaves much to be desired, if compared with previous years.

HIGHWAYS.

The means of communication consist of rivers and roads; but, as stated in my reports for previous years, there is a difficulty in the fact that both are available only during certain periods of the year. However, all possible efforts are being made to have the river attended to, though nothing has been accomplished up to the present writing. The dredge sent to this province could not be used. What is needed here is a bucket dredge for the purpose of removing the sand and mud obstructing the river in certain places, which make it impassable for launches and barangayanes during the dry season.

As to work on the wagon roads, the municipal presidents are doing their best; but in practice they encounter numerous difficulties, the principal obstacle being the inability to pay even for the food of the people employed, the payment of wages being out of the question.

IMPROVEMENTS.

On relinquishing the government of this province I leave in course of construction:

1. A provincial government building with masonry foundations, the estimated cost of which (₱30,000) is covered by a portion of the money captured from the insurgent troops by the American army and subsequently directed by the Commission to be returned to the treasury of this province.

2. A school of arts and trades, the probable cost whereof (₱15,000) will be defrayed from the ₱20,000 intended exclusively for the construction of this building and a dormitory, also donated by the Commission.

The work on the dormitory will be commenced as soon as the necessary material has been secured. The lumber is to be furnished free of charge by the municipal councils of Alcala and Baggao. A part of this lumber has already arrived in the provincial capital.

PUBLIC INSTRUCTION.

The enthusiasm of the youth of Cagayan for education continues. Every year an increase is noticed in the number of children who attend the schools established in all the municipalities. The building in the capital which serves as a provincial school is now too small, and plans are on foot for enlarging it.

The same is the case with the attendance at the Colegio de San Jacinto, established by the Dominican Order, which is increasing every year.

Another school, exclusively for girls, has lately been established in the capital. It is under the direction of the Sisters of St. Paul de Chartres and has already an attendance of over 100 girls, consisting of boarding and day pupils.

PUBLIC HEALTH AND SANITATION.

Public health could not be more satisfactory. There is a good deal of malarial fever, but this disease is practically endemic.

No contagious disease, such as cholera and smallpox, has been recorded.

The average death rate was between 24 and 25 to the 1,000.

DISEASE AMONG DOMESTIC ANIMALS.

There have been cases of gastro-intestinal diseases and pneumonia among the labor cattle. These diseases occur nearly every year during very dry weather, but the cases are isolated and of a mild character. They are mostly due to lack of attention on the part of the owners.

RECOMMENDATIONS.

Before concluding, I again insist upon the petitions which I submitted to your honor when you came to this province, and which are as follows:

1. The suspension of the land tax for another year.

I leave this to the discretion of the Commission, with the understanding, however, that I withdraw it in the event of it being impossible to refund to the province its probable income from this source during the year, or at least to donate to the province a sum sufficient for the maintenance of the public instruction.

2. The extension for one year, or at least for six months, of the time for the gratuitous cutting of timber, which privilege the Commission so generously extended to the inhabitants.

The majority of the poor farmers, especially those who have suffered the most from the consequences of the inundation, have not yet been able to take advantage of this privilege, in view of the fact that they had to give preference to the planting of maize and rice in order to ward off famine.

3. The remission of the fines imposed on persons who from ignorance, but not from malice, violated the forestry act by cutting timber of a circumference inferior to that established by said act.

4. That applicants for the free cutting of timber be allowed to cut timber of such size as they may see fit, not exceeding 40 or 50 cubic feet, English measure, which is sufficient for the construction of a house of medium size.

I make this recommendation on the ground that not all these poor people have the means for hauling timber of large size from the mountain fastnesses to the inhabited districts.

5. The suspension or reduction for a limited time of the tax on carts used exclusively for the hauling of agricultural products.

In speaking of agriculture I have given a rough sketch of its present wretched state, and this is the ground on which I base this petition. The poor people should not be burdened with the cart tax, at least for some time, as in the majority of cases the farmers pay more for this tax than for any of the others.

6. That the cedula tax be collected from September to November of each year, this being the time when the planters sell their tobacco and are in a position to pay the same. To continue collecting this tax during the months now fixed by law is to aggravate the situation of the poor tobacco grower, who, in order not to become delinquent, sells his tobacco without properly preparing it and with advantage to the buyer.

7. The great necessity of passing a law establishing severe penalties for persons convicted of stealing draft cattle.

BATANES ISLANDS.

Political conditions could not be more satisfactory in the Batanes Islands than they are at present. The inhabitants continue to be peaceable and orderly; loyal and obedient to the authorities.

Economic conditions, however, are deplorable. The only source of revenue consists in the sale of an insignificant number of cattle and swine, which hardly find a market, due to the great expense of chartering a steamer to take them to Manila or Aparri.

The government, always open to just and fair suggestions, finally determined to send to the islands several thousand maguey plants and a large quantity of seeds of various kinds of vegetables and garden truck. These seeds are to be distributed among the islanders. I believe they will be better off than at present if they take to planting maguey, onions, and potatoes, whose cultivation requires but little effort and which bring good returns.

Respectfully submitted.

P. GUZMAN,

Late Governor of the Province of Cagayan.

The GOVERNOR-GENERAL.

Financial condition of the province of Cagayan.

	Pesos.	Pts.
Balance June 30, 1906:		
Road and bridge fund.....	9,618.46	
General fund.....	20,463.00	1,763.38
Total.....	30,082.06	1,763.38
Receipts fiscal year 1907.....	56,308.29	
Total.....	86,390.35	1,763.38
Disbursements fiscal year 1907.....	66,734.21	1,763.38
Balance June 30, 1907.....	19,656.14	
Balance road and bridge fund June 30, 1907.....	12,880.76	
Balance general fund June 30, 1907.....	6,775.38	
Total.....	19,656.14	

REPORT OF THE PROVINCIAL GOVERNOR OF CAPIZ.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF CAPIZ,

Capiz, P. I., July 1, 1907.

SIR: In compliance with the provisions of act No. 1044 of the Philippine Commission, I have the honor to forward my annual report for the fiscal year ended June 30, 1907.

AGRICULTURE.

The agriculture of this province, which suffered through the past revolution and on account of the high mortality among men and animals during the preceding years, is recovering step by step through the individual efforts of the farmers. Work animals are multiplying from year to year, herds of carabaos being brought here by dealers from other provinces engaged in stock raising. Some of the planters have begun to make experiments with rotary disk plows, with satisfactory results.

The crop of rice harvested in the months of September, October, and November of 1906 was good in the coast towns, while in the interior towns some losses were suffered on account of the locusts and worms which appeared in various municipalities of the southern part of this province and because in these same municipalities the rain was somewhat late and not abundant. As a result the rice plants were rather undeveloped. Orders were issued for the extermination of the locusts.

During the months of May and June of the present year very few farmers planted rice on irrigation lands because the rains for the present year were late. On the dry lands the rice has already been planted, but the prospects are not very good, on account of the lateness and scarcity of the rains and because in various places the crops have already suffered from the ravages of locusts, despite the efforts made to exterminate them.

Although the farmers wish to enlarge their plantations of cocoanuts, maguey, ilang-ilang, etc., as recommended by me during my visits to the municipalities, they are hindered both by lack of funds and laborers. As regards the maguey plant, the seed of which is becoming scarce, several farmers have already written the provincial government stating their desire to get seed from the bureau of agriculture through this office. They have offered to pay the cost of the seed. In parts of Cápiz I have noticed lands newly planted to cocoanuts, and some small tracts of maguey.

The crop of cocoanuts is increasing yearly and the old plantations that were damaged by the drought are slowly recovering. Copra demands a good price in the markets of the islands.

Hemp plantations are also being enlarged, but labor is scarce. For this reason hemp-stripping machines are necessary, the price of which must be within the reach of the farmer of average means.

Sugar cane is extensively cultivated, but planters are completely disheartened by low prices.

The desire to build up agriculture is not weakening, but, as said before, lack of labor and funds hold the farmers back.

This year rice did not have to be imported from Manila, as used to be the case. On the contrary, the province exported some to the provinces of Romblon, Masbate, Iloilo, and adjacent islands for a very considerable time.

If the establishment of an agricultural bank becomes a reality there is no doubt that agriculture will very readily rise from its present depressed condition.

COMMERCE.

The mercantile transactions for this fiscal year show an increase of exports over imports, the province being thereby benefited. This small increase has compensated to some degree the inequality existing between exportation and importation during the preceding years, which reduced the circulation of money.

From the data furnished by the merchants of the port of Cápiz it appears that there were exported to Iloilo, Romblon, Masbate, Calibo, and other adjacent islands 11,472 cavans of palay, 19,763 cavans of rice, 3,477 cakes of sugar, 915,300 sacks, 21,764,879 translucent window shells, 875 piculs of copra, and some other articles of small importance. The prices quoted in the markets are as follows: Palay, ₱2.90 per cavan; rice, ₱6.30 per cavan; sacks, ₱3.60 per hundred; sugar, ₱6 per 100 cakes; window shells (no demand), ₱1.25 per 1,000; copra, ₱10.25 per picul, and hemp, ₱18 per picul.

The municipal president of Calibo, Mr. Cirilo Lacerna, has submitted the following data concerning the commerce of said municipality during the present fiscal year:^a

ECONOMIC CONDITION.

The economic condition is gradually improving, compared with former years. Formerly rice was imported from Manila at high prices, and a large part of the inhabitants were obliged to subsist on vegetables. This year there was an increase in the production of rice, and almost one-fourth of the crop was exported to the neighboring provinces. In consequence of this increase the majority of the inhabitants were enabled to provide themselves with other articles of necessity, and the public treasury has now sufficient funds to meet current expenses.

Crops this year have increased a little; but it can not be said that there has been much money in circulation, as the supply did not exceed the requirements of the people. Hence it is not easy to obtain money save at high rates of interest, generally 25 per cent.

PUBLIC INSTRUCTION.

The fiscal year just ended is remarkable for the progress made in education in this division, which has been the greatest in its history. Every branch of teaching has flourished, and in general the results have been satisfactory.

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

The progress made in the methods and courses of instruction has been very marked. Teachers and pupils work together. The attitude of the people has at all times been very favorable, and the cooperation of the municipal and provincial officials has been a source of inestimable assistance.

By a permanent appropriation made for the high school out of provincial funds the sum of ₱45,000 is available for future expenses.

There is an appropriation of ₱20,000 available for the work of converting the provincial jail into a high school. When finished this building will be one of the best schools in the Philippine Islands.

Great progress has also been made in the repair and construction of municipal school buildings. The steady increase of municipal revenues insures the continuance of this work.

The division superintendent of schools is preparing a plan for the spread of industrial and agricultural training. This will be introduced in all the municipalities as soon as the conditions as to teachers and equipment will permit.

The success of the industrial school of Cápiz is most gratifying and remarkable.

The cooperation of the people and the public officers, the zeal and success of the teachers and pupils, the large sum of money available for provincial schools, the rapid increase of municipal revenues, the agricultural and industrial progress of the province, all constitute powerful elements which contribute to make the province of Cápiz one of the best of the Philippine Islands.

The following table will show the comparative development in education in this province: ^a

INDUSTRY.

There are two rice-hulling machines in the province. All the other industries, the principal of which are the weaving of sacks, nlpas, sinamay, hats, and the hulling and cleaning of rice, are carried on by hand.

The municipalities manufacturing sacks are: Cápiz, Ivisan, Panay, Ponedra, and Calibo; this work is generally done by the women in their homes. Many of these sacks are used for packing sugar and rice; however, on account of bad workmanship the sacks from Cápiz depreciated in price in former years in the market of Iloilo, the place where there is the most demand for them for packing sugar. During the present year the demand was larger, due to an improvement in quality, and, perhaps, also because the production of sugar in the province of Iloilo and in the island of Negros has considerably increased.

The manufacture of nipa roofs and ceilings for houses is the same as in former years, neither the demand nor the price having changed.

The manufacture of sinamay, just, and piña, was at one time among the principal industries of the province, particularly in the western municipalities; but the demand in the Manila market has now decreased very much, with a consequent decline in price.

The weaving of hats is an industry to which women devote themselves in their homes during their leisure hours, the returns from which help them considerably to defray their expenses.

FACTORIES.

The distilleries have been closed since the enactment of the internal-revenue law, except that of Ayala y Compañía. The closing of the small distilleries has affected many of the owners of nipa groves. The great distance of many of them from the one distillery in operation has made them practically nonproductive; and as a result owners of nipa groves find them a burden rather than a benefit, for they must pay the land tax. The government, in response to numerous petitions received from property owners, and because of a desire to remedy their condition, sent an internal-revenue agent to this province with an offer from the government to establish a distillery if the petitioners would agree to furnish a certain quantity of tuba at 1 cent for each three liters. This proposition was rejected, not because the price was too low, but because the proposition made by the government was not feasible.

The government should not abandon this question until a solution is reached protecting the interests of the nipa growers.

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

NATURAL RESOURCES.

The forests are still unexploited for want of transportation, and the same may be said as to mineral resources.

NONCHRISTIAN TRIBES.

The non-Christian tribes live in the mountain ranges separating the provinces of Iloilo and Antique from the municipalities of Tapás, Jamindan, Libacao, Mallinao, and Ibajay. They live in small settlements.

During my visit of inspection to Ibajay I went to the mountains where these people dwell to endeavor to persuade them to live in a civilized manner, and I found that they are willing to live in settlements or barrios on condition that they be not molested.

POLITICAL CONDITIONS.

In general, peace reigns throughout the province. In the municipality of Tapás, however, there were some attacks by brigands and thefts of carabaos during the months of February, March, and April of the present year, and in November last year after the constabulary detachment was removed; but now that the detachment has returned peace has been restored.

The government officials have worked with perfect accord, each confining himself to his own sphere of action.

There have been rumors of robberies having occurred in the municipalities of Iloilo, bordering on the eastern part of Cápiz province; and I have induced the authorities to station detachments of constabulary in the barrios of the municipalities situated in the mountain ranges separating the provinces of Cápiz and Iloilo for the purpose of preventing the carabaos stolen in one province from being taken to the other.

The municipal police, as a result of an arrangement between Inspector Newman and myself, and with the approval of the constabulary commander at Iloilo, have been properly armed.

There has been no friction between the religious sects of this province.

During the fiscal year 66 criminal cases were tried in the court of first instance of Cápiz, 12 dismissed, 41 disposed of, and 50 are still pending; 25 civil actions were begun, 17 dismissed, 39 disposed of, and 55 are still pending.

Municipal elections were held on December 4, 1906, in all the municipalities. The elections were orderly except in the municipality of Mambusao, where it had to be postponed on account of disturbances. An investigation was made of the reasons for the suspension, and the provincial board ordered a special election for said municipality, setting the time, and sent all the papers referring to the disturbances to the provincial fiscal for such action as justice might require.

The municipal elections of the province, with the exception of Pontevedra and Dumalag, which were protested, have been approved by the provincial board. No election was held in Mambusao.

However, special elections for the municipalities of Mambusao, Dumalag, and Pontevedra were held at the end of January and the beginning of February. Later they were protested, and the provincial board being in doubt as to whether it had the power to hear election matters concerning elections held subsequent to January 15, 1907, the election law, act No. 1582, which repeals that part of the municipal code relating to elections, still being in force, addressed a telegram to the executive secretary inquiring as to their power; the executive secretary replied that all municipal elections held subsequent to January 15, 1907, were null and void.

However, in the middle of last June the board received a copy of act No. 1645, and the elections having been protested, the provincial board decided to communicate with those interested in the protests for the purpose of ascertaining whether they persisted therein, so that the board might take the proper action.

PUBLIC HEALTH.

The sanitary condition has been very satisfactory, and a great difference is noticed between the births and the deaths for this fiscal year and those of previous years.

The total number of births during the present fiscal year in all the municipalities is estimated at 9,567, giving an average of 42.50 per 1,000. The number of deaths is very much less than for previous years, and no epidemics of infec-

tious diseases have appeared. Public health has been in a very favorable condition. It is estimated that there were only 2,738 deaths, or an average of 12.40 per 1,000; in consequence the increase in the population was 30.30 per 1,000.

As a result of the vaccinations made by the health authorities, smallpox did not cause the ravages that it did in the years 1901 and 1902, when epidemic diseases prevailed and when there were as high as 50 deaths per day.

FINANCIAL CONDITION.

The finances of the province have never been better than at the present time, notwithstanding the suspension of the land tax for the years 1906 and 1907, and the comparatively small amounts received as reimbursements under the acts Nos. 1455 and 1579. Owing to a failure to collect more than a fraction of the taxes due in 1905 upon which these payments were based by the insular government, the province suffered a very considerable financial loss.

The total collections were, for the general fund, ₱66,022.39; the total expenditures, ₱60,731.18; the total revenue accruing to the general fund amounted to ₱66,113.86, and the expenditures ₱64,444.96. The expenditures have increased ₱3,713.78 over those of last year, due to the expense of a provincial jail guard, formerly provided by the constabulary; the payment of the salary of the sanitary inspector; the payment of ₱1,500, accrued leave, to Mr. F. S. Chapman, former provincial treasurer; the establishment and equipment of the district auditor's office, including one clerk at ₱1,800 per annum; a more liberal allowance for school purposes, and the payment of ₱22,000 of the province's debt, as provided by act No. 1622. Some extraordinary expense was necessarily incurred in equipping the office of the provincial treasurer with suitable furniture, and in placing accounts on a strict business basis. The balance in the general fund at the end of last year was ₱3,701.29; this year it is ₱8,661.40.

By act No. 1622 the debt of the province, amounting to ₱55,000, was canceled, provided a like amount be paid by the province into a special provincial fund, in easy installments. The installment of ₱16,000, corresponding to the year 1907, was promptly paid, and it was later necessary to pay an additional sum of ₱6,000 in order to insure the immediate construction of a high school building. This last payment of ₱6,000 is part of the installment due in 1908, only ₱2,000 of which remains to be paid next year.

The Bureau of Education donated the sum of ₱8,000 from funds provided by act No. 1275, to be used in constructing school buildings. This amount is now in the provincial treasury.

Special attention is invited to the accompanying statement of receipts and expenditures affecting the general, road, and bridge funds.

The non-Christian inhabitants' fund amounts to ₱1,135.97; school buildings fund, act No. 1275, to ₱8,000, and special provincial school fund, act No. 1622, to ₱22,000.

With ₱8,661.40 balance in the general fund; ₱4,000 delinquent land tax which will accrue to general fund and about ₱2,500 in delinquent cedulas, collectible; the land tax for 1908 under new assessment; ₱20,000 in cedulas corresponding to the fiscal year, and the internal revenue refund amounting to more than ₱20,000, the financial prospect for the ensuing year is bright. The expenditures, by proper economy, should not exceed ₱40,000 for all ordinary running expenses, and allowing a margin of ₱4,000 for extraordinary and unforeseen expenses. The installment due the school fund by act No. 1622 for 1908, amounting to ₱8,000, has been reduced by one payment of ₱6,000, there remaining only ₱2,000 to be paid during this fiscal year.

This disbursement of ₱10,000 for a new provincial jail; ₱20,000 for the high school building; ₱17,000 for the new bridge over the Panay River, and the construction of the railroad from Cápiz to Iloilo, will have a stimulating effect upon the financial condition of the province by placing money in circulation, and will furnish work to hundreds of poor people who are now without remunerative employment.

FINANCIAL CONDITION OF THE MUNICIPALITIES.

The financial condition of the towns is good. The increase in the collection of the cedula and land taxes have contributed to the finances of municipalities, as has, also, the refund of internal revenue, and the collection of every available cent of municipal imposts.

The following table will give some idea of the condition of each municipality.^a This is all that I have the honor to forward for your consideration. Respectfully submitted.

ANTONIO HABANA,
Governor of the Province of Cápiz.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF CAVITE.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF CAVITE,
Cavite, P. I., September 6, 1907.

SIR: In compliance with the provisions of act No. 1044, I have the honor to submit to your consideration the following annual report for the fiscal year ended June 30, 1907.

The short time that I have been at the head of the provincial government of Cavite might not permit me, perhaps, as desired, to make a finished and complete report of the conditions of the province; however, I will attempt to detail, so far as may be possible, everything concerning the fiscal year just past.

AGRICULTURE.

Rice on a grand scale and sugar are produced on the lands of the friar estates, now the property of the insular government. Hemp, cocoanut, coffee, and cacao plantations are general throughout the pueblos of the southern part of the province. In addition to these plantations nearly all the residents plant, in their respective lots during the rainy season, yams, peanuts, corn, and all kinds of vegetables, and after the harvesting of the palay some agriculturists plant garden truck such as melons, tomatoes, etc.

The planting of mango, Santol, Dujat, Atis, and other fruit trees is another occupation to which the agriculturists give due attention, although it is necessary to wait from five to ten years to reap benefits from these trees.

The crops of all these plantations produced during the last months are estimated at 50 per cent above those of the preceding year. However, it is feared that the crops will be reduced this year, in view of the death of many draft animals attacked by rinderpest, despite the efforts of the special agent of the bureau of agriculture assigned to this province to prevent the spread of said disease and to suppress it.

Notwithstanding these calamities, owing to the activity displayed in the planting of hemp and cocoanuts by the agriculturists and owners of lands of the southern municipalities, it may be stated that within some five years the province of Cavite, in all probability, will resume its original condition of prosperity, especially if the railroad should pass through these municipalities, which is the greatest desire of the inhabitants, so that their products may be easily transported to Manila and there sold without the enormous expense now attendant, because, having no other means of communication, they have to adapt themselves to circumstances and transport their products by means of carts drawn by carabaos, which, besides being very costly, consumes much time in the journey to Manila, that is not made without encountering many obstacles.

Since the Commission has not decreed that the railroad shall pass through the southern pueblos, I desire respectfully to recommend that the line to Nalc be extended to the pueblos of Alfonso, Mendes-Núñez, Indan, Silang, Dasmariñas and Imus; since great benefit can be assured not only to the pueblos but to the railroad enterprise also.

COMMERCE.

There is no large commercial house in the province. There are some merchants doing business on a small scale, selling European, American, and Chinese goods, brought from Manila.

The owners of the hemp lands generally transport their own products to Manila in order to sell them to foreign houses.

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

ECONOMIC CONDITION.

The vicissitudes suffered in former years by the majority of the municipalities have caused the inhabitants the entire loss of their improvements and capital.

Nothing can be said in favor of the present economic condition, except that in about three years it is believed the agriculturists and landowners will succeed to some extent in recuperating their losses, owing to the activity they display in agriculture in view of the tranquillity which has been enjoyed for the past year and a half.

The only difficulty the landowners and the agriculturists have to contend with is the lack of a sufficient number of draft animals which, on account of their excessive price, very few of the inhabitants can acquire; however, efforts are being made by the agriculturists, who are attempting to restore the lost improvements of their lands and are not losing any opportunity of securing fair returns for their products.

FINANCE.

According to the financial statement of June 30, 1907, there is a balance on hand, after deducting the needs of the province, of ₱23,923.50, general fund, as compared with ₱17,574.46, on hand July 1, 1906, an excess of ₱5,347.04, arising from the increase in the cedula collections, from some delinquents in the payment of the land tax during the past years and from certain refunds.

It will therefore be seen that the income of the province has moderately increased, taking into account the 50 per cent reduction due to act No. 1455 and to act No. 1579.

As regards the road and bridge fund, during the fiscal year ₱5,738.36 were expended in the construction of several culverts in the general highways and in the repair of the latter and of some bridges; this sum makes up the difference between ₱14,914.50, the balance on hand July 1, 1906, and ₱9,176.14, the balance on hand June 30, 1907.

For a better understanding a copy of the account current furnished by the provincial treasurer is hereto attached.

PUBLIC INSTRUCTION.

The children of both sexes daily attend the public primary schools with great avidity and according to data furnished by the division superintendent of schools the number of pupils was double that for the year 1906, apart from those who are attending private schools.

On my visit of inspection to all the municipalities I noticed with satisfaction the comportment and assiduity of the American and Filipino teachers, who have at all times won the friendship and sympathy of their pupils, a successful way of securing from the latter application to their studies and constant and punctual attendance.

There are also in this province intermediate schools, an agricultural school, and a high school. In these centers of instruction the attendance of the students is admirable, particularly those studying agriculture and industry; therefore I hope to see before long the fruit of their work, the interest which their professors take crowned with success, and the inhabitants of the province possess a wider sphere wherein they can choose their means of livelihood.

Treating of the high school of this capital of Cavite, the provincial board has very properly resolved to cede the building which was destined for the residence of the provincial governor, and thus the province will have a permanent building for the purposes of a college, with all the required conditions, and from which the inhabitants of this same province of Cavite will secure great benefits.

INDUSTRY.

In the port of Cavite there are two marine railways, a large one situated at Cañacao and a small one at Calle Marino, San Roque. In the two establishments there are employed daily from 500 to 800 laborers.

Fisheries and the catching of fish by means of fish corrals and nets are also industries which give a livelihood to the residents of Cavite-Viejo, Bacoor, and especially to those of the municipalities of La Caridad, Rosario, Santa Cruz, Naic, and Ternate, the yearly returns being estimated at ₱150,000.

FACTORIES.

There is an electric light plant, the property of Antonio Osorio, which furnishes the lighting to the public as well as to private subscribers.

Manufacturing has not yet attained great importance in Cavite, owing perhaps to the defective apparatus which the natives use; though in several pueblos the women weave sinamay from textiles of fine hemp by means of an apparatus called *habihan*, which is made by the natives out of wood and cane.

NATURAL RESOURCES.

Forestral.—The utilization of shrubs secured in the mountains of Maragondon, Ternate, and Dasmariñas for firewood is one of the means of livelihood of the residents of these municipalities; they also use small trees for posts for houses of light materials.

Stone which equals and perhaps surpasses in durability and solidity that of Meycauayan, province of Bulacan, and of Guadalupe, province of Rizal, is found along the banks of the Maragondon River, but the product is unimportant because no one has engaged in quarrying for the purpose of sale in Manila and other distant municipalities, and in consequence its exploitation is limited to the use of the residents of the municipality of Maragondon.

Mines.—Up to the present time it is not known officially that there are any mines in the province. I have private information of gypsum mines in the mountains of Magallanes and of gold mines at Mendes-Núñez, but the mines are on the lands of Señor Marcelino Aure, the ex-municipal president thereof.

NONCHRISTIAN TRIBES.

There are none in the province.

POLITICAL CONDITIONS.

The general sentiment is nationalistic; not with the hostile idea of securing the independence of the country, but the people rest their hopes in the nobility of the Government of the great American nation and in the promises made in various speeches by the noble sons of that nation, and trust that the long wished for aspiration of the Filipino people will be justly heeded.

The majority, in fact nearly all, of the enlightened and influential men of the province have counseled the people that to arrive at this end it is necessary for them to secure education, activity in agriculture and confidence in the present Government that rules the islands and makes manifest the greatness of the American people as demonstrated to the Filipino people by the liberties tolerated and granted to them.

The addresses and speeches made to the people by said leading men have for their object the taking advantage by the people of the opportunities cheerfully offered by the government, especially in education as the principal base to obtain a place in the concert of nations, and particularly with the people who now have the direction of the destinies of the country.

On various occasions I have had an opportunity to appreciate the confidence which the people of Cavite have in the constituted government; for always when the supposed war with Japan is spoken of, many have signified their intention of placing themselves at the orders of the Government and on its side, with the object of proving their sympathy and gratefulness for those liberties given to the people by a conquering nation which did not desire to take advantage of the weakness of the conquered; on the contrary, the conquering nation is tolerant and is procuring the education and advancement of the conquered people in order to grant them equal liberty to that which is enjoyed by the sons of the victorious nation.

It can not be denied that there are resentments in the province, but they are purely personal; for it has been observed that all respond in unanimity and accord whenever the liberty of the Philippines is discussed, that it must be obtained by pacific measures in such form as may constitute a stable Government for the general welfare and progress of the country.

The past elections corroborate this assertion, for although prior to the holding of the same there were certain campaign managers with their respective groups of electors who favored one or the other candidate, after said elections were held, these groups of electors and the campaign managers of both candidates again became friends and together showed the victorious candidate the consideration which he merited. Don't let it be said that the provincial gov-

ernment because of such or such a party were induced to investigate certain municipal officials. The facts show that the people desire the enforcement of the laws and do not permit irregularities by guilty municipal officers, feeling themselves obliged to denounce them for the purpose of having them corrected, from which may be deduced the sincere intention of the people to see that the laws promulgated are duly complied with.

PUBLIC HEALTH AND SANITATION.

In the year 1906 the deaths throughout the province numbered 4,490 and the births 5,112.

From July to September, 1906, there were 204 cases and 164 deaths from cholera. This epidemic, which may be called the reappearance of cholera in this province, was combated by the entire personnel of the municipal board of health, under the sole direction of the district health officer of the fourth district, Señor Mariano Felizardo.

During the fiscal year 1907 there were no cases of smallpox in Cavite.

It will be seen, therefore, speaking in general terms, that the public health of this province has notably improved, no other diseases than those indicated having appeared.

Respectfully submitted.

LEONARDO OSORIO,
Governor of the Province of Cavite.

The GOVERNOR-GENERAL.

Statement of provincial and municipal funds, province of Cavite, fiscal year ended June 30, 1907.

	Provincial funds.		Congressional relief funds.		Act 1478.	Municipal funds.	Total.
	General.	Road and bridge.	Roads.	Schools.			
Balance on hand July 1, 1906.....	P17,574.46	P14,914.50	P335.53	P930.39		P12,493.28	P46,248.16
Receipts:							
Registry of property.....	286.50						286.50
Cart tax.....		14.42				14.43	28.85
Land tax.....	1,036.84	518.70				2,073.87	3,629.41
Fisheries.....						1,647.61	1,647.61
Ownership and transfer of cattle.....						2,586.00	2,586.00
Rents, profits, etc.....						35,317.84	35,317.84
Licenses.....						18,441.95	18,441.95
Fines.....						6,427.93	6,427.93
Sales stray animals.....						545.15	545.15
Cemetery.....						118.51	118.51
Cedula collections.....	18,402.50					18,402.50	36,805.00
License collections.....						6,801.46	6,801.46
Opium certificates.....						585.00	585.00
Internal-revenue fund.....	5,961.62					18,046.42	23,998.04
From insular government act No. 1579.....	6,117.33	3,058.68				12,390.84	21,566.85
From insular government act No. 1456.....	12,234.66	6,117.36				24,781.68	43,133.70
Fees clerk of court.....	294.40						294.40
Sales of supplies to municipalities.....	2,966.18						2,966.18
Various and refunds.....	1,388.64					749.98	2,138.62
Bond premium.....	225.25						225.25
Exchange.....	3.60						3.60
Transfer from road and bridge fund.....					P4,781.47		4,781.47
Total receipts.....	66,481.98	24,623.66	335.53	930.39	4,781.47	161,422.45	258,575.48
Expenditures:							
Disbursements.....	42,558.48	9,415.63	335.53	930.39	4,781.47		58,021.50
Payments to municipalities.....						127,018.31	127,018.31
Transfer to act No. 1478 fund.....		4,781.47					4,781.47
Total expenditures.....	42,558.48	14,197.10	335.53	930.39	4,781.47	127,018.31	189,821.28
Balance on hand.....	23,923.50	10,426.56				34,404.14	68,754.20

REPORT OF THE GOVERNOR OF ILOCOS NORTE.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF ILOCOS NORTE,
Laoag, P. I., July 8, 1907.

SIR: I have the honor, in compliance with act No. 1044 of the Philippine Commission, to submit the following report on the general conditions of the province of Ilocos Norte, Philippine Islands, for the fiscal year ended June 30, 1907:

PUBLIC ORDER, PEACE, AND TRANQUILLITY.

During the year good order, peace, and tranquillity have reigned supreme. The inhabitants are peaceable by nature, and good understanding and harmonious relations have existed between them and the government. The liberal principles, policy, and proceeding of the latter have been well received by everybody, there having been no demonstration, material proof, or act of any kind to show the contrary. Though it is true that there have been a few petitions, emanating from municipal councils, from the convention of presidents, or from the inhabitants, for amendments of laws or for their suspension, they have been made within the law and have been rather the use of one of the political rights of the people mentioned in the Philippine bill than an indication of disobedience or lack of submission to the laws enacted by the constituted government or to the authorities.

This state of order, peace, and tranquillity is partly due to the solicitude and zeal of the provincial government, which informed the people, by means of lectures in the municipalities and the rural barrios, of the good principles and liberal spirit which inspire our present government; to the ever-increasing efficiency of the guardians of the public order, the municipal police and constabulary, and to the zeal and tact of all the other public officers of the province and the municipalities.

PUBLIC MORALITY.

There has been a decrease in the number of crimes and misdemeanors committed within the boundaries of this province, and in the number of civil suits in the municipalities, which were entered in former times rather because it was the fashion, than as a result of usurpations or deprivations of rights.

MUNICIPAL POLICE AND CONSTABULARY.

The aggregate strength of the municipal police in the several municipalities of Ilocos Norte is 171, which number was deemed sufficient by the provincial board when it adopted its resolution of January 22, 1907, in accordance with section 2 of act No. 781.

The strength of the constabulary is sufficient for the requirements of the public order and tranquillity of this province.

There are three constabulary posts in Ilocos Norte; one at Laoag, the capital of the province, another at Bangui, and another at Dingras. There is a fourth post at Badoc, at the south end of the province; but the soldiers stationed there belong to the constabulary of Ilocos Sur.

As we have already stated, both the organizations mentioned have rendered good service. On recommendation of the provincial government, the senior inspector of the constabulary of this province has established provincial posts, consisting each of a few soldiers, at the settlements of Padsan and Dumalneg, for the protection of the inhabitants and of the Christian settlers in their vicinity, because the Apayao, a hill tribe inhabiting the central range of mountains between Cagayan and this province, have extended their raids to the vicinity. They killed an inhabitant of the settlement of Padsan, one of that of Dumalneg, and five Christians who were engaged in agricultural labors in the fields in the eastern portion of the municipality of Dingras, near the settlement of Padsan. These murders occurred last year, except that of an inhabitant of the settlement of Dumalneg, which happened at the beginning of the present calendar year.

Since the establishment of the provisional posts at Padsan and Cabaritan, near Dumalneg, there has not been a recurrence of such raids.

The relations existing between the constabulary and the people of this province are good, likewise those between the constabulary officers and the provincial officers.

PUBLIC WORKS, ROADS, BRIDGES, AND OTHER CONSTRUCTIONS.

The excessive rainfall during the first half of the year has, as was to be expected, done considerable damage to the provincial roads and bridges. The provincial government has therefore given special attention, during the latter half of said year, to their repair as well as to the opening or reconstruction of provincial roads, which were for many years almost impassable, even for horsemen.

When I made my visit of inspection to the municipalities last December, I spoke to the inhabitants of the necessity of putting the provincial roads in order, because without them, or with them in the condition in which they were, it was not possible to look forward to any progress in agriculture and commerce, the roads being indispensable factors for the sale and exportation of their products which, if left at the place of production, would not bring any gain to the agriculturists, the result being that the latter, and with them the entire pueblo, would be plunged into the most deplorable distress, and there would be a decadence in all the branches of life. The people, who realize the great evils resulting from bad roads and who, on the other hand, were grateful to the government for the provisional suspension of the land tax, offered to aid the provincial government, which had relatively little money for roads, in the repair of roads and bridges.

In this manner, the provincial roads and bridges have been attended to as follows:

In the municipality of Badoc, approximately 6 miles.

In the municipalities of Paoy, Batac, and Laoag, approximately 7 miles.

In the municipality of Piddig, approximately 6 miles; also repair of a stone bridge and construction of wooden bridges.

In the municipality of Dingras, approximately 18 miles, and construction of 5 wooden bridges.

In the pueblo of Banna, consolidated with Batac, approximately 4 miles, and construction of 4 wooden bridges.

In the municipality of Bacarra, approximately 6 miles.

In the municipality of Pasuquin, approximately 15 miles.

In the municipality of Bangui, approximately 20 miles.

It must be stated that the work performed on the road last mentioned was such as to show true love of the public good, because not only is this road hilly, but a great part of it had, for the last ten years, been in such a condition that it seemed impossible to repair it without spending large sums of money. It had become a mass of underbrush, stones, and gullies, and before its reconstruction it was necessary to dismount at several places. Thanks, however, to the good will of the inhabitants of the *pueblo* and to the tact of the municipal officers thereof, who themselves aided in the work, the road was put in such good condition that on my tour of inspection last May, it was already perfectly passable for vehicles.

The same holds good of the provincial roads from Piddig to Dingras, from Dingras to Solsona, a pueblo consolidated with Dingras, and from Dingras to Banna, a pueblo consolidated with the municipality of Batac.

Several wooden bridges and culverts have also been constructed on the Bangui road.

Aside from this kind of work on the roads, bridges, and culverts belonging to the province, road and bridge repair work has also been done by the provincial prisoners serving sentence.

The provincial board also had provincial roads and bridges built and repaired under the supervision of the district engineer.

The following work was done under the supervision of the district engineer: Reconstruction of two bridges of stone and wood at Bangui; construction of two bridges of wood at Bangui, of one bridge, of stone, iron, and wood, at Laoag-San Nicolas, and of one bridge, of stone and wood, at Batac; repair of one stone bridge at Laoag; and completion of the construction of the stone and wood bridge, with iron roof, at Badoc. A bridge of stone and wood is now in the course of construction at Paoy. Many repairs have been made on stone culverts, also under the supervision of the district engineer.

Great improvements have also been made on the provincial jail.

As to municipal improvements, it must be mentioned that the municipalities have bettered their local roads and streets to a considerable extent by repairing the bridges and culverts in the towns proper.

The following work has been done in the municipalities hereinafter set forth:

At Bangui three schoolhouses have been built in the rural barrios, and the central school has been repaired.

At Pasuquin the construction of a schoolhouse of lumber has been begun.

At Bacarra they have commenced to put an iron roof on the town hall, an unfinished stone building constructed long ago. Two municipal schoolhouses of masonry were roofed with iron at the same place, and one at Vintar, a pueblo consolidated with Bacarra.

At Laoag an iron roof was put on the town hall, which was also repaired, and the portion of the market which had burnt down was reconstructed. Many schoolhouses of lumber, one of them with an iron roof, were built in the rural barrios, and a stone schoolhouse, with iron roof, was erected at San Nicolas. The construction of a schoolhouse of large dimensions, to be built of wood, with iron roof, has been commenced in the población of Laoag.

At Batac they have begun to put an iron roof on the old town hall, a stone building, and a schoolhouse and dwellings for the students have been erected on the model farm set aside for the study of agriculture. The pueblo of Banna, consolidated with Batac, has commenced the construction of a schoolhouse of lumber.

At Paoyay the construction of a schoolhouse of stone, lumber, and iron has been commenced, and the town hall has been repaired.

At Badoc a few repairs have been made on the town hall.

At San Miguel the schoolhouse of strong materials has been completed, and a market and a schoolhouse have been built outside of the town proper.

At Piddig repairs have been made on the schoolhouses.

At Dingras the construction of a schoolhouse of stone, lumber, and iron has been almost completed.

MEANS OF COMMUNICATION.

These are almost the same as they were during the preceding fiscal year.

There are telephones in the municipality of Bangui, at the pueblo of Nagpartian, annexed to Bangui, at the Dirique Lighthouse, at Dingras, San Miguel, and Laoag, the central office being at Laoag. There are telegraph offices at Laoag, Batac, Currimaos, and Badoc.

Mails leave the province, go to the municipalities, and are received by the provincial government from Manila twice a week.

PRISONS.

The provincial jail is in good condition, and as has been mentioned above, many improvements have been made on the building. Cots of wood and bamboo made by the prisoners have been provided, and regulation clothes have been ordered at Manila. On June 30, 1907, there were 23 prisoners serving sentence, and 7 others, as compared with 34 sentenced prisoners and 42 others in the preceding fiscal year.

There is a carpenter shop in the jail where furniture and other articles are manufactured, and sold for the benefit of the province.

INSTRUCTION.

The youth show much enthusiasm for study, the result being a notable increase in the matriculation in the schools of boys and girls, and many schools have been built in the several municipalities of this province during the year, the people and public officers aiding public instruction with the greatest zeal.

As to the provincial government, it has made every effort and given all assistance within its power to promote education. The provincial school building, constructed by the province for the high school, being found insufficient to accommodate the large number of pupils, the province had to rent a spacious house for the domestic science and carpentry classes of the high school, pending the construction of the provincial schools proposed for these purposes, the work on which is to begin soon.

The school of agriculture at Batac, inaugurated during the year, is giving remarkable results, and at the beginning of the present calendar year the students of this school sold considerable agricultural products which they themselves had planted.

PUBLIC HEALTH AND HYGIENE.

The public health has been very satisfactory, and there has not been any epidemic disease, among either the people or the beasts of labor.

Dengue fever prevailed in January and February throughout the province; but it was of a mild character and did not cause any deaths.

There were a few isolated and sporadic cases of rinderpest in the pueblos, but the mortality caused did not even represent one per cent of the cattle.

Nearly all the cemeteries are newly established, because the Bureau of Health ordered the old one closed, for hygienic reasons.

FINANCIAL CONDITION.

The financial condition at the end of the last fiscal year was very satisfactory. After making all the necessary expenditures from general funds for salaries, per diems and other expenses, and without counting the share of the internal revenue tax collections for the second quarter of the current calendar year, the provincial treasury showed a cash balance, on June 30, 1907, of ₱13,142.23, general funds of the province, while the balance at the end of the preceding fiscal year was only ₱5,537.15.

This is doubtless due to the great savings introduced, the number of employees having been reduced and the expenditures having been confined to absolute necessities. It must be borne in mind that only one-half of the total amount of the land tax has been collected.

It is true that large expenditures have been made from the several funds; but these were all for the direct benefit of the province, having been made for the repair and reconstruction of the provincial roads and bridges.

It must be added that this province has no outstanding indebtedness or obligation.

The municipalities are in relatively good condition financially.

AGRICULTURAL CONDITIONS.

The production of rice, which still holds the first place among the agricultural products, has increased notably, as high as 10 per cent, notwithstanding the excessive rainfall, which has somewhat damaged the crop.

The rice mill established at the capital of this province is an incentive to the residents to increase their production of that cereal.

The cultivation of maguey is increasing in a noteworthy manner, and there is not a nook in this province where this plant is not being planted. During the fiscal year about 20,000,000 plants have been set out, in some places in accordance with the instructions of the Bureau of Agriculture, and in others with less space between the plants, the agriculturists saying that they do so in order to economize in the use of the land.

In my lectures in the municipalities and the rural barrios I have fought against the system last mentioned and have fully demonstrated the disadvantages which it entails, the result being that many agriculturists on a large scale, bearing in mind my arguments, have done a great deal of transplanting, removing a good many of the plants set out by them and putting them on other land.

The tobacco crop diminished considerably during the last year, for the reason that the excessive rainfall, which continued until last December, did not give the agriculturists an opportunity to prepare their seedling plots at the proper time.

The other crops have undergone no change since the preceding fiscal year.

INDUSTRY.

The industries, such as the manufacturing of textiles, mats, hats, lime, salt, shoes and slippers, carpentering, blacksmithing, and many others of small importance, have been the same as described in the last annual report; that is, the same antiquated methods have been used, but there has been a greater development.

However, a new industry has sprung up in this province, which is the manufacture of bamboo furniture at the pueblo of San Nicolas, belonging to the municipality of Laoag. This furniture is now being used in many of the pueblos of this province.

A rice-hulling mill has been established at the capital of this province, with a capacity of about 100 cavans per diem. I am informed that it is the property of several Chinamen, in partnership with Manila Chinese, and that the owners are the buyers of rice in this province. We have therefore at present two important machines in this province: the one of which we have spoken, and the maguey stripping machine managed by Señor Daniel Galza.

COMMERCE.

Commerce is gaining new life, although it is almost monopolized by the Chinese. They buy up many of the products of the province for exportation to Manila, but sometimes they sell them to the Compañía General de Tabacos. They sell many goods and articles of foreign origin. The increase of the commerce over what it was during the preceding fiscal year may be said to be 30 per cent.

Much draft cattle has been exported, and the number of carabao, beef cattle, and horses shipped out is estimated at 2,000 heads.

The commercial transactions concern chiefly rice and maguey, the production of both having increased considerably. It is estimated that rice approximately of the value of ₱100,000 has been sold, the amount unsold representing still a larger sum, and that the sales of maguey amount to about ₱300,000, a sum considerably larger than the exportations during the preceding fiscal year.

ECONOMIC CONDITIONS.

Agriculture and commerce having prospered and placed large sums of money into circulation, which have put everybody into relatively comfortable circumstances, we must infer that there has been general prosperity.

MINING.

Twenty mining claims have been registered during the last year, and sixteen claims registered previously are waiting to be worked. The majority of the claims registered are for asbestos mines, and the rest for manganese.

NONCHRISTIAN TRIBES.

Some progress is noticeable in the economic and political life of the inhabitants of the twelve settlements of non-Christian tribes in this province which are organized under act No. 1397, and there is a great desire for civilization.

I had good evidence of this desire on my last tour of inspection to these settlements. I then said much to them of the advantages of instruction in the material, moral, and political affairs, and informed them that it was the desire of the government to give them the benefit of instruction, and that, if they would make a small sacrifice and build schoolhouses, the government would be ready to recommend that teachers be sent to instruct their children. I cited a number of cases, and they all expressed the wish that teachers be sent to hold school in their settlements, and offered to build schoolhouses.

I gave them plans of schoolhouses and recommended that schools be erected at the settlements hereinafter set forth:

At Garnaden, one schoolhouse for it and the adjacent settlements of Padpadong and Bugayong. These three settlements are in the eastern portion of this province and are approximately 1 mile distant from each other.

At Paor one schoolhouse, for it and three others, Padsan, Cabit-taoran, and Patoc. These four settlements are also in the eastern portion of the province, and the distances between them are 1 mile or less.

At Uguis, which is distant from the other settlements, one schoolhouse for it and, if possible, for Tibangran, which is rather distant.

Last May all these schoolhouses were completed, and I reported this fact to the division superintendent of schools, requesting that teachers be appointed. I am informed that teachers have been appointed.

It was necessary to limit the number of schoolhouses in the settlements mentioned to three, because their population is small there are few children, and

they are close to one another, and because funds available for the settlements do not allow of greater expenditures. It is for the present impossible to build schools in the remaining three settlements, because aside from the fact that there is only little money available, two of the three mentioned are over 50 miles distant from the municipality which is the farthest east, and are situate among almost inaccessible mountains.

POLITICAL CONDITIONS.

The interest of the people in taking a part in everything concerning public life, particularly in all that is of practical and direct benefit to them, is growing, as is shown by their activity in the electoral campaigns; their orderly and peaceful petitions of what they deem beneficial to them; their protests against acts of public officials which they consider detrimental to their interests and derogatory to their political or individual rights; their petitions for the amendment of laws or ordinances which they deem burdensome or detrimental to their interests; their suggestions of legislation or ordinances of beneficial results to them, and other acts by which they make use of their rights, individual as well as political. On the other hand, their compliance with their duties as citizens, their manifest submission to the government, the constituted authorities, and existing legislation; the beneficent operation of the municipal governments, and the evident satisfaction of the people with their increased participation in the government of the province and in the coming Legislature, all these, taken together, show progress in the political life of this province.

The number of commercial associations, though on a small scale, and of societies for instruction and recreation has also increased.

Committees of the political parties known as the "Partido Nacional Progresista" and "Partido Nacionalista Inmediatista" are working in this province; but their campaigns are carried on very quietly and peaceably, and they do not go to excess. For this reason they do not lead the people from their customary occupations to the field of sentimentalism and theorism. Imbued with their respective creeds and principles, the members of these parties live up to the same work silently, within law and order, for the common good and prosperity, endeavoring to obtain the greatest possible amount of happiness for the people, without wasting too much oratory, in accordance with the policy outlined by the sovereign government, and in the due exercise of their political rights, as established by the constitutional laws of this country.

The litigations between the Roman Catholic Church and the municipalities were carried on in a remarkably orderly manner, and no acts of violence or disturbances of the peace resulted from them.

It is true there were more or less heated disputes in a few places, but these were of the kind that is quite natural when lawsuits are in progress.

The election law was received with satisfaction by the people and polling places were constructed in the several municipalities. The municipalities of Dingras and Laoag, however, rented houses, the former for the election and the latter for the preliminary proceedings only, adequate buildings being in the course of construction at Laoag for the election of delegates, the interest in which is growing among the people of this province as it approaches.

Respectfully submitted.

MELCHOR FLOR,
Governor of the Province of Ilocos Norte.

THE GOVERNOR-GENERAL.

EXHIBIT No. 1.

Table of criminal actions tried in the court of first instance of the province of Ilocos Norte, Philippine Islands, during the fiscal year ended June 30, 1907.^a

EXHIBIT No. 2.

Educational statistics for the fiscal year ended June 30, 1907.^a

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

EXHIBIT No. 3.

Statement of receipts and expenditures of the Province of Ilocos Norte, fiscal year 1906-7.

GENERAL FUND.

	Philippine currency.	Spanish- Filipino currency.
RECEIPTS.		
Balance July 1, 1906.....	P5,537.15	Pfs.
Registry of mining claims.....	124.00	
Registry of property.....	80.15	
Sales of supplies to municipalities.....	4,664.99	
Prison work and sales.....	222.80	
Rent of buildings.....	360.00	
Refund of bond.....	165.65	
Refund court cost.....	157.52	
Land tax 1902-6.....	814.40	
Land tax refund (acts Nos. 1455 and 1579).....	7,002.50	
Internal revenue refund (act No. 1189).....	16,645.47	
Internal revenue refund retained by auditor on account of bureau of justice.....	7,536.00	
Cedulas (act No. 83).....	27.00	
Cedulas, 1905, Class B (act No. 1189).....	332.00	
Cedulas, 1906, Class B (act No. 1189).....	1,572.50	
Cedulas, 1907, Class B (act No. 1189).....	194.00	
Cedulas, 1907, Class A (act No. 1189).....	19,082.00	
Interest of deposits.....	1,225.00	
Sale of provincial property.....	213.98	
Exchanged from Mexican.....	1,308.62	
Miscellaneous.....	242.73	
Transfer to provincial general fund from municipal deposits.....		1,094.80
Total receipts.....	68,003.36	1,694.80
EXPENDITURES.		
Salaries (bureau of health, P927.33).....	23,258.91	
Travelling expenses and per diems.....	3,213.63	
Repairing and construction of buildings.....	70.25	
Rental for building.....	800.00	
Office supplies.....	5,961.50	
Permanent equipment.....	1,744.81	
Court fees (January 1, 1902, to June 30, 1907).....	11,328.00	
Sheriff fees.....	359.80	
Feeding prisoners.....	3,358.49	
Bureau of prisons.....	1,724.80	
Postage, mail, and telegrams.....	475.00	
Premium on bond.....	566.66	
Miscellaneous.....	1,999.23	
Exchanged.....		1,694.80
Balance.....	13,142.23	
	68,003.36	1,694.80
Receipts.....	P68,003.36	
Expenditures.....		54,861.13
Balance.....		13,142.23

Road and bridge fund.

[Philippine currency.]

RECEIPTS.	
Balance July 1, 1906.....	P8,803.98
Cart tax.....	1,037.09
Land tax 1902-1905.....	407.29
Land tax refund (act Nos. 1455 and 1579).....	3,801.20
Cart sold by auction.....	251.00
Sale of material (Apatot bridge).....	1,048.50
Total receipts.....	15,349.06

EXPENDITURES.

Repairing and maintenance of bridges.

San Mateo bridge.....	₱203.39
San Pablo bridge repairs.....	118.14
Laoag-Currimao culverts repairs.....	2.65
Laoag-Pasuquin culverts repairs.....	38.40
Galpac bridge.....	30.90

Construction of bridges.

Apatot bridge.....	4,440.63
San Pablo bridge.....	1,718.35

Construction and maintenance of roads.

San Miguel-Dingras road.....	27.10
Laoag-San Miguel road.....	114.62
Laoag-Paoay road.....	418.55
Laoag-Currimao road.....	1,052.91
Pasuquin-Nagpartian road.....	892.20
Piddig-San Miguel-Dingras road.....	130.00
Badoc-Sinait road.....	56.50
Currimao and the South Boundary road.....	344.67
Permanent equipment.....	314.55
Miscellaneous.....	399.58
Balance.....	5,045.92

15,349.06

Receipts.....	15,349.06
Expenditures.....	10,303.14

Balance.....	5,045.92
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Congressional relief fund, public work.

[Philippine currency.]

RECEIPTS.

Balance July 1, 1906.....	₱465.10
Sale of material (Apatot bridge).....	39.67
Total receipts.....	504.77

EXPENDITURES.

Road and bridge labor pay roll.....	31.90
Balance.....	472.87
	504.77

Congressional relief school fund.

[Philippine currency.]

RECEIPTS.

Balance July 1, 1906.....	₱1,280.47
Sale of material (Apatot bridge).....	15.60
Total receipts.....	1,296.07

EXPENDITURES.

San Nicolas school construction.....	₱554.60
Pasuquin school construction.....	34.34
Miscellaneous.....	89.85
Transferred to school building fund (balance).....	617.28
	1,296.07

School building fund (act No. 1275).

[Philippine currency.]

RECEIPTS.

Balance July 1, 1906.....	₱621. 13
Subscription.....	6, 851. 58
Transferred from Congressional relief school fund.....	617. 28
Total receipts.....	8, 089. 99

EXPENDITURES.

Transportation and unloading.....	₱194. 63
Balance	7, 895. 36
	8, 089. 99

Non-Christian inhabitants fund.

RECEIPTS.

[Philippine currency.]

Balance July 1, 1906.....	₱320. 28
Internal-revenue refund (act No. 1189).....	372. 84
Transferred from rancherías fund.....	96. 00
Total receipts.....	789. 12

EXPENDITURES.

Balance	₱789. 12
	789. 12

Rancherías fund.

RECEIPTS.

[Philippine currency.]

Balance July 1, 1906.....	₱128. 00
Ownership and transfer of cattle.....	34. 00
Total receipts.....	162. 00

EXPENDITURES.

Transferred to non-Christian inhabitants fund.....	₱96. 00
Balance	66. 00
	162. 00

Municipal fund.

RECEIPTS.

[Philippine currency.]

Balance July 1, 1906.....	₱1, 109. 13
Cart tax	1, 037. 01
Land tax 1902-5.....	1, 628. 68
Cedulas (act No. 89).....	27. 00
Cedulas 1905, Class B (act No. 1189).....	332. 00
Cedulas 1906, Class B (act No. 1189).....	1, 572. 50
Cedulas 1907, Class B (act No. 1189).....	194. 00
Cedulas 1907, Class A (act No. 1189).....	19, 082. 00
Internal-revenue refund (act No. 1189).....	29, 824. 39
Licenses (act No. 1189).....	1, 781. 00

Opium certificate (act No. 1461)-----	₱80.00
Land-tax refund (acts Nos. 1455 and 1579)-----	15,205.00
Municipal taxes-----	22,008.99
Ownership and transfer of cattle-----	15,421.00
Sales stray animals (act No. 1147)-----	150.72
Cemeteries (act No. 1458)-----	104.50
Subscription for defense of churches-----	302.36
Miscellaneous-----	863.93
Overage in cash-----	.02
Total receipts-----	110,814.23

EXPENDITURES.

Payments to municipalities----- ₱110,814.23

REPORT OF THE GOVERNOR OF ILOCOS SUR.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF ILOCOS SUR,
Vigan, P. I., July 13, 1907.

SIR: I have the honor to submit herewith my annual report for the fiscal year ended June 30, 1907.

I will follow the order established in the executive bureau circular of May 8 last for the rendering of the reports, and begin by treating of

AGRICULTURE.

In view of the great lack of labor cattle, agriculture in this province is in a state of great retrogression and decadence, and it will not recover from its prostration until the cause has disappeared. It is a source of great regret that agriculture, which is the firm basis of the wealth of a country, is much behind what it was ten years ago. The tools and implements used are most primitive, and the methods employed in the growing and gathering of the crops, in the manufacture of the sugar, and in the dressing of the maguey are most rudimentary.

Although agriculture is far behind in this province, the articles of first necessity produced, such as rice and maize, are sufficient for the sustenance of the inhabitants who, for this reason, do not worry about their subsistence.

There are hopes that within a short time certain industrials will introduce modern instruments or machines for stripping maguey, the cultivation of which, on a large scale, is developing to a considerable extent and is given much attention, so that the production of this high priced article will be doubled within three years.

During the year a strange cattle disease, rinderpest, made its appearance in several pueblos, but fortunately disappeared soon and did not spread to all the pueblos.

COMMERCE.

Commerce has not undergone any change since last year. During the first months of the present year fair prices were paid for maguey and sugar, though the price of the latter has fallen somewhat and the wholesale dealers were therefore able to engage in the purchase of them.

Owing, doubtless, to the monetary crisis which is making itself felt in Ilocos Norte and Ilocos Sur, the retail business is almost at a standstill, and the dealers in some of the products of this province, who travel annually through the adjacent provinces where there are Ilocano pueblos, are much discouraged and complain that they make very few sales.

ECONOMIC CONDITION.

The economic situation of this province has been very fair, it having been able to settle all its obligations without any difficulty whatever, with a balance on hand on June 30, 1907, of ₱53,277.52.

As to the pueblos of this province, both municipalities and townships are in comfortable circumstances so far as their finances are concerned.

FINANCES.

During the fiscal year the receipts aggregated ₱126,491.93, and the expenditures ₱100,414.34. It therefore appears that on July 1, 1907, there was a balance of ₱53,277.52 in favor of the province, inclusive of the road fund and the balance on hand on June 30, 1906.

The receipts of the non-Christian tribes fund aggregate ₱6,482.40, and the expenditures ₱1,072.47, which leaves a balance on hand of ₱5,409.93.

PUBLIC INSTRUCTION.

The condition of public instruction is satisfactory, judging by the table of schools, teachers, matriculated pupils and average attendance, furnished by the division superintendent.

The intermediate school and the primary schools of the municipality of Candon were closed last month, because the municipality, on account of the lack of school funds, has been unable to pay the salaries of the teachers since January, 1907.

The following is a statement of the present state of the public instruction in this province:^a

Two recently constructed schools of arts and trades were inaugurated in the month of February, 1907, one at Vigan and the other at Lagangilang, Abra. In the month of March of the present year an intermediate school was inaugurated at Santa Maria.

Private instruction is in the same condition as it was last year. There are three colleges: The school of primary and secondary instruction of the Jesuits; the Universidad Ilocana, with its law school and school of primary and secondary instruction, and the girls' school managed by the Sisters of Saint Paul de Chartres. The most frequented is that of the Jesuits, on account of their reputation as professors.

INDUSTRY.

The principal industries in which the inhabitants are engaged are weaving of cotton and silk cloths on crude and primitive looms; making of bricks, tiles, and flags in ovens; making of furniture, carriages, carts, and harnesses; construction of small boats, such as virayas, bancas, paraos, and pontines; blacksmithing; shoemaking; pottery; hunting and fishing; cigar making (by hand); tanning of hides by the most primitive and imperfect methods, and the preparation for the market of maguey, sugar, and indigo.

It therefore appears that the industries of this province are not at the height which they should occupy.

MANUFACTURES.

This province is now in a worse condition with regard to manufactures than in previous years. Four years ago there were four distilleries, which were located at Vigan, Santa, and Candon; but of these only the one at Santa exists to-day, the others having been forced to shut down because they were unable to bear the internal-revenue taxes.

NATURAL RESOURCES.

The natural resources of this province are very insignificant. Until the present writing no mines have been discovered except some gypsum deposits in the mountains in the northern part, and the forestal wealth of Ilocos Sur is also small, if compared with that of the other provinces of the archipelago, because only the mountains of Abra furnish timber of the first group, which is either sold or used for the construction of buildings.

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

POLITICO-ADMINISTRATIVE CONDITIONS.

No unusual event worthy of mention has taken place during the year. The only uncommon occurrences here were fires and common crimes, and it can therefore be said that the province has enjoyed complete tranquillity. For this reason no extraordinary work has weighed upon the government and taken up its attention, to the prejudice of the administration of current public matters.

The total population of Ilocos Sur and the subprovince of Abra is 237,023 souls, civilized and uncivilized, who are distributed over 19 municipalities and the several townships and rancherías. The area of Ilocos Sur and Abra is 1,642 square miles, the density of population being 144 inhabitants to the square mile.

The aggregate strength of the municipal police is 220, it being distributed among the municipalities in proportion to their importance.

The following report shows the work performed by the court of first instance of this province during the last fiscal year:*

PUBLIC HEALTH AND SANITATION.

The sanitary conditions have not undergone any change worthy of mention, but generally speaking, the public health is better than during last year.

Smallpox appeared at Bangued, Abra, at the beginning of the year 1907; but it was of a mild character and disappeared soon, owing to the energetic and wise measures taken by the sanitary authorities.

There is still a considerable number of lepers in the province; these live with their families and next of kin in several of the pueblos.

In order to prevent leprosy from spreading it is of urgent necessity that the persons attacked by it be sent to the island of Cullion, as has already been requested several times. This is the only measure which I deem adequate to relieve the province from this terrible disease.

There also remain a number of insane persons, some of whom are violent and should be confined in the Hospicio de San José at Maníla, in order to prevent their committing crimes, there being no insane asylum in this province.

PUBLIC WORKS.

The general wagon roads, bridges, and drains, both in the northern and the southern part, have been repaired and put in order.

During the sixteen months that I have been at the head of the government of this province I have observed that the work of the repair of roads, bridges, and drains causes each year considerable expense, and for this reason I deem it well to suggest that the present system of repairing roads be substituted by another, more economical and better suited to the conditions of the province; that is, I believe it would be advisable to have the municipal presidents take charge of the repair of the roads in their respective districts and to allow them the necessary funds, subject to the direction and inspection of the district engineer.

Being certain that the lieutenant-governor of Abra will submit an annual report as to his subprovince I have limited the present report to the province of Ilocos Sur.

Respectfully submitted.

FELIX ANGCO,
Governor of the Province of Ilocos Sur.

The GOVERNOR-GENERAL.

* Omitted and on file in the Bureau of Insular Affairs, War Department.

Report of the lieutenant-governor of Abra (Ilocos Sur).

[Translation.]

OFFICE OF THE LIEUTENANT-GOVERNOR,
SUBPROVINCE OF ABRA,
Bangued, July 9, 1907.

SIR: In accordance with act No. 1044 I have the honor to submit to your consideration the following report for the subprovince of Abra for the fiscal year ended June 30, 1907:

AGRICULTURE.

The principal products of these pueblos are palay, corn, tobacco, cacao, and others of less importance.

In spite of the prolonged drought, in general the crop has been more satisfactory than that of the previous year, due undoubtedly to the constant work of the industrious inhabitants of this subprovince.

Comparing the figures of this with those for the crop of the previous year there is shown an increase of 25 per cent in the production of palay, 33 per cent in that of corn, and 50 per cent in that of sugar. On the other hand, there has been a decrease of 33 per cent and 14 per cent in the production of tobacco and cacao, respectively. This decrease as regards tobacco is owing to the discouragement which has taken possession of the minds of the agriculturists on account of the low prices quoted for said article in the market, of Manila during these last years. With respect to cacao the decrease is due to the destruction which certain worms (known in this locality as *russo*, which worms kill the plants by attacking the roots) have caused to the cacao plantations. They are of a light or whitish color, are from 2½ to 3 centimeters long and 3 millimeters wide, and have a smooth body and a black head. They are the most remarkable of the known parasites that attack the cacao plant.

Palay and corn, considered the articles of prime necessity, are cultivated throughout the subprovince. Tobacco and sugar are produced principally in Bangued and Pilar, and cacao exclusively in Bucay. Maguey is unimportant and is not prepared here, because of the lack of machines for stripping the fiber and of salt water for its maceration. It is generally used for cord or rope. During the last year approximately 10,000 maguey seed plants have been sold to the coast municipalities of Ilocos Sur, where the maguey plantations have been developed to such an extent that there is an estimated increase of 25 per cent.

The subprovince of Abra has more or less extensive agricultural lands, as the other provinces of the archipelago; its soil is fertile and it does not suffer, as do other provinces, from the absolute scarcity of draft animals. In order to give greater impetus and development to agriculture there are only lacking, to my way of thinking, irrigation dams, dikes, ditches, and canals, which constitute the most important factor in agricultural works, especially in the Philippines. The pueblo of Bangued has only the irrigation canal leading from the Lusuac spring, which is insufficient for the plain of Dapat. Dolores, Pilar, and La Paz have a few incomplete irrigation ditches. Bucay has the best irrigation system, for it has four irrigation ditches, and the need of the construction of another in the barrio of Pagala is still felt.

COMMERCE.

Live stock, tobacco, rice, and corn constitute the articles of commerce in this locality.

Live stock is the chief source of wealth, and, in spite of the disastrous effects of diseases among the live stock in the past, 3,295 certificates of transfer of large cattle have been issued among the five municipalities and eight townships, including 1,450 head of horses, 264 head of bovine cattle, and 1,581 head of carabaos, the total value of which amounts to ₱167,140.

The average price is ₱50 per head. Some certificates of transfer have been issued to those who had acquired large cattle previously, simply in order to legalize the property in accordance with the law now in force; but others have been for sales realized. Making a minimum estimate, one-half of the number stated—that is to say, 1,647 head of large cattle for the sum of ₱83,570—may be considered as the sales realized during the year. The majority of the purchasers have come from the provinces of Nueva Ecija and Pangasinan. These sales have been the first of much importance realized for some years. It is an

encouraging and unequivocal sign that our live stock is recovering from the great losses suffered.

The sale of leaf tobacco has scarcely reached the sum of ₱16,000. It is estimated that the Compañía General de Tabacos purchased 70 per cent of this tobacco and the remainder was purchased by retail merchants. The tobacco business is tending to disappear on account of the low price, the maximum quoted here being ₱4 per quintal.

Rice and palay, as articles of prime necessity, are not exported, since nearly all the sales are for domestic consumption. Rice is quoted at from ₱5 to ₱5.75 per cavan, and palay at from ₱10 to ₱12 per *uyon* of 100 small hands. Corn, the current price of which is from ₱2.50 to ₱3.50 per *uyon* of 1,000 ears, was quoted as high as ₱5 per cavan. Corn has, therefore, commanded a good price. The other products are of little commercial importance.

ECONOMIC CONDITION.

The economic condition of this subprovince has improved considerably compared with that of previous years. The mercantile transactions realized from products of the last crop, and especially through the sales of large cattle, have undoubtedly improved the pecuniary condition of these pueblos. Regularity in the payment of taxes and imposts constitutes, in the majority of cases, the best index of the economic condition of a pueblo. It is true that the land tax has been suspended for two years; however, this only affects the five municipalities organized in accordance with the provisions of the Municipal Code. On the other hand, this subprovince has eight townships in which the tax upon personal and real estate is in force.

FINANCES.

The sums appropriated by the municipalities and townships amount to ₱40,752.69, of which ₱29,154.51 pertain to the five municipalities and ₱11,598.18 to the townships. The preceding year the municipalities appropriated only ₱24,327, so that there has been an increase in the present appropriation of ₱4,827.51.

Of the ₱40,752.69 mentioned, ₱7,547.15 were for school purposes, ₱6,442.66 for municipal public works, ₱18,875.38 for personnel, and ₱6,300.55 for other needs, leaving a balance of ₱1,587.01.

PUBLIC INSTRUCTION.

The subprovince of Abra has 69 primary schools, of which 16 are located in the centers of population of the municipalities and townships, 47 in the barrios, and 6 in the settlements. Children of both sexes attending said schools number 5,294. The municipalities and townships have 51 teachers paid out of their respective treasuries, of which teachers 38 are males and 13 females. There are also 31 insular teachers, of which 27 are men and 4 women. The settlements have 4 teachers paid from insular funds and 2 from the non-Christian tribes fund. In all, a total of 88 teachers.

Bangued has the government building for the intermediate school and the high school. There are enrolled 148 boys and 64 girls. During the present school year the high school was opened and has two American and one Filipino teachers and an American principal. The interest and enthusiasm shown by the youth of Abra for education and instruction is very great. I believe that throughout the Philippine Archipelago this is the only subprovince which annually celebrates its school feast with extraordinary solemnity.

There are only 10 private schools in the whole subprovince, at which a small number of children attend.

INDUSTRY.

Lumber is the most important of the few industries known to these pueblos. The Abra Lumber Company is engaged in cutting timber, which it sells at wholesale and retail. During the present year it has cut 350,784 cubic meters, of which part has been sold in Vigan and part in Manila. In order to appreciate the importance of this growing industry, the fact is cited that said company has paid the sum of ₱823.19 as internal-revenue taxes. There are also private parties engaged in the cutting of timber for sale, but they are very few and of little importance.

The fish, cloth, manufactured tobacco, and cordage industries, and the products of the chase are of little moment. Another growing industry, however, to which an extraordinary impetus has been given during the present year, is the

weaving of hats for ladies, gentlemen, and children. The hats are made from the leaves of the plant called burl, from fine cane, and from the bark lapnit of a tree known as lusuban. They are made in different shapes, textures, and colors. The use of these hats by all the residents of these pueblos is general, nobody purchasing the foreign hats on sale by the Chinese.

NATURAL RESOURCES.

The entire superficial area of this subprovince is covered with a thick and luxuriant vegetation, the natural consequence of the fertility of its soil, and is encircled with woods, mountains, and mighty rivers. The forestry resources, are the most important. There are a great variety of timbers suitable for construction and for the manufacture of furniture. In regard to minerals, it is said that there is a gold mine at Mount Buyatan in the rancheria of Lacub; two coal mines, one at Bacoc in the township of Lagangilang and the other at Mount Tayab in the municipality of Bangued. Two gypsum deposits are known, one at Paganao in the township of Lagangilang and the other at Mount Pangpang at Villavieja, in the municipal district of Pilar. As to thermal waters, there are four known springs, one at Mapaso, in the township of Douglas; one at Mount Bacao near the rancheria of Sal-lapadan; another at Mount Capannigulan in Villavieja, and the other at Mount Posuey near the township of Mánabo. There are a great variety of textile palms and resinous, dye, and medicinal plants.

NONCHRISTIAN TRIBES.

The non-Christian tribes are organized in accordance with the provisions of act No. 1397, known as the Township Government Act. There are eight townships divided into 72 barrios or districts under the charge of their respective councillors, and having a population of 9,225. There are 14 settlements in Abra, with 5,912 inhabitants, and 55 settlements in Ilocos Sur, with 7,456 inhabitants. The total population of the 69 settlements is 13,368.

The townships and settlements of Abra have 33 schools, at which more than 2,000 children of both sexes attend. The percentage of attendance, in relation to the number of inhabitants, is 13.2. In the Dormitory at Vigan there are 6 Tingulane girls who are studying at the expense of the non-Christian tribes fund. In the township of Lagangilang the pagans have a recently constructed agricultural school, but as yet it has not been opened for instruction because of the want of professors and teachers. The Tingulanes show much interest in instruction. In the last school feast at Bangued, February 22, the scholars from the townships and settlements participated with brilliancy. Each of the townships donated two silver medals, one for the most studious and the other for the most advanced pupil of their respective schools. The township officers paid the cost of said medals in conjunction with the enthusiastic supervising teacher of their schools, Mr. Harry Borgstadt. The magnificent silk and velvet standard offered by the lieutenant-governor, on the occasion of said school feast, to the school which should have the greatest percentage of attendance in relation to the number of inhabitants within its district, was won by the central school of the township of Langiden, in competition with the other schools of the municipalities and townships.

With respect to agriculture, 7,500 *uyones* of palay, 6,900 *uyones* of corn, 800 quintals of tobacco, and 200 piculs of sugar were raised by non-Christian tribes. Sugar is converted into cakes, into basi (*vino del pais*) and into vinegar. Tubers, vegetables, and garden truck are also cultivated.

In regard to large cattle, the townships have issued certificates of transfer for 2,101 head, of the value of ₱87,611; of these 1,050 head have been sold for the sum of ₱43,805.

The pagans have demonstrated constant improvement and progress in the government of their respective localities. Their financial condition is satisfactory. Some townships have considerable balances, particularly that of Lagangilang where, with these funds, the construction of a municipal building of strong materials is projected.

Last May I proposed to the provincial board, subject to the approval of the Secretary of the Interior, the organization into 5 townships of the 35 settlements of non-Christian tribes situated in the eastern part of the municipalities of Candon, Santiago, Santa María, and Narvagan of the province of Ilocos Sur, containing a total of 5,208 inhabitants. The organization of one township of two settlements in the southeastern part of Abra, containing 1,260 inhabitants, has also been proposed.

POLITICAL CONDITION.

At the present time there are five municipalities organized in accordance with the provisions of the Municipal Code: Bangued of the second class, and Bucay, Dolores, La Paz and Pilar of the fourth class. On August 10, 1907, the separation of Tayum, now consolidated with Bangued, will take effect, and Tayum will again be organized as an independent municipality. They have 36,946 inhabitants.

Public order.—Absolute peace and tranquillity prevails.

The trials had for infractions of municipal ordinances have been as follows: ^a

Criminality.—In the justice of the peace courts, the following causes have been heard: ^a

PUBLIC HEALTH AND SANITATION.

The public health could not be better, and the climate is salubrious. However, some of the barrios of the municipalities of Bangued, Bucay, Dolores, and La Paz, and the township of Dauglas, were attacked by smallpox during the last months of the preceding and the first months of the present year. There were 432 cases, 121 deaths, 306 recoveries, and 5 are convalescing. There are no new cases at the present time. Those attacked were generally young children, save in a very few cases.

If the 121 deaths, victims of the smallpox, are deducted from 1,185, the total number of deaths for the year, there remains but 1,064 deaths from ordinary causes, giving a percentage of 2.04.

The predominating sicknesses that have caused the most deaths have been convulsions among children, and malarial and intermittent fevers among adults.

PUBLIC WORKS.

The municipalities have appropriated ₱4,374.97 for public works and repairs. The most important repairs have been those of the municipal building of Bangued, which is nearing completion. The reconstruction of the kiosko in the plaza of Bangued, and of the fence surrounding the plaza, are also important works which will be carried out at the close of the rainy season. By these works and those completed during the previous year with respect to the general repair of the public market, the municipality of Bangued has practically demonstrated its interest in the proper administration of the municipality.

Bucay and Dolores are also reconstructing their municipal buildings. Pilar likewise has to face many public works through the definite transfer of the seat of government to the old municipality of Pilar. Tayum has already constructed a provisional municipal building of light materials, voluntarily and gratuitously by the inhabitants. La Paz, like the others, has made repairs to the streets and culverts of the municipality.

The provincial board has expended ₱300 in repairs to the road and bridges between Tayum and Bucay; ₱1,500 in the construction of the new road from Bangued to Tayum, and I have requested ₱500 more for the completion of said work. For the repair of the bridge of Pidigan, ₱100, and for repairs to the government building, now equipped for the high school, ₱350. In all, the province has expended ₱2,750 on such work.

RECOMMENDATIONS.

I. A law to apportion to the subprovince of Abra 75 per cent of its receipts, to be expended exclusively in its own interests.

II. A law to encourage agriculture, the essential ends of which shall be:

- (a) The construction of irrigation dams, reservoirs, and canals for the fields.
- (b) Improvement in the breeding of stock, especially of large cattle.

Respectfully submitted.

J. ORTEGA,

Lieutenant-Governor of the Subprovince of Abra.

The GOVERNOR-GENERAL.

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

REPORT OF THE GOVERNOR OF ILOILO.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF ILOILO,
Iloilo, P. I., August 2, 1907.

SIR: In accordance with the provisions of Act No. 1044, I have the honor to submit to your consideration the following report for the fiscal year ended June 30, 1907. I have attempted to condense within the limits of a comprehensive report the most important data that may give an exact knowledge of the general condition of the province, and if some details are wanting, it is due to the deficient means of information with which this office is provided to obtain more complete statistics.

GENERAL CONDITIONS.

The general conditions that have prevailed during the year are not the most flattering, owing to the many public calamities which have incessantly afflicted the municipalities. The condition under such very bad circumstances must be precarious. The depression in the crops as a consequence of the lack of capital, of the persistency of the rinderpest, and of the appearance of the locusts and hoppers in the fields, has caused a profound financial crisis in the municipalities. This crisis has been somewhat attenuated by the construction of the railroad, which has provided work for many laborers. Notwithstanding the fact that the company constructing the railroads of Panay and Negros expends many thousands of pesos monthly in the payment of day laborers, it has not availed to improve the precarious condition of the municipalities, because the greater part of the fields is abandoned for lack of cultivation. The 1,000 men who are daily working in the construction of the railroads are an insignificant number in a province the population of which amounts to some 400,000 souls.

There must be added to the above-mentioned calamities several fires that occurred in different localities during the last dry season, among them that of the barrio of the capital of the province known as the nipa district, on April 19, 1907, which reduced to ashes more than 1,000 houses of light materials, the homes of the most needy people of the población. This was one of the greatest misfortunes which occurred during the first semester of the present year. As a consequence of so great a misfortune more than 7,000 persons are without homes. Hastening to remedy this misfortune, the provincial board appropriated ₱3,000 from its funds, the municipality of Iloilo, ₱3,500, and public subscription produced ₱3,881.50, which amounts, added to the ₱10,000 granted as aid by the insular government, in response to my petition, in order to help reconstruct the houses of the sufferers, make a large sum that is being expended in the interests of the inhabitants of the burned barrio.

However, in spite of these very bad financial conditions, public order is very satisfactory, the decrease in the number of assaults and robberies being very marked. It is also to be noted that the authors of the few assaults and robberies which have occurred were captured and placed at the disposition of the courts of justice.

PROVINCIAL ADMINISTRATION.

The composition of the provincial boards has undergone an important modification by virtue of Act No. 1545. Its results can not be more satisfactory because, by means thereof, a more homogeneous administration of the public affairs intrusted to the care of the provincial board has been introduced. The efficient cooperation of the third member in the executive administration, in view of his perfect knowledge of the necessities and habitudes of the people, removes the difficulties which naturally arise from diversity of points of view in the appreciation of public affairs. Aside from this consideration of a purely administrative nature, the reform instituted by said act offers a great opportunity to the Filipinos to study in practice the mechanism of local government. The office work is equally divided between the provincial governor and the third member, and in consequence the official business is more promptly disposed of; formerly this was the work which absorbed the attentions of the provincial governor, hindering him from fulfilling one of his most important duties, the frequent personal inspections of the municipalities for the purpose of correcting the defects which are noted in the administration of the municipalities.

I have to place on record the efficient and very valuable manner in which the third member of this board, Señor Juan de Leon, has cooperated with my administration; he has just resigned his office in order to present his candidacy for delegate from the second district of this province to the Philippine Assembly. Señor de Leon, with his learning, experience, and interest in public affairs, has rendered invaluable services to this government.

In spite of the fact that the present organization of the provincial board gives the governor more ample control of the same, since he relies on the support of the third member who, it is to be supposed, is identified with his policy, the members of this provincial board have shown independence of judgment and have acted with mutual understanding in deciding the affairs submitted to their consideration. Though small differences in the appreciation of certain affairs have existed, they have not been the cause of interrupting the cordial relations that from old have existed in the body of the provincial board, which has conducted itself up to the present time as a single body, in addition to taking the liveliest interest in the common welfare. The acting provincial treasurer, Mr. Barclay, merits the highest consideration from his companions on the board for the spirit of justice with which he is animated and for his redoubled interest in cooperating in the best administration of the province, and it is my duty to place on record here my most complete satisfaction with his skillful work in his department.

MUNICIPALITIES.

The defects noted in the municipalities by reason of the ignorance of some of the pueblos in the interpretation of the provisions of the Municipal Code are disappearing, owing to the frequent visits I have made to the pueblos. These visits are necessary because, through them, the defects in the administration of the pueblos are observed nearer at hand, since besides the ocular inspection which I make of their workings, I give on my official visits an opportunity to the residents to present their complaints against the municipal officers, and in this way the evil and wrongful practices which exist are brought to light. During the year just ended various investigations have been made against municipal officers who were denounced as immoral, in a broad sense, and unworthy to hold a public office, and who, after trial where the accused were given every opportunity for their defense, were suspended and dismissed. Before adopting the rigorous measure of suspending a municipal officer, prior to conviction, I have always taken into account the party strifes which inflame the mind and engender those persecutions which they mutually make in order to obtain predominance in each locality; for the foregoing reason I have proceeded with a certain degree of caution to decree suspension only when, on account of the evidence of guilt at the trial, it might be necessary in the interest of justice and of proper public administration.

AGRICULTURE.

Sugar.—This crop is in constant decline owing to the lack of capital, and to the rinderpest, which does not cease to decimate the few large cattle now in the province.

Although the port of Iloilo exports the largest quantity of this product in the islands, statistics show no more than 200,000 piculs of sugar produced throughout this province, the balance of that exported belonging to the neighboring provinces.

The prospect of the establishment of the Agricultural Bank in the near future is reviving the hopes of the sugar planters, and it is undoubtedly the only spar that can save them from dire disaster, because with plenty of capital at a moderate interest they will be able to put under cultivation much land at present abandoned. The establishment of the Agricultural Bank and the opening of railroads are the factors which will determine a full and free reaction in the economic condition of the whole province.

The crop of sugar for the season 1906-7 amounts to 1,500,000 piculs (one picul equals 63.25 kilos); it should be borne in mind that said crop to a large extent belongs to the provinces of Negros, only some 200,000 piculs belonging to this. The crop of 1905-6 amounted to some 1,731,000 piculs, thus showing a decrease this year of some 231,000 piculs. The prices obtained for this article during the season of 1906-7 were:

Months.	Maximum.	Minimum.
1906.		
November.....	P4.00	P3.875
December.....	3.937	3.75
1907.		
January.....	3.812	3.75
February.....	3.875	3.75
March.....	3.75	3.625
April.....	3.987	3.625
May.....	3.875	3.812
June.....	3.875	3.75
July.....	4.00	3.812

Rice.—There is a great falling off in the production of this cereal, which constitutes the principal food of the natives. The locusts and hoppers have destroyed the larger part of the planted fields, and it has been impossible for the municipalities to escape the damages caused by these pests.

The present stock of palay in the municipalities amounts to approximately 70,000 cavans, a quantity insufficient to supply the necessities of the province.

Owing to this and to the fact that the crop in the fields has been destroyed by locusts and hoppers, it is probable that during this last semester the importation of rice from Saigon will increase considerably, and that the prices of this grain will rise to more than P7 per picul. In the year 1905-6 the prices of Saigon rice fluctuated between P5.50 and P5.55 per picul, and in 1906-7 between P6.60 and P6.75 per picul. The increase of the price per picul is in ratio to the decrease in the local crop.

It is suggested that in view of the calamities that have prevailed, such as locusts, rinderpest, and hoppers, which have almost completely destroyed the crop of this year, the customs duties on rice be reduced, because of the scarcity which there will be during the coming year.

Tobacco.—The production of tobacco has decreased considerably, since only some 7,000 quintals have been purchased from the province, at an average price of P10 per quintal, as against 10,200 quintals in 1905-6. There are no certain data concerning the present growing crop, but it is believed that it will be more abundant and better than that of this last fiscal year.

Corn.—During the year the production of corn has been almost nil.

COMMERCE.

Commerce has made some progress as shown in the following figures:

	Kilos.	Value (gold).	Duty.
Sugar received from the ports along the coast, 2,800,046 sacks, estimated at.....	88,548,558		
Rice, imported.....	11,329,480	\$357,906	\$64,971.96
Opium, imported (74 cases).....	6,233	39,359	22,849.86
Sugar, imported.....	190,096	9,978	4,822.41
Sugar, exported.....	97,541,616	3,232,016	48,616.21
Copra, exported.....	37,878	3,250	37.88
Sapan, wood for dyeing.....	4,019,167	51,992	

Collection of duties in the fiscal year 1907.

Importations.....	\$458,973.60
Exportations.....	48,890.06
Other sources of revenue.....	88,152.19
Total.....	596,015.85

The receipts have exceeded by \$10,686, United States currency, those of the previous fiscal year, though there has been a decrease in the duties on rice alone of \$50,000, the increase having been in the import duties on merchandise.

The decrease of 7,600 tons of rice imported is due chiefly to the increase in the production of the preceding year.

INDUSTRIES.

The industries which are derived from the weaving of sinamay are in the same condition as during the previous years. The condition of the provinces influences the greater or less demand of this industrial product, and as the condition which prevails in almost all the regions of the archipelago is one of profound crisis there also follows a decrease in the demand for the sinamay of this province.

PUBLIC INSTRUCTION.

The progress in instruction is every day more notable. The municipalities rival each other in the construction of schoolhouses, and the eagerness for instruction is increasing even to the barrios distant from the centers of population.^a

The schools of arts and trades are giving the best results. The students of these schools have the opportunity of learning lucrative professions which will give them better returns in the future than those of public employment. It would be desirable to extend manual and agricultural instruction to the pueblos, for the purpose of giving like opportunities to the children who on account of lack of means can not enter the provincial schools of arts and trades, and of agriculture.

PUBLIC ORDER.

As I have stated in the beginning, public order is satisfactory throughout the province. The municipal police cooperate effectively with the constabulary in the prosecution of people of evil life. Brigandage may be considered exterminated. Some bands that have appeared in the municipalities have finally been dispersed by the constabulary, which is rendering efficient services to this government owing to a highly skillful and just direction. The senior inspector, Mr. Lewis, is an officer of excellent qualifications and by his tact and activity has succeeded in freeing the province from brigands. I feel it my duty to place on record the fact that his services are most valuable to this government. The decrease in the criminality of the province proves the satisfactory condition of public order.

Owing to my frequent visits to the pueblos and barrios many hillmen, who from very remote times have lived a nomadic life and have not resided elsewhere than in the forests, have concluded to live within the laws. I have visited barrios and sitios never frequented by the authorities, with the object of attracting the hillmen, and with great satisfaction I can record the fact that to this work of attraction the most pleasing success has responded. Many of these hillmen are now living a civilized life in the populated districts and are cultivating lands or are engaged in other work which brings them some material returns.

PUBLIC HEALTH.

The sanitary condition of the province, which has 394,742 inhabitants, has in general improved during the year.

PUBLIC WORKS.

Many improvements have been made. A great number of concrete and wooden bridges and culverts have been constructed which have facilitated communication between many pueblos. Many roads have been reconstructed, among them the Ibau-an that joins the municipalities of Mandurriao and San Miguel, some 7 miles in length, and which formerly had always been the object of complaints, on account of its bad condition, on the part of the inhabitants of several important pueblos of the interior.

The nipa barrio of Iloilo is being rapidly rebuilt, and it now has an excellent system of streets, which will have a notable influence on the improvement of the appearance of the capital and, above all, on the health conditions of the same. In this new barrio 50 houses for those injured by the fire have been built by public subscription.

^a Tables showing the amount expended for public instruction, number of school buildings in the province, amounts expended on school buildings, number of teachers in the various grades have been omitted and are on file in the Bureau of Insular Affairs, War Department.

FINANCE.

The following statement shows the estimate of receipts and expenditures of the province for the year 1906-7:

RECEIPTS, 1906-7.

	General fund.	Roads.	Total.
Balance on hand June 30, 1906.....	P42,918.43	P15,208.42	P58,126.85
Registry of property.....	1,266.05		1,266.05
Registry of mines.....	4.00		4.00
Cart tax.....		94.80	94.80
Land tax:			
1905 and previous years.....	2,804.64	1,464.61	4,269.25
1906, refund.....	18,129.48	9,064.74	27,194.22
1907, refund.....	9,064.74	4,632.37	13,697.11
Cedulas.....	46,762.50		46,762.50
Internal revenue, refunds.....	35,630.22		35,630.22
Interest on loans.....	815.00		815.00
Sales to the municipalities.....	7,537.58		7,537.58
Repayment loan by municipalities.....	1,283.32		1,283.32
Sales property provincial.....	465.63		465.63
Exchange of money.....	1,471.60		1,471.60
Miscellaneous.....	5,686.56	3,715.25	9,401.81
Transfer of funds.....	963.81	1.04	964.85
			208,384.36

EXPENDITURES.

Salaries.....	P57,191.96		P57,191.96
Travel expenses.....	5,107.57		5,107.57
Sheriff's fees.....	1,462.28		1,462.28
Court fees.....	1,328.00		1,328.00
Office supplies.....	14,431.22		14,431.22
Postage.....	1,197.20		1,197.20
Premiums on bonds.....	2,335.85		2,335.85
Rents.....	1,280.50		1,280.50
Subsistence of prisoners.....	6,706.15		6,706.15
Equipment, permanent.....	10,679.93		10,679.93
Repair of buildings.....	1,045.09		1,045.09
Construction:			
Buildings.....	12,402.55		12,402.55
Bridges.....		P16,069.83	16,069.83
Repair:			
Bridges.....		4,382.43	4,382.43
Roads.....		11,621.47	11,621.47
Incidental expenses.....	8,372.73	97.50	8,372.73
Loans to municipalities.....	1,000.00		1,000.00
Transfer of funds.....	14,302.10		14,302.10
On hand June 30, 1907.....	35,476.60	1,839.18	37,315.78
	174,303.13	34,061.23	208,384.36

Respectfully submitted.

BENITO LÓPEZ,
Governor of the Province of Iloilo.

The GOVERNOR-GENERAL.

REPORT OF THE EX-GOVERNOR OF ISABELA.

[Translation.]

OFFICE OF THE LIEUTENANT-GOVERNOR,
SUBPROVINCE OF APAYAO,
Taut, P. I., August 6, 1907.

SIR: I have the honor to make the following report for the first half of the fiscal year 1906-7, during which I was governor of the province of Isabela:

Isabela is one of the provinces which are bound to prosper, but, due to the lack of animals and laborers for tilling its soil, it has remained unexploited to the present day.

There are very few settlers at present, altogether too few for breaking and cultivating the soil of its vast plains and luxuriant forests, in which the whole future of the province lies. In my opinion it is necessary that the government extend its decided protection to the immigrants, which course would be very efficacious, as immigration has hitherto been productive of good and has resulted in visible advancement. If inducements are offered in this respect immigration will increase, and doubtless some of the immigrants will make up their minds to establish themselves definitively in this province. At present the immigrants, with few exceptions, do not become permanent settlers in Isabela, from fear of being despoiled or offended by the natives of the province. It frequently occurs that an immigrant has for many years held a piece of land which he found uncultivated, without any objection having been made to his occupation, when somebody appears and claims the land as his, alleging that he inherited it from his ancestors, and finally driving the poor immigrant from his land, either by threats or by intrigues.

Another evil is the system of servitude in vogue here, which can not be called precisely slavery, but has a great deal of resemblance to that institution. There are many immigrants who are kept in life servitude by natives of the province because of an insignificant debt, or because of the death of an animal in their charge, though such death was due to the rinderpest. Such debts are even passed on to the children.

It is probable that if these immoral practices were eliminated the immigrants would settle permanently in this province, without apprehension, and would never think of returning to their pueblos, where they can purchase more secure real estate with their savings made in Isabela.

Until these evils are removed Isabela will never become a rich province, and the gain derived from its soil will continue to go to other provinces.

MUNICIPALITIES.

Of the municipalities, only Ilagan and Cabagan are steadily improving and progressing, and this for the reason that they are governed by active men. The other pueblos have not yet emerged from their lethargy; their councils seem indifferent toward the improvement of their municipalities, and their minutes show nothing but an abundance of appropriations for salaries.

Thanks to my report for the fiscal year of 1905-6, describing this evil, these municipalities have emerged from their state of apathy, though not entirely. Cagayan and Gamú began with the construction of buildings to serve as town halls, and others ordered furniture for the municipal offices.

By virtue of the act providing for the segregation of Palanan from the municipality of Ilagan, municipal elections were held in December, last year, and the final separation took effect in January of the present year.

This pueblo, which I visited in the month of December above mentioned, is some 45 miles distant from Ilagan; its future lies in the wealth of its forests and seas. There is an abundance of *almáciga* in its forests and a wealth of shells and fish along its shores.

The bay of Dibilacan, northeast from the port of Palanan, offers secure and ample shelter to shipping if surprised by storms along the shores of the Pacific. According to my estimate it can accommodate, without danger, eight steamers of medium size.

PROVINCIAL GOVERNMENT.

The government of the province of Isabela operates with great regularity, and its relations with the municipalities have been perfectly harmonious, with only one exception. The authorities exercise great care to prevent the evils incidental to the deficiency of funds, the fact of the matter being that the receipts are hardly more than sufficient to cover the expenses for salaries, and that it is impossible to undertake the improvements of importance.

The officers in charge of the several divisions of the government are very competent, and each of them performs the work intrusted to his care with the greatest efficiency.

There is no provincial government building; the provincial government utilizes two private houses for its offices, at a monthly expense of ₱75.

The provincial jail is in an exceedingly bad sanitary condition, and I consider the repair of this building of great necessity.

EDUCATION.

The education of the youth of this province is proving a complete success; but it is deemed imperative that more schools be established in the barrios distant from those where schools now exist, for the reason that the distance makes it impossible for the children to attend school; thus the establishment of the new schools will enable them to get at least some instruction.

ROADS.

The wagon roads are in an exceedingly bad condition. Due to the great distances between the pueblos, and to the fact that the country bordering on the roads is very sparsely settled, and the scarcity of funds, it is impossible to maintain them in good condition. It is probable that satisfactory results could be secured by the passage of an act providing for the preservation of the wagon roads of this province, either by compulsory labor on said roads or by the creation of a new tax.

COMMUNICATIONS.

The postal system now established is satisfactory, though the public considers the telegraph charges excessive. I am of the opinion that the establishment of a new overland mail route, from Manila to Pangasinan, Nueva Vizcaya, Isabela, and Cagayan, would be very advisable, as the public would be greatly benefited by it.

SENSATIONAL EVENTS.

The most sensational event was the typhoon of November of last year. It wrought great havoc in this province. Over three-fifths of the tobacco crop was swept away and destroyed by the floods, and hundreds of houses were demolished.

The embezzlement of the municipal treasurer of Gamu was another sensational event, more especially as the provincial treasurer did not report the matter to the provincial board, and no steps were taken in the premises, until the offender replaced the sum embezzled.

COMMERCE AND CROPS.

The commerce of this province is in a languishing condition. The small capitalists are barely able to exist, and the tobacco crop has been good, but short. I believe that agriculture is in need of government protection for the improvement of the tobacco crop and the construction of irrigation ditches for the rice fields, which is now being begun.

The estates are a great boon to the residents of the pueblos where they are situated, as they put a considerable amount of money and agricultural products of prime necessity into circulation. I am of the opinion that these estates are also in need of special protection by the government and the authorities.

CONCLUSION.

I refrain from making any recommendations in concluding this report, leaving it to my successor to make such suggestions as he may deem necessary to make his administration successful.

Respectfully submitted.

BLAS VILLAMOR,
Ex-Governor of the Province of Isabela.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF ISABELA.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF ISABELA,
Iligan, P. I., July 10, 1907.

SIR: I have the honor, in compliance with section 7 of act No. 83, as amended by act No. 1044 of the Philippine Commission, to submit the following report for the period ended on June 30, 1907:

The province of Isabela has 68,793 Christian inhabitants and is divided into ten pueblos, organized as municipalites. It is bounded on the north by the

province of Cagayan, on the south by the provinces of Nueva Vizcaya and Lepanto-Bontoc, on the west by the new subprovinces of Kalinga and Apayao, and on the east by the Pacific Ocean.

AGRICULTURE.

Owing to the continuous rains during the last months of 1906, and to the flood of last November, during which the Cagayan River, the Pinacauan River in the pueblos of Ilagan, Tumaunin, and Cabagan Nuevo, and the other affluents on the right side of the Rio Grande de Cagayan were out of the banks for over six days, the majority of the tobacco land was not planted in due time, because of the lack of seeds, which were destroyed by the inundation and by the ten days of continuous rainfall which followed it, of the scarcity of work cattle, and of the large amount of sediment left by the flood. The excessive rainfall made it impossible for the agriculturists to till their fields, because the soil was too soft for plowing, and when the new seeds arrived and were planted, immediately after the flood, the earth was no longer fit for planting, the result being that many fields remained barren and that the tobacco crop was small, though in some parts good, in the pueblos of Ilagan, Tumaunin, Cabagan Nuevo, and Santa Maria, which were the worst damaged by the flood, the crop harvested in the pueblos of Naguillan, Gamu, Cauayan, Tagle, and Echague being medium or good.

The maize and rice crops are looking very well at present, and unless another flood comes before the cutting and gathering of the maize, there will be an abundant harvest of both these cereals. A good tobacco crop is also assured this year, the fertilizing substances left by the flood having improved many of the fields.

I am taking suitable measures to promote the growing of rice and maize. On my tours of inspection in the barrios I speak to the people direct, or make recommendations to the councilors regarding the necessity and advisability of increasing these two crops, with a view to growing the quantity necessary for the consumption of the province.

Coffee, camotes, beans, sugar cane, etc., are also grown here, but on such a small scale that they are not even taken to the market, but consumed exclusively by him who plants them.

Tobacco is the only article of commerce, because maize and rice, though two crops of them are planted annually, are grown almost entirely for local consumption, and are so insufficient that this province has always been compelled to import rice. Neither rice nor maize being articles of commerce here, I have conceived the idea and desire of introducing other crops to take the place of the tobacco in commerce in the event of a failure of the latter, which generally leaves the province in an impoverished condition.

The crops to which I refer are two: the ilang-ilang and the maguey. If they are grown throughout this province and fiber-cleaning machinery for the maguey and distilling apparatus for the ilang-ilang are subsequently imported, the results will be a benefit to the people, and I therefore earnestly recommend and pray that seeds for these crops be sent to this province.

COMMERCE.

The commerce of this province is at present in a deplorable condition, and there is not a merchant who does not complain. The reasons are that on the occasion of the last flood numerous stacks of leaf tobacco, which were still unsold, and the rice and maize stored by the planters for their own consumption were lost, and that the monetary crisis did not delay in making itself felt and soon gained the mastery. What little money the inhabitants of the province had left at the time went for the purchase of rice for their sustenance. Rice, then the only article of commerce in this province, became very scarce and its price increased accordingly. During those bitter days rice sold here at ₱15 per cavan of 25 gantas; but fortunately the provincial government learned of the abuses of the merchants, who were taking advantage of all this misfortune by increasing the price of rice enormously, and put a stop to them. While I am speaking of rice, I must not forget to convey to your honor the thanks of the province of Isabela for the ₱4,000 which the insular government at Manila sent to this province for the relief of distress, as soon as it learned by the telegraph of the effects of the inundation.

If the saying "*á escasez de productos, subida de precios*" is true, a good sale can be expected this year, notwithstanding the small production of tobacco, and commerce will experience better times. This change for the better would be much greater if the reduction of the Dingley tariff duties, which has been so often requested, and which I now again recommend, could be considered and made a fact.

INDUSTRIES AND MANUFACTURES.

The inhabitants of the barrios San Rafael, in Cabagan Nuevo, and Quelusutan, in Tagle, and those of the pueblo of Santa María, in this province, are at the same time agriculturists and manufacturers; they make furniture of rattan, *caña espina* and rattan, and wood and rattan, the same as those manufactured in the shops on Calle Nueva at Binondo, Manila. This furniture is the subject of a trade on a small scale and is the second article of commerce after tobacco.

Samples of this furniture may be seen at the Echague town hall and the Tagle parish house, and is used in many houses in the pueblos of this province. There is not much sale for these articles in the province, owing to their high prices, and the manufacturers have not yet begun to export them to other provinces.

There are two cigar factories in Ilagan, the capital of the province, and one in the barrio San José, in the pueblo of Tagle. The tobacco used by these factories is of the best produced in Isabela, and the business is very profitable.

NATURAL RESOURCES.

The only natural wealth which is worthy of mention is that found in the forests. Throughout there are immense forests, still unexploited, and containing a large variety of timbers of all classes, suitable for constructions of every kind. These forests abound in timber of the first, second, third, and fourth groups; but at the present time only the San Mariano or Catalanganes forest, situate within the jurisdictional limits of the pueblo of Ilagan, is being exploited by private parties.

Rattan and *caña bojo* are other products taken from the Catalanganes forest for commercial purposes, and are much used in the construction of houses in this province.

In the former pueblo of Santo Tomás, now a barrio of Cabagan Nuevo, there are gypsum deposits which nobody has thought of registering or working up. No mines have been found or registered.

As I have said, there are vast forests containing an abundance of trees of the first group. The majority of them are still untouched by the hand of man, not a stick of timber having been cut in them, and the trees of the first group which they contain are decaying, as a result of the action of the air or of their age. Nobody has ever exploited them, nor has anything been learned of any association or firm coming to exploit them. The trees therefore decay without anybody being benefited by them, and it would be a pity if this waste were to continue. I consequently repeat my request, in the interest of the inhabitants, that the governor-general use his influence with the Commission to have that body extend to the inhabitants of Isabela the privilege of cutting timber of the first group free of charge, even if it run for one year only, it being a well-known fact that the last flood has carried away, as in Cagayan, many houses with uprights of timber of the first group, which the inhabitants have not been able to replace, for the reason that they lacked the money wherewith to pay the forestry charges.

PUBLIC INSTRUCTION.

Education has made more progress during the year than during the preceding years. The circumstance that last May some of the students of the provincial school took the insular teacher's and others the second and third grade civil service examination is an evidence of the progress made by education such as has not been seen in previous years.

The province is at present divided into four school districts. The first district comprises the pueblos of Cabagan Nuevo, Santa María, and Tumauni; the second the municipalities of Ilagan and Palanan; the third the municipalities of Gamú, Naguilan, and Cauayan; and the fourth the municipalities

of Echague and Tagle. Each district is in charge of an American supervising teacher, who constantly inspects the schools under his jurisdiction. Under the immediate supervision of these American teachers there are 68 municipal and 3 insular teachers—all Filipino men or women—who are distributed among the municipalities and their barrios. The schools are attended by 3,704 boys and girls, a larger attendance than last year.

The schoolhouses are distributed throughout the province; some are built entirely of lumber, and others partly, having sides of plaited cana bojo. Some of these schoolhouses were built by the inhabitants of the barrios, who furnished the material and labor.

Aside from the normal school, which opens early in November and closes the end of December of each year in the provincial capital, and which has, since two years ago, turned out several Filipino teachers now stationed in the pueblos, a provincial school has been established at Ilagan, the capital of the province. It is in charge of four American teachers, who are working together and doing their utmost for the advancement of the students. This provincial school is attended by 183 young men and women, all anxious to learn the English and the other branches of knowledge taught them.

In view of the distance between Ilagan and the other pueblos, as Echague and Tagle in the south, and Santa María and Cabagan Nuevo in the north, and of the expense incidental to the journey to Ilagan and maintenance there of the youths who have finished their studies in the municipal schools and wish to continue them in the provincial school, which expense constitutes a great burden for the parents, the attendance of the provincial school is rather small.

Impelled by my fervent desire to give the parents and the students an opportunity of having the latter continue and complete their studies, and with a view to providing a remedy for these deficiencies, I respectfully recommend the establishment at the municipalities of Cabagan Nuevo and Echague of intermediate schools, governed by American teachers and controlled by the division superintendents of schools of this province.

A provincial high school has been constructed on land belonging to this province, ₱14,000 having been appropriated for this purpose. Of this sum, ₱10,000 were granted by the insular government and ₱4,000 donated by the pueblos for this purpose. The construction of this beautiful and spacious building was begun June 8, 1906, and is now nearing completion. The material is almost exclusively lumber of the first group, the roof being of galvanized iron. The building will have sufficient capacity to accommodate over 300 pupils, and it is expected that it will be opened some time during the present month.

POLICE.

Being convinced that one of the most important and urgent duties of provincial and municipal governments is concerning the organization of the police, I did not hesitate, upon taking charge of my office, to place the municipal police under the control of the senior inspector of constabulary, subject to the general supervision of the provincial governor, with the approval of the governor-general, as provided in act No. 781, because I have always held that the sufficiency, discipline, and efficacy of the municipal police in the discharge of their duties would be better secured under the guidance and control of this officer. I therefore suggested a reorganization of the municipal police, recommending especially that the persons chosen be young men of good repute, competent to enforce the laws and ordinances, able to maintain order, and exact in the compliance with their duties.

The following is the personnel making up the municipal police of this province.^a

This organization is governed by an ordinance or regulations prepared by the senior inspector of constabulary and approved by me; it is well equipped and uniformed, armed with Colt's revolvers, and performs its duties in an efficient and satisfactory manner.

The municipal police is inspected every month by the senior inspector of constabulary and myself, and all reports concerning it are rendered to my office.

^a Omitted and on file in the Bureau of Insular Affairs, War Department.

PUBLIC HEALTH AND SANITATION.

Owing to the efforts made by the municipal presidents of the majority of the pueblos, the condition of the public health and sanitation is satisfactory.

There is a district health officer and a municipal board of health, with its president, in each of the pueblos of Echague and Naguillan.

Not a single case of smallpox or of any other epidemic disease has been recorded during the fiscal year ended June 30, 1907, and according to the district health officer the death rate ranges from 35.89 to 38.20 per 1,000.

During the months of March and April of the current year an epidemic disease appeared in the pueblos of Cauayan, Echague, Gamú, Naguillan, and Tagle, and caused ravages among the horses and carabao. With a view to preventing a spreading of the disease I asked the bureau of agriculture to send a veterinary surgeon to this province, who came in time and fought the plague, eradicating it completely.

The provincial board, in its resolution No. 317, passed on April 27, 1907, and sent to the governor-general on April 30, 1907, recommended to the director of health the consolidation of the health districts of Cagayan and Isabela, stating as reason that the object of the Commission in passing the act abolishing provincial boards of health had been to save expense to the provincial treasuries. As this act had not resulted in any material advantage for the province of Isabela, but merely in a change of names, and it having been observed, on the other hand, that the principal work of the district and municipal health officers here consists only of the preparation of statistical data, I respectfully recommend that in the event of the fusion recommended by the provincial board not being feasible the petition of the provincial board be amended in the sense that the salary of the district health officer of Isabela be reduced from ₱200 to ₱150 per month, for reasons of economy only.

FINANCIAL CONDITIONS.

The finances are fair, as shown by the following statement:

	Balance on June 30, 1906.		Balance on June 30, 1907.	
	<i>P/s.</i>	<i>Pesos.</i>	<i>P/s.</i>	<i>Pesos.</i>
General funds.....	3,045.48	5,792.45	952.80	1,047.40
Road and bridge funds.....		6,324.19		2,770.29
Congressional relief funds.....				1,857.47
School funds.....		13,876.26		3,311.60

It will be seen that the provincial funds diminished considerably during the fiscal year, which is explained as follows: During the year mentioned the province paid a considerable sum out of its general funds to the court of first instance of this province, for fees for the criminal cases tried in said court, and payments were made to the insular purchasing agent, out of the same fund, for furniture for the offices of the treasurer, the auditor, and the superintendent of schools, aside from other expenses. Sundry disbursements were made from the road funds for bridges recently constructed, and for the repair of others. Successive payments have been made from the school fund for the material and labor for the provincial school building, which will be completed on the 15th of this month and opened toward the end of the same, the contractor now finishing what little work remains.

The balance sheet of June 30, 1907, apparently shows a deficit in the provincial treasury; but this apparent shortage will quickly disappear when the large amount of delinquent land taxes for the years from 1903 to 1905 have been paid during the months of July, August, and September, the time for the sale of the tobacco, without recourse being taken to the provisions of the municipal code relative thereto. Adding to these delinquent taxes the share of this province of the refund of 50 per cent authorized by act No. 1579, for the latter half of this fiscal year, the 2-peso road tax recently approved by the assembly of municipal presidents and councilors, the land tax for coming years, the other taxes, and such sources of revenue as our active provincial treasurer may devise, we shall accumulate sufficient general, road and bridge, and school funds to defray the expense of maintaining the provincial government

during the present semester and subsequent years, and still have a small balance on hand. However, all these funds taken together will never suffice to enable this province to construct a provincial government building, unless the insular government comes to its assistance by granting it a loan, reimbursable in installments, which is respectfully recommended.

In view of the present financial condition, I therefore recommend a favorable consideration of the suggestion above mentioned, relative to the consolidation of the district health offices of Cagayan and Isabela, or the reduction of the salary of the district health officer, which would mean a great saving for the general funds.

ROADS AND BRIDGES.

Shortly after my taking charge as provincial governor last March, I called an extraordinary convention of municipal presidents, for the purpose of discussing the situation and the needs of the province, one of the subjects treated being the improvement of the provincial highways.

In this convention I stated to the assembled presidents that being acquainted with the exceedingly bad state of the provincial roads I suggested and recommended that they give their attention to this important matter and induce the inhabitants to come to the support of the provincial government by again aiding, gratuitously, in the improvement of the roads, of the great necessity of which they were fully aware. After a brief discussion as to what would be the best system to adopt, the suggestion was accepted and each did his very best, the difficulty being that in those months all the inhabitants were busily engaged in work on their fields.

Excepting the wagon roads from San Luis, on the boundary toward Nueva Vizcaya, to the pueblo of Echague, the provincial roads of all the pueblos, as far as the Cagayan border, are in a much better condition than they were before the above-mentioned convention.

The bridges from the pueblo of Cagayan to the northern pueblos and to the boundary toward Cagayan are much improved and in good condition; several of them have been constructed recently, under the direction and inspection of the district engineer, and are provided with galvanized iron roofs. These bridges being of solid construction, and being built of lumber of the first group, their duration is estimated at ten or twelve years.

The bridges from Cauayan to Echague—that is, toward the southern pueblos—are in fair condition. Four of them are to be reconstructed, it being the intention of the provincial board to let the contract at public auction to the lowest bidder.

On June 12 the municipal presidents and councilors of the several pueblos, who had come to receive and greet the governor-general and his party upon their visit to this province, assembled in convention, and it was resolved by a majority of these officers and by the provincial board that the Philippine road law, act No. 1511, be accepted, in the sense that every male inhabitant subject to the payment of the poll tax shall pay a tax of 2 pesos, to be set aside for the repair and construction of roads and bridges, or perform five days' labor in lieu thereof. The months of July, August, and September of each year were set aside as the time for the collection of this tax, and the law was declared to be effective for a period of four years, beginning with the present.

In view of the acceptance of the road law in the sense above set forth there is great hope that at the end of the rainy season the work of the improvement and reconstruction of our roads, bridges, and streets will become a fact. The provincial board has not forgotten the suggestion made by the governor-general, and is now considering the project of constructing concrete bridges.

MAILS, TELEGRAPHS, AND TELEPHONES.

The Compañía General de Tabacos has had the contract for carrying the mails for the past two years, an employee of the firm being in charge of the weekly mail service between Aparri and Cauayan, which operates with great regularity.

In all the municipalities, with the exception of that of Tagle, there are post-offices, which are in charge of the telegraph operator, where there is one, and where there is none they are in charge of the municipal treasurer, who receives a small additional compensation for it. The postmaster of Ilagan is also in charge of the postal savings bank, the operations whereof have been successful and to the entire satisfaction of the public.

Telegraph stations are located in Ilagan, the capital of the province, and in the pueblos of Cauayan, Cabagan Nuevo, Echague, Tumauni.

There are two telephone stations in Ilagan and one in the municipality of Naguillan. The establishment of this system constitutes one of the strides forward, it being much patronized by the government and the general public, as it saves time and money.

POLITICAL CONDITIONS.

The few criminal cases in the court of first instance, the fact that there are only seven prisoners in the provincial jail, confined for common crimes, such as embezzlement, vagrancy, and in one case assault, murder, and robbery, and the naturally peaceable disposition of the inhabitants, who are now engaged in their usual occupations, are the best and clearest proofs of the thorough peace now enjoyed.

It is true that prior to the election for provincial governor, held February 5, last, rumors were current to the effect that the families of some of the prisoners now confined in Bilibid as a consequence of the Naguillian affair contemplated the filing of a complaint relative thereto; but immediately upon taking charge as governor I repaired to the pueblo of Naguillian for the purpose of making an investigation into this matter, without finding any indication of the truth of this report. Taking advantage of this journey, I paid a personal visit to the families mentioned and spoke to them of the benefits and necessity of peace, of the evil and fatal consequences of all disturbances of the order, and of the attitude which they must take toward the government, the authorities, and their pueblo, in order to secure the pardon of the poor prisoners. I promised them justice for all alike, and since then the rumors mentioned have disappeared and peace and tranquillity are becoming permanent among the people of Naguillian, who continue industrious. The inhabitants of Isabela all respect and obey the laws and orders of the insular, provincial, and municipal governments, and comply with them without any objection.

The provincial, insular, and municipal officers are all working together in perfect harmony, in the interest of the welfare of this province.

Carabao and horse stealing have almost disappeared, as the constabulary never ceases to pursue the robbers.

Act No. 1147 has proved to be a wise measure and has given very good results.

NONCHRISTIAN TRIBES.

The census, which was taken prior to the creation of the subprovinces of Kalinga and Apayao by act No. 1642, shows a total of 7,638 non-Christian inhabitants, Igorots, Gaddanes, Ilongots, and Negritos, who are scattered over the mountains of the several municipalities. The most important settlements of these tribes are those of Mayoyao and Bunsian, situate in the southwestern part, with 5,000 inhabitants, more or less, and the settlement of Ilongots, situated in the mountains of the southern part, on the banks of the southern section of the Cagayan River, with about 2,000 inhabitants.

The Gaddanes are scattered along both banks of the Rio Grande de Cagayan and the Magat River, and in the mountains of east central Luzon. The Negritos are located in the mountains of the opposite coast. The Gaddanes are of less importance than the Negritos, and for this reason apparently no attention has been paid to them.

In view of the proximity of the majority of the settlements of the Gaddanes, commonly known as Kalingas, to the pueblos of the Christians, it is the Gaddanes who visit these pueblos the most frequently to buy rice, salt, and cloth, and sell fresh or dried venison, wild caraboa meat, or fish.

The Negritos may properly be called savages; they almost never leave their settlements and engage only in hunting and fishing, the products whereof they exchange for rice or maize with the Christians.

The Gaddanes generally grow rice, maize, camote, sugar cane, etc.; many of them plant tobacco and sell it lined up on sticks, but never pressed. They also spin and weave.

A constabulary post, commanded by a lieutenant, has been established between Mayoyao and Bunsian, and it is contemplated to construct, at the same place where the post is located, a school, which will be in charge of an American teacher, under the supervision of the division superintendent of schools of this province.

In view of the difficult roads and the long distances between these settlements, the provincial board set aside, by resolution approved by the secretary of the interior, the sum of ₱600 from the non-Christian tribe fund for the establishment of a ferry, consisting of two small boats tied together, over the Magat River at Oscariz, a barrio of Echague, on the road to Mayoyao and Bunsian, and for the opening of a highway or road, the construction of which the senior inspector of constabulary and I are contemplating, which is to start at the barrio of Oscariz, Echague.

As I have not had an opportunity nor the time necessary for visiting the non-Christian tribe settlements, I am not able to give more information than that furnished. I took charge of this provincial government on February 21 last, and have not yet been able to make an inspection, in view of the shortness of the period which has elapsed since then. I will send you more detailed and exact information as soon as I have become familiar with the conditions.

RECOMMENDATIONS.

It being impossible for the provincial exchequer to sustain the expense of the construction of a building for the offices of the provincial government, I earnestly recommend that the province be granted a loan of ₱20,000, a sum sufficient for the construction of a provincial government building, this being the only means of saving the province the monthly expenditure of ₱75 for rent for the two buildings which it now occupies.

With a view to adding other products to the only commercial product, I earnestly recommend that a sufficient quantity of ilang-ilang and maguey seeds be sent to this province, for distribution in the pueblos.

I also recommend the early appointment of an American or Filipino teacher for the schools of Mayoyao and Bunsian, and the speedy establishment of a school in those settlements.

Finally, I recommend that the election law, act No. 1582, be amended to the effect that persons addicted to the opium habit be disfranchised and made ineligible.

REMARKS.

In making this report, I have been guided by a fervent desire to inform you of the true conditions of my province; but having been elected provincial governor on February 5, 1907, and having taken charge on the 21st of the same month, I am still little familiar with those conditions. In order to obtain a personal knowledge of the real situation, study the same thoroughly, and provide for the needs of the province, I am determined to make continual visits of inspection of the pueblos and barrios during the short time that I shall remain governor.

In concluding this report, I send my most respectful greetings and assure you once more of my firm adherence to the constituted government, with the promise that I will do all in my power for the best interests of this province.

Respectfully submitted.

ELISEO CLARAVALL,
Governor of the Province of Isabela.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF LA LAGUNA.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF LA LAGUNA,
Santa Cruz, P. I., June 30, 1907.

SIR: In accordance with the provisions of act No. 1044, I have the honor to submit for your consideration the report for the fiscal year ended June 30, 1907.

AGRICULTURE.

Though slowly, agriculture is improving in this province, for during the last year considerable dry lands have been cultivated in the municipalities engaged in the planting of rice and sugar cane, the municipality of Santa Rosa standing at the head, to which place the bureau of agriculture sent two steam plows to plow said fields, with satisfactory results, as was to be expected.

In the fiscal year which terminated on June 30, 1906, there figured a crop of 450,000 cavans of palay, more or less, but in the present year there were very nearly 500,000 cavans, which produced 250,000 cavans of rice at a price ranging from ₱5 to ₱5.75 per cavan; this means a clear profit of ₱1,375,000.

Cocoanut trees have had the same production as in the preceding year, increasing, however, 10 per cent on account of newly bearing cocoanut trees. An estimate makes the cocoanuts gathered amount to about 100,500,000, giving an excess of 500,000 over the 100,000,000 nuts gathered during the preceding fiscal year. As already indicated in previous reports, from this total must be deducted some 63 per cent used in the making of copra and some 20 per cent for the manufacture of oil, the remainder having been sold as fruit. The average price per one thousand nuts has varied from ₱25 to ₱30, reaching the highest price in the bay and river municipalities.

Hemp plantations are increasing considerably, and it may be said that during the last twelve months they have doubled. In my previous report I said a crop of 50,000 piculs was obtained, but during the last year it rose to about 60,000 piculs, and there are still many plantations which are not yet producing. The average price of hemp was from ₱17 to ₱19 per picul.

Corn is still harvested in usual quantities throughout all the municipalities of the province, as it does not require special care in planting and harvesting. During the last year 30,000 cavans of corn were grown, an increase of 5,000 cavans over the crop of the previous year.

The sugar crop compares with that of preceding years, although the planters could scarcely make up the expenses incurred in planting and harvesting, owing to the low price of sugar. At the present time there is a considerable stock of sugar in the warehouses, from the crop of the month of last January, but the planters in view of the low price that is offered can not realize on it, as undoubtedly the profits which they would obtain by its sale would be little or nothing.

With the exception, then, of sugar cane, crops are in good condition, and it is expected that as draft animals are secured agricultural conditions will continue to improve.

COMMERCE.

Mercantile transactions for the fiscal year ended June 30, 1907, were:

Municipalities.	Commercial transactions.
	<i>Pesos.</i>
Bisñan.....	108,222.80
Calamba.....	228,914.95
Calauan.....	12,781.05
Cabuyao.....	50,973.06
Lillo.....	84,510.18
Los Baños.....	968,748.53
Lumban.....	35,636.81
Luisiana.....	17,141.17
Magdalena.....	22,638.84
Mayayjay.....	15,732.62
Mavítac.....	6,143.14
Nagcarian.....	166,687.80
Pacté.....	219,654.66
Pagsanjan.....	516,125.32
Pangulil.....	39,340.69
Plia.....	33,375.93
San Pablo.....	430,638.71
Santa Cruz.....	802,935.81
Santa Rosa.....	48,636.17
Siniloan.....	37,477.35
Total.....	3,791,255.59

In the total shown in this table are included imports and exports, which, in accordance with act No. 1189, pay one-third of 1 per cent upon the sales. Attention is called to the fact that a considerable number of tiendas are exempted from taxation by section 142 of said act No. 1189 when their annual sales do not reach ₱500.

The municipality having the largest commerce is Los Baños. This is due to the fact that the pueblo of Bay is consolidated with it, which is really the place where such transactions are had, as all the products and goods, com-

mercial, agricultural, industrial, etc., from the municipality of San Pablo and from the municipalities of the northwestern part of Tayabas Province are carried to this town.

In the above table, the exportation of copra to Manila does not appear, as it requires a separate table, since it is one of the principal products of the province. It was as follows:

Shipping points.	Copra.	
	Piculs.	Pesos.
Santa Cruz.....	72,845	509,915.00
Pagsanjan.....	11,973	83,811.00
Bay.....	120,537	783,900.00
Total.....	205,355	1,377,626.00

This statement shows an increase of 15,692 piculs exported over the 189,663 piculs of the previous report, representing a value of ₱109,844, which shows that copra has commanded a good price in the market. This accounts for the fact that there has been a shrinkage in the manufacture and exportation of cocoanut oil.

FINANCE.

The following tables show the receipts and expenditures of the province. The greatest expenses, as in the last fiscal year, have been and will continue to be for public works. In order that a full understanding may be had of the works completed during the past twelve months, the report of the provincial treasurer to the director of public works, dated June 30, 1907, is hereto attached as Appendix A.^a

In said report mention is made of the employment of 400 prisoners in the construction of roads and other provincial public works, and of the new appropriations for buildings and roads.

In the first table following is shown receipts of the province amounting to ₱232,148.25, that is to say, an excess of ₱19,294.31 over ₱212,853.94, the receipts for the fiscal year ending June 30, 1906.^b

Annual report for the fiscal year 1907, provincial.

Class of collection.	General.	Roads and bridges.	Toll road, act No. 1617.
Land tax collection.....	₱16,752.26	₱8,376.75	-----
Land tax refund acts, Nos. 1456 and 1579.....	44,168.06	22,064.06	-----
Cedulas, internal revenue.....	23,863.60	-----	-----
Cedulas, provincial form No. 1.....	465.00	-----	-----
Court tax.....	-----	254.31	-----
Internal revenue refund.....	5,057.04	-----	-----
Land registration fees.....	665.88	-----	-----
Court fees.....	18,128.00	-----	-----
Miscellaneous refund.....	2,185.68	336.08	-----
Cost land tax sales.....	4.70	-----	-----
Sales of provincial supplies.....	3,301.83	-----	-----
Miscellaneous.....	926.23	2,250.00	-----
Internal revenue weights and measures, act No. 1510.....	189.84	-----	-----
Exchange with Insular treasurer.....	1,737.05	-----	-----
Bay-San Pablo toll road.....	-----	-----	₱510.25
Total.....	114,435.12	33,501.22	510.25

Disbursements, as per abstracts made during the last fiscal year 1907.^c

^a Not received in War Department.

^b This and other tables in detail have been omitted and are on file in the Bureau of Insular Affairs, War Department.

^c Omitted and on file in the Bureau of Insular Affairs, War Department.

Résumé.

Salaries	₱52,561.30
Traveling expenses	6,302.00
Maintenance of provincial prisoners	2,851.77
Rental for building	1,970.00
Supplies, general	11,344.50
Miscellaneous, general	8,538.85
Repair and construction building	17,336.74
Postage, mail, and telegram	2,505.28
Premium on bonds	104.03
Sheriff fees	486.80
Clerk of court fees	17,936.00
Maintenance of prisoners at Bilibid	828.40
Provincial high school	2,590.57
Labor and material (roads and bridges)	76,619.06
Purchase of lands	1,085.00
Permanent equipment (roads and bridges)	4,139.71
Toll road	1,707.46
Exchange with public rate, ₱1.30	419.73
Total	209,337.27

The following statement of municipal balances on June 30, 1907, shows the sound financial condition of the municipalities.* At the end of the fiscal year, 1906, the balance of municipal funds amounted to ₱53,648.39 school, and ₱39,963.98 general funds, but at the end of the present fiscal year there is on hand a balance of ₱83,685.82 and ₱68,164.52, respectively.

In this statement the expenditures of the municipalities of the province are not shown, because the municipal accounts are made up at the end of the calendar year and not of the fiscal year.

LAND TAX.

The provincial board of tax appeals of the province of La Laguna was unable to organize on October 1, 1906, as provided in section 1, paragraph (1), act No. 1472, as amended by act No. 1406, Philippine Commission, on account of the provincial governor, Juan Caillies, being absent from the province to attend the convention of provincial governors in session at that time in Manila. It will be remembered that this province, on the occasion of the former land tax of 1903, acted upon many complaints and found errors in the assessment to such an extent as to make necessary the enactment of act No. 1207, which provided especially for the correction of errors in the assessment rolls and the registers, and that under the provisions of said law more than 1,500 complaints were presented that had to be decided by the provincial board.

Complaints presented under the provisions of act No. 1298, enacted later by the Philippine Commission, are excluded from this number, which goes to show that the majority of assessments made for the former land tax were erroneous. For these reasons the members of the provincial board of tax appeals, which was on the eve of being organized, understood that for the purpose of securing a just and equitable assessment, it was necessary to adopt different methods and to establish a radically new system of assessment. Moreover, for this it was necessary that all the members of the board should be present, and upon the return of the provincial governor to Santa Cruz, on October 19 they were all immediately assembled and the board was organized with the formalities required by the law. However, Mr. W. W. Rodwell, division superintendent of schools, who was a member of the provincial board at the time and, therefore, of the provincial board of tax appeals, was unable to attend the sessions of the board on account of the multifarious duties of his office.

The two members appointed under the provisions of act No. 1472, were Señores German Magpili and Juan E. Perez, who duly qualified and attended regularly all the sessions.

The board directed its first efforts to a clear and concise study of the bases of assessment adopted and used by the various boards of municipal assessors of

* Omitted and on file in the Bureau of Insular Affairs, War Department.

the province. This work was of such magnitude that the result thereof is shown in resolution No. 18 of the board, dated November 25, 1906, in which the bases of assessment believed by the board to be just and equitable are made to appear. Consequently the provincial board of tax appeals decided that the reassessment of all the property was of the greatest necessity, according to the bases of assessment appearing in the resolution above referred to, with the proviso that the board would not proceed to the reassessment of the lands and improvements of a municipality without first having heard its duly authorized representative.

The principal reasons that impelled the board to proceed to the reassessment of all the property declarations of the province, were:

(a) That the labors performed by the municipal boards of assessors, so far as concerns uniformity, were absolutely useless, and

(b) That the municipal boards of assessors, in the majority, did not follow their bases in assessing the lands and improvements of their respective municipalities.

For example, one of the municipal boards of assessors fixed the value of rice lands of the first class at ₱250 per hectare, while the board of assessors of an adjoining municipality fixed the value of the lands of the same class and condition at ₱15 per hectare. Moreover, of the twenty municipalities which then composed the province, seven adopted excessively high valuations, compared with the bases decided upon in 1903, and an equal number adopted bases very much lower than those of 1903, while the remainder adopted very low valuations for certain kinds of lands and too high for others, but in no way uniform. After careful study the provincial board of tax appeals arrived at the conclusion that it was possible to procure a just and equitable assessment by decreeing a certain general per cent of increase or decrease for a municipality, in view of erroneous classifications of the various classes of lands by the municipal boards of assessors; and that to follow the method of percentages, it would be necessary to decree a certain per cent of increase or decrease for each class of lands. For the purpose of procuring a just and equitable assessment the board proceeded to frame a correct classification of the various lands, and after having divided the municipalities into two groups and the barrios of each into zones or classes, and determined the classification in accordance with the more or less advantageous situation, fertility of the soil and facilities of transportation, fixed a fair price for each class of lands.

From the time of the organization of the provincial board of tax appeals, and in compliance with instructions of the honorable executive secretary, the municipal councils were notified to the effect that each of them should appoint a municipal representative to appear before said board. In accordance with the foregoing, the municipal councils appointed such representatives, who appeared on the respective dates assigned to each municipality.

Upon the appearance of said representatives, nearly all were in accord with the bases of the board, although some made remarks of little importance. Three of these representatives, those of Pagsanjan, San Pablo, and Luisiana, protested on the ground that the valuations fixed by the provincial board of tax appeals were excessive and constituted a heavy burden to the landowners of their respective municipalities. The board called the attention of these representatives to the fact that they were there to protect the interests of the municipality and not of the landowner, since the latter had the opportunity, within their lawful rights, to protest against the assessments of the board if they considered them excessive.

After having heard the municipal representatives the board ratified its action, but in the belief that the bases framed by it, as appears in resolution No. 18, were the most just and equitable and, consequently, commenced the work of reassessment of the property declarations, December 4, 1906, beginning with the municipality of Panguil.

As soon as all the reassessments were finished the preparation of the corresponding rolls were proceeded with, and as a result of the same the entire real estate of La Laguna appears assessed in the sum of ₱12,096,750, as will be seen from the following statement: *

* Omitted and on file in the Bureau of Insular Affairs, War Department.

PUBLIC INSTRUCTION.

As has already been explained in previous reports, the department of public instruction has always been given special attention by the municipal and provincial authorities.

During the present fiscal year the average daily attendance in the public schools established in the different municipalities of the province has been from ten to twelve thousand children, under the direction of the division superintendent and of the teachers in charge of the schools.

A considerable number of students also attend the high school, temporarily established in the municipality of Pagsanjan.

It will be seen from the municipal balances mentioned on page 338 of this report, that the balance on hand in the municipal treasuries for schools is ₱33,685.82, that is, an excess of ₱30,037.43 over the balance on hand of ₱3,648.39 at the end of the fiscal year 1906. The municipal balances in Appendix B show the sum of ₱1,871.20 to have been spent for schools in various municipalities, a sum which alone was expended during the first semester of the present fiscal year, for in the second semester there have been appropriated greater sums by the municipalities for this purpose.

Within a short time work will also be commenced on the construction of the high school situated in the capital of the province, for which the provincial board has appropriated the sum of ₱42,000, in addition to ₱8,000 for an industrial school.

MANUFACTURES.

Copra serves as the raw material for the manufacture of oil. From 1,000 cocoanuts two jars of oil of 16 gantas each, or 48 liters, can be obtained, the average price of which in the market is ₱7.

In the following itemized statement, the value of the sales made during the fiscal year ending June 30, 1907, is accurately shown:

Months.	Value of sales realized.
1906.	
July.....	₱13,951.12
August.....	16,318.43
September.....	13,815.10
October.....	10,572.85
November.....	11,644.18
December.....	14,815.09
1907.	
January.....	13,780.71
February.....	15,890.12
March.....	16,751.42
April.....	17,850.00
May.....	18,975.24
June.....	16,601.00
Total.....	180,945.26

Comparing the value of the manufacture of oil during the previous fiscal year with that of the present year, as to sales, there appears an increase in the present year of ₱12,479.74, the sales for the previous year having amounted to ₱168,465.52.

In the municipalities mentioned in the following table there are several cigar factories whose sales during the present year were as follows:

Municipalities.	Cigars manufactured.	Value of sales.
Bilan.....	100,706	₱1,007.06
Cabuyao.....	14,000	145.00
Calamba.....	11,750	117.50
Nagcarlan.....	20,800	208.00
Santa Cruz.....	52,250	522.50
San Pablo.....	40,000	400.00
Total.....	240,006	2,400.00

As in the manufacture of oil so also in that of cigars we have an excess in the value of the sales, amounting to ₱1,886.20 over the ₱513.80 to which the same amounted in the last fiscal year.

In the following statement will also be seen the number of kilograms of tobacco used in the manufacture of cigarettes and the value of the sales made:

Municipalities.	Kilograms.	Value of sales.
Bifian.....	646	₱516.80
Oabuyao.....	189	151.20
Calamba.....	2,091	1,684.80
Los Baños.....	51	40.80
Nagcarlan.....	49,100	39,230.00
Pila.....	106	84.00
Santa Cruz.....	8,286	6,628.80
Pagsanjan.....	162	129.60
San Pablo.....	188	150.40
Santa Rosa.....	86	66.40
Siniloan.....	80	64.00
Total.....	60,971	48,776.80

The above statement also shows an increase in the value of the sales made by manufacturers of ₱45,281.65, as compared with that of the previous fiscal year which amounted to only ₱3,495.

There is now but one distillery which is in the municipality of Nagcarlan, and, according to its last report, during the present fiscal year 46,513 liters of vino were distilled.

There are many other factories of minor importance, such as rice, sugar cane, etc., and the business transacted by them has already been shown in the statement on page 336 of this report.

POLITICAL CONDITIONS.

The relations between the provincial and municipal authorities and the inhabitants and residents of La Laguna are highly satisfactory.

Many of the inhabitants of the province are affiliated with the present political parties and their committees on electoral propaganda.

By reason of the coming election for delegates, considerable activity is noted in all the municipalities, and the candidates as well as their campaign managers are working incessantly to secure the victory. For the first electoral district the Partido Nacional Progresista presented Señor Pedro Perlas, and the Partido Nacionalista, Señor Pedro A. Paterno. In the second electoral district the Partido Nacional Progresista presented Señor Higinio Benitez, and the Partido Nacionalista, Señor Crispin Oben.

In the meetings which are being held daily by both political parties, the greatest prudence and harmony prevail, and it has been unnecessary for the authorities to interfere in any of them.

Order and peace are becoming each day more secure, thus making the administrative work easier in this province.

PUBLIC HEALTH.

During the period covered by the report the sanitary condition of the province could not have been better, no contagious disease having developed. The health authorities give constant attention to the improvement of this department.

Respectfully submitted.

JUAN CAILLÉS,
Governor of the Province of La Laguna.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF LEPANTO-BONTOC.

OFFICE OF THE GOVERNOR, PROVINCE OF LEPANTO-BONTOC,
Cervantes, P. I., July 10, 1907.

SIR: I have the honor to submit herewith my annual report for the fiscal year ended June 30, 1907. During the greater part of the year I was absent on leave in the United States, having only returned to duty on March 9. During my absence the affairs of the province were ably administered by Capt. C. E. Nathorst, senior inspector of constabulary, acting as provincial governor.

THE PROVINCIAL GOVERNMENT.

The duties of officials in a province like this are manifold and various. In the first place the territory is large, very mountainous, and exceedingly difficult to travel over. The province with recent additions contains probably 15,000 square miles of territory. If there was a good trail from the extreme southern to the extreme northern ends it would take one ten days to ride the distance, perhaps more. About 140 miles of this distance is now covered by a good trail and in time the remainder will be. This vast region contains anywhere from 100,000 to 150,000 people, embracing practically all stages of civilization. Conditions in one section may be entirely different from those in another and require different form of government and different methods of handling the people.

The governor must keep in touch with conditions over the entire region. He has to be familiar with the workings of the 22 township governments, especially those in his own subprovince, and exercise supervision in the other sub-provinces. He is provincial sheriff and justice of the peace, with jurisdiction over the entire territory, and must also have a full and complete knowledge of the work of the provincial secretary-treasurer and supervisor. Formerly he was division superintendent of schools, but was relieved of this duty on June 1, 1906. Aside from his office work, consisting, in addition to official correspondence and reports, of hearing and settling innumerable complaints and justice of the peace cases that are brought to him, he has to spend a great deal of time traveling over the province in order to become familiar with conditions and to meet the people in their home towns, to settle disputes, to explain laws, to encourage agricultural activity, etc. It is now possible to give more time to this important duty than formerly, due to the separation of the offices of governor and division superintendent and the consequent relief from the heavy office work which the latter position carries.

The work of the provincial secretary-treasurer has grown constantly heavier. Formerly this official was assisted by an American chief clerk, but for the past year and a half he has carried the work alone, having a greater part of the time only three Filipino clerks and deputies. This number has recently been increased to five. He is still in need, however, of a competent Filipino chief clerk, an experienced man, capable of taking complete charge of the offices and allowing the treasurer time to get out and make frequent trips over the province. Such action is the more imperative in view of the recent appointment of the 22 township treasurers as deputies of the provincial treasurer. These officials will require constant supervision, and although the work of collecting taxes will devolve on them rather than on the office of the provincial treasurer, the amount of traveling necessary to exercise proper supervision will not be decreased. In view of the small salary paid and the reluctance of the central authority to transfer a treasurer from a province like this to a better position even after several years of satisfactory service, it appears that the idea prevails that the duties of the treasurer here are not considerable. If so, such idea is entirely erroneous. It has been my observation that the secretary-treasurer here has more hard work and more responsibility than in the coast provinces. He probably does not handle anything like as much money, but there is as much work about it as if the amount were five times as great. We have a greater number of townships than most other provinces have municipalities, and there is probably as much correspondence and paper work incident to the handling of their business as in the municipal organization.

It seems that this province is of sufficient size and importance and the duties and responsibilities of the office of secretary-treasurer sufficiently great to warrant making it more attractive as regards salary.

The position of supervisor likewise carries with it most arduous duties. This is the only province in which that position is still carried separate and distinct from other provincial offices. In view of the extent of territory, much of it without roads or trails of any sort, and the amount of work at hand to be performed this seems a wise provision.

PUBLIC WORKS.

During the past year the work of the supervisor has been chiefly the building of the Cervantes-Tagudin trail, which, as was pointed out in my last year's report, is the most important piece of work the province has as yet undertaken. This road is designed to give the province an outlet to the coast for cart traffic. The Spanish Government had undertaken a horse trail over the same route and had completed it to the top of Malava Mountain, west of Cervantes, a distance of about 8 miles. The grade of this trail, which is still in fairly good condition, is prohibitive for cart traffic and will not be used. From the top of the mountain to the town of Suyo, subprovince of Amburayan, a distance of 15 miles, a splendid trail has been built on a grade which nowhere exceeds 7 per cent. This trail has been regarded by competent observers as the best piece of location of work in the Philippine Islands. It runs through a rough, thickly timbered region, which made the preliminary survey as well as subsequent work very difficult. The location work was done by Mr. A. W. Hora, formerly general foreman. Although not an engineer, Mr. Hora has succeeded in running a fairly uniform grade through the thickest undergrowth and around bald cliffs, where a foothold was impossible, without once getting into difficulties, losing a foot of ground, or making unnecessary switch backs. In Mr. Hora's resignation the province lost an efficient employee, who has rendered it valuable services.

No work has been done as yet between Suyo and Tagudin, a distance of 8 or 9 miles, but that part can be traversed now with a horse, except in time of very high water, so that the entire distance from Cervantes to Tagudin, or about 32 miles, is open for travel by horse and is being much used. When completed the trail will cross only two small streams, easily bridged, so that we will have an outlet at any time of the year.

Up to July 1, 1907, this road has cost the province ₱18,541.11 and fifty-five thousand seven hundred and ninety days of road-tax labor, an equivalent of ₱11,158 if it had been paid for at the prevailing rate of 20 centavos per day.

The importance of the Tagudin road has been pointed out in previous reports. Although not yet completed, it is being constantly used by a large number of people, merchants from the coast towns, as well as Igorots of the interior, and it will become the most important highway in this section. So far insular aid has not been solicited, although it is probable that in the work of widening and metaling necessary to make a wagon road out of it insular assistance will be required. It is probably safe to say that nowhere in the Philippines has so much been accomplished with so little money.

In this connection may be mentioned the request of the Lepanto Mining Company for a franchise to build an automobile road from the company's mines in Mancayan to Bangar, La Union, utilizing a part of the Cervantes-Tagudin road, probably about 12 miles. There seems to be no reason why this company should not be granted the privilege of using such road in return for the work of widening and putting in condition for automobile traffic, which they would do, but to grant them an absolute monopoly of all freight traffic over the road as they request, seems little short of absurd. The Cervantes-Tagudin road should be an open highway for the use of whatever person may desire to haul freight over it.

In addition to the Cervantes-Tagudin road the sum of ₱3,178.24 and eight thousand two hundred and eighty days of road-tax labor have been expended during the year in the repair of trails and other public work of the province. The trails from Cervantes to Suyoc, Cervantes to Bontoc, and Bontoc to the top of Mount Polls have been repaired and are in good condition. A bridge has been built on the Cervantes-Bontoc trail to replace the one accidentally burned by Igorots building a fire too close to it, and another bridge on the same trail has been repaired. This work was done by Japanese carpenters, and the bridges are a great improvement on those formerly in use.

The trail from Lubuagan to Balbalasan near the Abra boundary has been further extended and improved, and work has been begun on a trail from

Lubuagan to Lubo on the Isabela side. If connections could be made with roads in Abra and Isabela this Balbalasan-Lubo trail would become an important highway from the Ilocano Provinces to the Cagayan Valley. But unless the other provinces build connecting trails or put existing trails in a passable condition it will be useless for such purpose and will serve only local needs.

No other public work of any importance has been undertaken during the past year. Roads that are projected for the coming year, in addition to continuance of work on the Cervantes-Tagudin road, comprise a trail from Lubuagan to Tabuc, capital of the new subprovince of Kalinga, and the building of our end of the Suyoc-Baguio mountain trail, upon the Baguio end of which work is being done by the province of Benguet. When completed this trail will afford a shorter route to Baguio and consequently an easy all-land route to Manila.

SUBPROVINCE OF BONTOC.

There has been no change in the past year in the form of government or methods of dealing with the very primitive people of Bontoc subprovince, but the attitude of the people toward the government has grown constantly more friendly until now there is but one town with which we are not on good terms. This town, called Madecayan, inaccessibly located over on the Isabela border, has shown hostility when expeditions have gone through it, but we expect to have it won over in a short time, and by the same methods with which we have won over other hostile towns; that is, by cultivating the leading men of the town, giving presents, persistently refusing to fight them, until they see that the government wishes to be friendly and will do them no harm. This could have been done earlier had not the town been so inaccessibly located as to make frequent trips impossible.

When one considers the conditions in this subprovince five years ago, it seems remarkable that so much could have been done to secure order and peace among a people so primitive and warlike. None of the towns of Bontoc subprovince is now actually hostile to any other, although there is still some show of hostility with towns across the Isabela and Nueva Vizcaya borders.

The establishment of a constabulary post at Mayaoyao, Isabela, and the sending of frequent patrols from that place and Bontoc to meet at some intermediate point should do much to preserve order in that region. Such post has recently been established and we hope within a short time to have the patrols started. The chief difficulty is the lack of trails, but the people of Barlig, Llas, and Cadaclan, through which the patrols would pass, have offered to build trails for the protection thus afforded.

Conditions as regards peace are very favorable throughout Bontoc. Only one murder was reported to the authorities during the past year and no case of head taking. An accidental shooting, resulting in the death of a boy, occurred in Tacucan. The weapon was a revolver which had been brought in by Igorots who had been to the States.

The building of a rest house in the town of Bontoc for visiting Igorots has proven to be a fortunate move on the part of the government. This building is in constant use, and has resulted in bringing to the subcapital many more people than formerly, and the consequent mingling of people from towns hitherto hostile. The establishment of a government store and trading station for the benefit of such people, as recommended in my last annual report, is now under way and will no doubt be a success in furthering friendly relations between the people and the government.

At the present time there is one organized township in Bontoc subprovince—the township of Sagada, on the Lepanto-Bontoc border—the special township of Bontoc consisting of 13 towns joined together in a semitownship organization and 33 independent settlements each with its own presidente. In the townships of Sagada and Bontoc the cedula and road tax have been applied, but so far no taxes have been collected in the other settlements, although many of them have been called on to perform free road labor and have willingly responded. It is hoped that during the next year the system of trails can be thus extended in regions yet untouched.

Lieutenant-Governor Eckman has had notable success in dealing with his people, and their increasingly friendly attitude toward the government and their willing compliance with orders is due largely to his efforts. His absence in Manila at this time has prevented his submitting a special report.

SUBPROVINCE OF AMBURAYAN.

This little-known region has received considerable importance by reason of the addition to its territory of a strip of land along the border of La Union, containing about 5,000 inhabitants, which has been organized into three townships, and by the addition of the municipality of Tagudin, which has been made the capital. Act No. 1403 gave this province jurisdiction over the non-Christian inhabitants of that part of the province of La Union lying contiguous to Amburayan, and the boundary has been established by act No. 1646, which settles the question as to actual jurisdiction that had arisen.

The addition of Tagudin, as pointed out in previous reports, affords the province an outlet to the coast and furnishes a convenient intermediate point in handling supplies, mail, etc., with an official of the province on the ground. Officials had previously been occasioned much inconvenience and unnecessary work and the government additional expense by the necessity of all supplies, money, etc., coming via Candon or other ports in Ilocos Sur.

The move will result in as great good to the town of Tagudin by reason of the increased trade it will receive.

The interior towns of Amburayan are in much the same condition as formerly except that they are enjoying rather more prosperity as the result of the influence of Lieutenant-Governor Hale in encouraging increased agricultural activity. The people are naturally law-abiding and peaceable, but not very industrious, preferring to make little clearings in the mountains for their necessary food supply rather than perform the more arduous labor of cultivating the valley rice lands.

Excluding the Cervantes-Tagudin road, which passes through the subprovince, Amburayan is trailless except for the difficult Igorot trails. Before the application of the road law the province needed the money at hand for road work on more important work elsewhere, and since the road law has been in force all the Amburayan labor has been used on the Cervantes-Tagudin road. Another year, however, will see the beginning of work on much-needed township trails.

Lieutenant-Governor Hale, who has been very successful, especially in looking after the interests of his people, has submitted a report which is attached hereto.

SUBPROVINCE OF KALINGA.

Little can be said as yet of this new territory, which has been added to the province by act No. 1642. It is of considerable extent, probably 5,000 square miles, and is inhabited by a very warlike people, addicted to head-hunting. A part of the subprovince of Bontoc, the Saltan River Valley, and adjacent territory inhabited by Kalingas has been included in the new subprovince, the remainder having been formerly part of the provinces of Cagayan and Isabela.

A preliminary trip through the region has just been made by Lieutenant-Governor Hale, who experienced no difficulty or serious opposition, and the task of winning these people over to friendly relations with the government will in all probability not be a difficult one if the proposition is rightly handled. It is purely a one-man proposition. Lieutenant-Governor Hale, assisted by the constabulary, will enter on his active duties in that region after the rainy season.

GOVERNMENT BREEDING STATION.

The activities of the provincial government have not been wholly confined to the preservation of peace and order among its constituents or to the building of roads and other public works. It has been constantly trying to do those things which tend to increase the economic welfare and happiness of the people. It is not positive that such efforts are always appreciated by those for whom they are undertaken, but the people will see in time the benefits if they do not realize them now.

Chief among these efforts for furthering the prosperity of the people is that looking to the improvement in the breed of stock. The province has maintained a breeding station at Cervantes with an Arabian stallion loaned by the insular government. Mares have been brought in for service from several townships in Lepanto and also from Bontoc. In addition a pure-bred Berkshire boar has been sent from town to town, remaining in each town as long as there was any demand for his services.

This branch of work has been under the efficient charge of Mr. E. L. Worcester, caretaker of public animals. It could be made of much more benefit to the

stock raisers if the government could enter the business on a somewhat wider scale and breed high-grade animals for sale to the people.

Effort is being made to educate the people as to the value of selection in the breeding of stock, instead of following the method in use, which is responsible for the low grade of stock found here.

AGRICULTURE.

There is increasing activity in agriculture every year, as shown by area of new land under cultivation. The people always raise enough to meet their needs. There is no danger of famine in this province. The work of terracing steep mountain sides, working them into sementeras, planting and harvesting, all of which is done by hand, would furnish an object lesson to the people of those provinces who complain that they can not grow rice on account of the lack of work animals. Animals are little used, yet the people have enough.

The Igorot rice crop this year is short in many sections, due to the ravages of a worm called "balalec," which appeared in large numbers. It is said that seven years ago there was a similar scourge of this nature. The Igorot harvest is in June and July, and that part of the province north of Cervantes follows the Igorot custom in that particular, while the remainder of the province harvests in December. However, in some sections rice is raised in both seasons, sometimes two crops being taken annually from the same piece of ground.

The people raise camotes in large quantities and also corn, beans, potatoes, cabbages, and other vegetables, especially when the rice crop is short. Tobacco and sugar cane are also raised, these products being wholly used locally. Considerable coffee is grown, but the crop this year was short.

Cattle raising continues to be a most important industry, bringing into the province from ₱60,000 to ₱100,000 annually, and is constantly growing. No disease has as yet appeared among the cattle, but a good many carabao have died in Amburayan, the disease probably having been introduced there from the coast. As pointed out, carabao are little used as work animals, and their dying does not bring great hardship on the people.

COMMERCE AND INDUSTRY.

There is practically no commerce in a province like this. Cattle and coffee are the only products shipped out, and the wants of the people are so very few that the few small stores and traveling merchants easily supply them. At the present time Cervantes has four small stores and Bontoc one, which cater only to native trade. The one large store in Cervantes, which carried a wide assortment of general merchandise, was closed out at sheriff's sale in the month of February.

The Igorot people in different sections manufacture articles of common use for sale or exchange with people of other towns. For example, the towns of Villa and Data, in Lepanto, and Samoqui, in Bontoc, manufacture earthenware vessels and pots, which they carry for sale to other towns. Ambayonan makes baskets of rattan. The people of Bagnen and Besao quarry whetstones. Balabasan furnishes axes for a wide region. Mainit utilizes its salt springs and collects salt by allowing the water to run over stones where the salt crystallizes and is scraped off. Guinzadan makes blankets, Sabangan copper pipes, etc.

In these crude ways the primitive people of the mountains supply their own and others wants. All they know they have themselves learned. Industrial training in our schools will in time widen that knowledge, and as the needs of the people increase with advance in civilization there will be at hand means to meet those needs.

There are no rich people in the province. Some of them are well to do. In every town there are a few Igorot "bucknongs" who own considerable property in land and cattle. There are no indigent poor, except an occasional blind person or cripple who is unable to work and has no relatives, and who lives by the charity of his neighbors.

PUBLIC INSTRUCTION.

Schools for Igorot children have been maintained in nearly all the organized townships of the province during the past year. These schools, in charge of Filipino teachers without American supervising teachers, have not accomplished as much as they should have done, yet I believe them to have been well worth while. If the children can be taught to read and write as well as simple arithmetic, it will be a long step in advance. The people want schools and are entitled to some return for the taxes they pay.

Some of the township schools have been abandoned on account of the lack of funds. Those continued will have an American supervising teacher this year, and will no doubt give better results. One object such schools serve is to supply the central industrial schools with the brightest boys in a town who have had a year or two in the township school, and therefore do not require the preliminary instruction when they enter the industrial schools.

In addition to these schools, industrial schools have been maintained at Bon-toc and Lubuagan, and one has just been opened at Cervantes in the splendid building erected for that purpose and recently completed.

The following statistical information is furnished by Acting Division Superintendent Travis.^a

The practice of allowing township secretary-treasurers to spend a part of their time teaching school has been abandoned, due to the increase in their duties by reason of appointment as deputies of the provincial treasurer. This will result in closing some township schools where the funds are not sufficient to employ a teacher, but effort will be made to get boys from such townships for the industrial schools.

However, if these industrial schools are to accomplish the most good they should be supplied with competent industrial teachers, or at least practical men who understand working with tools. This has not been wholly the case thus far, and much effort and money has been wasted. The department of education has not given this province the attention it deserves in supplying it with competent American teachers; that is, teachers for industrial work.

FINANCES.

This province has never been self-supporting. Formerly an appropriation of ₱50,000 from the insular government was required annually. This amount has been reduced, however, due to increase in provincial receipts, internal-revenue refunds, and the application of the road-tax law. The appropriation for the fiscal year just ended was ₱25,350, little more than half the amount formerly required.

The following financial statement has been furnished by the provincial treasurer:

Balance unappropriated funds on hand, July 1, 1906.....		₱ 2,996. 44
Receipts, all sources.....		40, 451. 29
Appropriation act No. 1527.....	₱25, 350. 00	
Provincial share internal-revenue refunds.....	8, 182. 16	
Internal-revenue ceduals.....	6, 240. 00	
Registry of mining claims.....	358. 00	
Justices' fees.....	60. 63	
Rents.....	250. 00	
Cart tax.....	12. 50	
Total debits.....		43, 447. 73
Expenditures:		
Salaries of officials and employees.....	25, 861. 56	
Repairs and construction of buildings.....	638. 71	
Travel expenses and per diems.....	2, 270. 55	
Office supplies.....	1, 604. 92	
Permanent equipment.....	608. 10	
Rentals for buildings.....	210. 00	
Court fees.....	192. 00	
Sheriffs' fees.....	203. 01	
Feeding prisoners.....	1, 140. 22	
Premiums on bonds.....	150. 36	
Postage: Mail and telegrams.....	395. 20	
Maintenance of public animals.....	899. 30	
Presents and seeds fund (provincial act 682).....	514. 81	
Incidental expenses, miscellaneous, transporta- tion, etc.....	409. 38	
Roads and bridges.....	5, 154. 88	
Repair and construction industrial schools.....	1, 574. 94	
Subsistence pupils at industrial schools.....	1, 279. 99	
Supplies for industrial school work.....	344. 80	
Total credits.....		43, 447. 73

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

The townships, with a few exceptions, are not in good condition financially. Formerly all the taxes collected remained in the townships, but with the application of the internal-revenue cedula tax the province retained half this tax for its use, leaving several townships short of funds. Under existing law the internal-revenue refunds do not accrue to the townships as to municipalities in other provinces, but form a township and settlement fund, to be used in such manner as the provincial board, with the approval of the secretary of the interior, may decide. It has been the policy to expend as much of this money as possible for public works of the greatest value to the people, such as roads, bridges, ferries, schoolhouses, rest houses, etc. But it was necessary last year to come to the relief of fourteen townships which did not have money enough for current expenses, including maintenance of schools.

The following is a statement of the financial operations of the townships for the calendar year 1906.^a

Township revenues are derived chiefly from the cedula and property taxes and the cattle-registration fees. The property is similar to the land tax formerly collected in the Christian provinces, except that it includes personal property as well as land and improvements. But there is a ₱200 exemption, any person owning less than that amount of property paying no tax. The rate is one-half of 1 per cent.

During the past year the news has been spread abroad over the province that the land tax had been suspended in the Christian provinces, and numerous petitions were made to have the property tax suspended here. The people argue, with some show of reason, that their lands are smaller, that they are poorer in every way than the people of the coast, and that there ought not to be this discrimination against them. Of course they are right, but it has been pointed out to them that the tax is small and works a hardship on no one, and that it is needed for the support of the township governments. At the same time it is not right to continue to collect this tax here and to exempt inhabitants of the more prosperous coast provinces from payment of the same. If such exemption is to continue it is recommended that it be applied also to the non-Christian provinces, and that the township treasuries be reimbursed from insular funds for the amount of revenue thus lost.

The following amounts of property tax were collected during the year 1906.^a

NATURAL RESOURCES.

All kinds of timber are found in abundance. In the foothills of Amburayan and Lepanto there is much valuable hard wood and in the higher altitudes a great deal of pine. No attempt has been made to exploit this timber commercially as it is probably too inaccessible at present to be of commercial value.

A notable event during the past year has been the erection of a water-power sawmill by the Episcopal Mission at Segada. This mill began operations in July, but was compelled to suspend some months later owing to defects in machinery which have not yet been remedied. A planer and shingle mill have been added, and when operations are resumed, the mill will, in addition to supplying the needs of the Mission for which it was erected, afford the government as well as private persons an opportunity to purchase finished lumber.

This advance can be appreciated only by those who have experienced the difficulty of getting building material under the old conditions.

The mineral resources of this province have been commented on often, yet few persons realize the extent of the mineral wealth found here. There are extensive copper deposits and also considerable gold in the Mancayan-Suyoc region. Miners and prospectors have appreciated this fact from the time of the American occupation, as is evidenced by their covering the region with location stakes. Up to date 290 claims have been recorded. Some of these claims have been abandoned, and several prospectors have left the region, discouraged no doubt by their failure to attract capital to develop the mines. But during the past year mining interests have received an increased impetus by reason of the formation of a company consisting chiefly of Manila business men to exploit the mines. As a result 83 new claims have been recorded and the miners who have stuck by their prospects in spite of discouragements and failure are exceedingly hopeful for the future. The company proposes to enlist English and American capital, erect a smelter and build an automobile road to the

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

coast. It is a big proposition, but no one familiar with it doubts but that it will yield enormous returns. The ore is there, large quantities of it, and the company already controls some excellent mines, including those so successfully worked under Spanish régime. In all probability the next five years will see a prosperous mining camp established in the Mancayan region.

PUBLIC HEALTH AND SANITATION.

The health of the people in this province is generally good in spite of their insanitary mode of living. The towns are generally built on a hillside and naturally well drained, which probably accounts for the lack of disease. There is a great deal of fever at certain times of the year. In the month of November smallpox broke out in the township of Besao and about 90 persons died before the epidemic could be checked. At that time there was no health inspector in the province. Since the arrival of Doctor Crisologo in February an effort has been made to vaccinate the people in the subprovinces of Lepanto and Amburayan, although the territory has not yet been entirely recovered.

A great many people in the Guinaang region and other parts of Bontoc sub-province have died from a disease resembling cholera morbus, probably caused by eating green rice.

The health of American residents has been generally good, although the only American physician in the province, Doctor Johnston, connected with the Episcopal Mission, has himself suffered a severe attack of amoebic dysentery, the first case reported in the province.

POLITICAL CONDITIONS.

There are no politics in this province unless the little agitations over local elections in Cervantes could be dignified by that name. Here as in many municipalities there are two parties, those who are in power and those who are not.

A most unfortunate circumstance for Cervantes was the death on July 4, 1906, of the president, Señor Sinforoso Bondad, its leading citizen. Señor Bondad was a man of unusual ability and strong influence for good in the community. He was governor of the province under the revolutionary government, but was an ardent supporter of the American Government from the first and had rendered it valuable service.

The refusal of the provincial board to approve the Cervantes council's appointment of a man as vice-president, whom the board deemed unfit for the position, to fill the vacancy caused by the death of Señor Bondad, the former vice-president having succeeded him as president, led to a majority of the council, as well as the president, sending in their resignations to the governor-general, together with a complaint against the provincial board. The resignations were accepted and a new set of officials appointed. The coming election in December promises to be interesting, as the officials who resigned will endeavor to be re-elected, and are now working to that end.

Elections in the Igorot townships will be very quiet. It is the custom among them for a man who has served as vice-president to be elected president at the succeeding election, and this custom will be followed except in a few instances where the present incumbent of the office of president will be reelected.

I can not conclude this report without commenting upon a notable incident of the past year, the visit of the honorable governor-general to this province in the month of May. This is the first time that the province has had that honor since the establishment of the American Government, and the second time in its history that it has been visited by the chief dignitary of the islands, General Weyler having penetrated as far as Bontac in the year 1888.

The governor-general's party entered the province from Benguet, near Suyoc, and left it at the top of Mount Polls, having spent nine days within its borders. It is hoped that the rigors of travel were not too great and the province was found to be of sufficient interest to warrant an early repetition of this visit.

Respectfully submitted.

WM. A. REED,
Governor of the Province of Lepanto-Bontoc.

The GOVERNOR-GENERAL.

Report of the lieutenant-governor of Amburayan.

OFFICE OF THE LIEUTENANT-GOVERNOR,
SUBPROVINCE OF AMBURAYAN,
Tagudin, P. I., July 9, 1907.

SIR: I have the honor to submit my annual report for the fiscal year ended June 30, 1907. As my office is not a record office, I shall be obliged to confine myself to general information and conditions.

Civil government was established in the subprovince of Amburayan about four and a half years ago. Four years of this time I have spent with the people of Amburayan. The inhabitants of the mountains are non-Christians or Igorots.

GENERAL CONDITIONS.

Amburayan is generally mountainous. The amount of arable land is not large; the people are in consequence generally poor and barely able to make a living off of their small clearings and fields.

Principal crops grown are rice and sweet potatoes. A few carabao, horses, and cattle are also raised, but at intervals many of these animals die off from rinderpest.

During the past two months practically all the non-Christian inhabitants of La Union province bordering Amburayan and numbering about 5,000 people have been segregated from La Union and placed under our jurisdiction.

The municipality of Tagudin, formerly of Ilocos Sur, has also been joined to Amburayan and made the capital. Tagudin has an Ilocano population of about 9,000 souls.

PUBLIC WORK.

The taxpayers of Amburayan for the fiscal year just closed, as well as the preceding one, have performed their ten days of public work on the construction of a road from Cervantes to Tagudin, somewhat to the neglect of their own trails.

TOWNSHIP GOVERNMENTS.

There are eight townships, each covering considerable territory and all working under sections 1 to 60 of act 1397. In some of the townships the people are doing very well with their local governments; in others they seem to take little interest and have made but little advance.

I believe elections of township officials to be a mistake at this time. Seldom is it that the candidate best fitted to fill the position is chosen. The successful candidate generally proceeds at once to reimburse himself for the cañao he has given by which he was enabled to succeed to the position. The office of president is the only place sought, while that of councilman is generally filled by a very inferior man indeed.

PUBLIC SCHOOLS.

We have had for the past year an excellent attendance in the schools, of which there were six. The school at Alliem has done especially well. The schools in the outlying townships have not been very successful. Mr. Allen, the supervising teacher, has worked hard with his schools, but has been required to cover entirely too much territory to do his school work justice. The schools need industrial work and constant supervision. Being located in several townships covering a wide territory, it requires a trip of several days to visit all the schools. It would be better, instead of hiking the supervising teacher up and down the mountains, to maintain only one or two central schools devoted largely to industrial work, thereby utilizing to the best advantage the services of the American teacher.

The people have erected two comfortable school buildings at Alliem during the past year. This township over two years ago gave for school purposes the use of 8 or 10 acres of land for industrial and agricultural purposes, realizing the very great need for industrial and agricultural work, but to date little has been done along these lines. A beginning along industrial lines was made last year, but so much of the time of the supervising teacher was taken up with outlying township schools that he could not do justice to his work.

IMPROVEMENTS.

The cultivated area has been increased considerably during the past year. Also the planting of fruit trees, especially cacao and cocoanut, has been encouraged with very favorable results.

TIMBER.

There is a great deal of first group as well as timber of the inferior groups in the mountains. The people are greatly handicapped in getting out timber for their own use because of the absence of a forestry agent or some authorized person to grant them the necessary permits or licenses. Arrangements should be made whereby the people of the subprovince and near coast municipalities dependent on Amburayan for timber can secure licenses within the province.

PUBLIC HEALTH.

The public health throughout the subprovince has been very good, and with the exception of various forms of malaria there has been but little sickness. There are some few lepers, most of whom are within the municipality of Tagudin. These we shall isolate until such time as they can be cared for by the proper authorities.

Tagudin, the one large municipality we have just taken over from Ilocos Sur, and the cabecera of Amburayan, we hope to make, with the assistance of the people, a more sanitary and better town.

In conclusion, there seems to be among the people but two valid reasons for complaint—first, that after faithful work on the Cervantes-Tagudin trail the taxpayers of the respective townships should be allowed to work out their road tax within their own townships and on their own trails; second, that it is not fair or just that they should be compelled to pay a property or land tax while the more favored inhabitants of the Christian provinces are exempt therefrom. Without entering into a discussion of the merits of a property or land tax, of which I am in favor, the fact remains that a discrimination has been made between the non-Christians and Christians in this matter which is difficult for us to explain to the people.

Respectfully submitted.

W. F. HALE,

Lieutenant-Governor, Subprovince of Amburayan.

The PROVINCIAL GOVERNOR OF LEPANTO-BONTOC,

Cervantes, P. I.

REPORT OF THE GOVERNOR OF MINDORO.

OFFICE OF THE GOVERNOR, PROVINCE OF MINDORO,

Calapan, P. I., July 3, 1907.

SIR: In compliance with the provisions of section 6 (1) of act No. 1396 I have the honor to submit the following report for the year ended June 30, 1907:

The past year has been, beyond doubt, the most prosperous one in the history of Mindoro—an enormous crop of palay, a good crop of corn and camote, and more garden truck grown than I have ever seen here before. Calapan, Naujan, and Pinamalayan have shipped out more than 6,000 piculs of hemp, some 500,000 cocoanuts, several hundred sacks of copra, and numerous forest products. This may appear as nothing to boast of, but when it is considered that it represents an increase over former years of considerably over 50 per cent it means something for the future. Pinamalayan alone has planted 550,000 hemp, 45,534 cocoanuts, 1,192 cacao, and 1,083 coffee plants, which is not at all bad for a small town. Other towns have planted nearly as much, so it is only a question of a very few years when Mindoro will be independent of the carabao or locusts.

The Philippine Products Company has established several trading stations in the province within the past six months and I believe is doing a very good business. They certainly have created a boom in the hemp and cocoanut trade and given the poor man a market for his produce where he can get somewhere near its value, *and for cash.*

One has but to see the weekly steamer leaving the pier here to have ample proof of the prosperity of the people—almost as many passengers as bundles of cargo. People do not travel without money. A large proportion of these travelers are people who have never seen Manila and probably never dreamed of so doing before. Many are bringing back wheels, carts, a carromata, or some useful thing, but all bring back knowledge they did not have when they left here. Even if *buncoed* in Manila they learn something. Frame houses are going up here and there, and many farms have been fenced and permanently improved—all good, healthy signs.

While the farmer has been busy raking in the shekels, however, his local township government has also been busy devising some means for getting those shekels into the town "strongbox" (?), and they have not been at all unsuccessful. The following copy of a circular I recently sent out to the presidentes will explain some of the means used (that several hundred pesos have been collected illegally and *accounted* for on the treasurer's books shows at least honest intentions):

"On a recent tour of the province it was brought to my attention that many illegal taxes were being collected, such as market tax and 'matanza' (slaughterhouse), where no market or slaughterhouse existed. While verbal orders were given you to stop such collections at once and refund the amounts to the rightful owners where practicable, it is deemed advisable to confirm those orders and to warn you that any future collection of an illegal tax will be prosecuted to the fullest extent of the law. By means of an ordinance you ask the provincial board to authorize certain taxes or fees which, if in compliance with law, the board approves. This approval, however, does not mean that you will collect a market tax if you have no market, ferry tolls if no ferry, etc. When such an ordinance is approved, it is naturally assumed that you have those things, as it is assumed that a person obtaining a license to sell liquor is going to sell same. The payment of a market or slaughterhouse tax is in the nature of a fee for the privilege of displaying your wares in a public market or having cattle for public consumption inspected and slaughtered in a public slaughterhouse, where a proper official pronounces it fit for public consumption. If you can not grant these privileges, you can not charge for them. Would you pay a storekeeper for his wares if you did not get them? I think not unless you wished to be considered insane.

"It was also found that nearly every township was collecting more than the required peso for the branding and registration of large cattle. This is absolutely illegal and *must* cease. The excuse was given that the extra tax was in the nature of a stable or 'cuadra' fee. The *one peso* is to cover *every* expense connected with the branding and registration, and there can be no extra charge made, even if the 'cuadra' existed, but I failed to find anything that looked like a cuadra, or even a branding pen. The certificate of registration has printed on its face a peso stamp. If more was to be collected it would say so. In this connection it is apparently the prevailing idea in these islands that government is a commercial concern and, like those concerns, doing business for the money in it. On the contrary, the idea of government is to make its collections and expenses only what is absolutely necessary for the welfare of the people. A government is not judged by the balance in its treasury, but by the contentment of the people governed. Society, as does the family, demands some form of government for its own protection. The people form that society, draw up laws for its government, and we, its officials and employees, are its paid servants for enforcing those laws. To meet the expenses of the society, to pay its hired help, and construct works for the benefit of the whole, it would be most impracticable to depend upon voluntary subscriptions, or charity as it were, as it would be equally unjust to make every man pay the same amount; hence we make a rule by which all pay according to their means or vocations, charging fixed fees for certain privileges.

"You have been elected to the high and honorable office you hold, not to make laws for that part of the society included in your township, but to uphold and enforce them. You have been given some control of those laws by the 'veto power' (sec. 18 'm,' act No. 1397). Use that power and protect your people; do not sit idly by and see them paying for things they do not get or paying more than their worth. This is not only your duty under your oath of office, but should be your pride.

"Because the council has power to impose certain taxes it does not necessarily follow that they should be imposed. Every town has taxed its dogs (the voluntary act of the council), still, in spite of the fact that there are thousands

of worthless dogs, you do not collect much more than the value of the paper and ink used in drawing up the ordinance. Why have these ordinances if they are not to be enforced? You are not required to have them, and it is far better to have none than to waste your time and materials for show only, or as a means for some one to get revenge for some personal grievance. Repeal every ordinance that is not enforced, nor intended to be, and start a clean sheet, and do not penalize every breath a man draws. One town collected ₱15 in legitimate taxes and ₱265 in fines during one month. This shows but one of two things, that you have the worst lawbreaking community I know of, or there is an abuse of authority; circumstantial evidence is strongly in favor of the latter. As to fines, I found that many had been imposed without the shadow of a trial. Every accused must be confronted with the witnesses against him, hear the charges, be allowed to cross-examine witnesses, and have his own witnesses. Because a law imposes a penalty, and you saw the accused do the deed, is no reason for dispensing with the formal trial as provided by law. The law imposes a penalty of a 5 peso fine for failure to make a declaration of property by a given date, but this does not authorize the collection of the fine just because you know the declaration was not filed. The accused may have been prevented from so doing by some power beyond his control. If so, he is innocent and *must* be acquitted. Crimes and misdemeanors are *voluntary* acts, and the law does not ask nor expect the impossible. Ignorance of the law is no excuse, but when the accused has attempted to comply therewith and was prevented by some circumstance over which he had no control, then it was not a voluntary act, and hence no crime.

"There is nothing in this circular intended to offend anyone. It is a plain recital of facts I have seen, and I trust you will study it and do your utmost to correct the evils complained of. It is only by having our attention called to our failings that we can improve. * * *

I can see but one remedy for this state of affairs, and that is the education of the Filipino up to the point where he knows his rights and, by proper food, he has acquired the physical and moral courage to defend them. Then, and only then, will he get justice from his own people. The greatest, if not the only, enemy of the Filipino is his own ignorance, but this is a fault for which he surely can not be blamed. He suffers from it, however, and far more than we Americans can appreciate. Though many think or say to the contrary, he does appreciate kindness and justice, but it is something he so seldom comes in contact with that, quite naturally, he does not understand it at first; but, like any new work you set him to do, show him—may be several times—and once he understands, his work will afford ample proof that he appreciates the instruction.

AGRICULTURE, COMMERCE, AND INDUSTRY.

The following table, compiled from the reports of the presidentes, may be of interest as showing what Mindoro is capable of and, to those most interested, showing where it can best be obtained:

Crop and exports, 1906.	Calapan.	Naujan.	Pinnamalayan.	Bulalacao.	Caluya. ^a	Sablayan.	Mamburao.	Lubang.
Palay, cavans.....	22,722	20,000	32,112	3,470	-----	2,600	10,000	25,423
Hemp, piculs.....	2,760	2,000	2,500	22	-----	-----	0	-----
Coconut.....	115	103	-----	-----	-----	-----	-----	-----
Cocoanut.....	101,414	143,890	72,150	3,280	-----	-----	10,000	15,000
Corn, cavans.....	236	280	1,011	804	-----	-----	300	170
Cacao, cavans.....	16	5 ^b	5	-----	-----	(^b)	-----	1 ^b
Nipa shing.....	62,390	-----	12,669	-----	-----	-----	50,000	-----
Vejuco.....	335,420	108,900	90,136	-----	-----	-----	-----	-----
Diliman.....	611,000	454,300	950,000	-----	-----	1,760	-----	-----
Rajas.....	22,600	-----	-----	126,550	-----	-----	-----	-----

^a No report.

^b 5 gant.

Edible roots, gabe, etc., are to be found in every town and barrio, and all the streams teem with fish, crabs, shrimp, and edible shellfish.

Several chapters on "The lack of industry" could be written, but it is extremely difficult to make a respectable paragraph on "Industry." The laborers employed at the three sawmills operating in the province are imported, as are

nearly all the hemp strippers. Many of the women make *sinamay*, *bayones* (sacks from the buri leaf), petates, and a very good fabric from the pandan leaf, but mostly for home use; practically nothing for sale or export. With just a little industry the few thousand inhabitants of Mindoro should be wealthy, but our good Lord has given them food in plenty without the necessity of "turning a hair" for it. He can work, and work well if properly handled, but he does not love it, and seldom does it. He will stand in front of his burning shack (after the beloved rooster has been removed) calling on all the saints he knows of, but not a hand will he turn to help those saints save it.

MANUFACTURES AND NATURAL RESOURCES.

There are no manufactories of any kind in the province, but an American has recently been here looking into the nipa business with a view to putting in a plant for the manufacture of alcohol.

During the month of April last I crossed the island from Subaan to Mamburao and Magaran to Bongabon, and if I ever did possess any patience with poverty in Mindoro—I lost it on that trip. A plea of poverty or hunger on this island should be taken as proof positive of vagrancy and punished without mercy.

On the northern trip we found excellent timber, bejuco, and other valuable vines. We passed down for more than an hour through a canyon cut through beautiful white marble, and found a few Americans not far from this coast getting gold. I doubt if these were making expenses, but it is there, and I believe in plenty, a few miles above their camp. Where we found the marble the country is hardly accessible, but I believe the same vein runs to the vicinity of Abra de Ylog; if so, it can easily be handled from there. It is certainly worth looking into.

In the food line we found edible roots, many kinds of greens, the streams teeming with fish, all kinds of wild fruits, including grapes and raspberries. The grape is much larger than our wild grape, but rather tasteless; the raspberries are an excellent thirst quencher, but only compare with our own in looks. After a meal made entirely of roots, fish, and fruits (including an excellent salad, every ingredient of which was taken from the forest), water can be had from a near-by vine, or something stronger from the buri tree.

On the southern trip—Magaran to Bongabon—we passed through an open country, easily accessible to Mangarin Bay (an excellent harbor), which could support 50,000 cattle the year round. There are many hundred wild cattle, carabao, tamarao and deer. A man with patience could undoubtedly catch many of these cattle and carabao by means of salt-licks, gradually fencing them in until the animals would enter the open gate without suspicion.

On the banks of the Cayacyan River, an inland stream, we found an excellent clay from which the Mangyans (there known as Batanganes) make a rather pretty little pipe. (These same Batanganes are the far-famed "White Tribe," so white that charcoal would make anything but a black mark on them.)

FINANCES.

Financial statement.

GENERAL FUNDS.

Receipts, fiscal year 1907:	
Insular government	₱28,500.00
Internal-revenue fund	3,539.28
Other sources ^a	31,391.17
Balance on hand June 30, 1906	8,516.89
Total	71,947.32
Expenditures:	
Salaries and wages	₱21,761.90
Transportation	7,810.23
Traveling expenses	999.63
Miscellaneous (including transfers to townships) ..	27,799.09
	58,370.85
Balance on hand June 30, 1907	13,576.47

^a Includes ₱24,248.06 "Transfers to townships."

ROAD AND PUBLIC IMPROVEMENT FUND.

Balance on hand June 30, 1906.....	₱13,320.00
Collections, fiscal year 1907.....	10,222.00

Total.....	23,542.00
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Expenditures:

Government building (new).....	18,433.00
Bridges and pier.....	968.83
Vault door.....	234.05

	19,635.88
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CONGRESSIONAL RELIEF FUND.

Balance on hand	₱3.97
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TOWNSHIP AND SETTLEMENT FUND.

Balance on hand June 30, 1906.....	₱2,687.98
Received, fiscal year 1907.....	5,299.86

Total.....	7,987.84
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Expenditures:

Bridges	₱1,725.00
Mangyan schools	250.21
Presidents Mangyans	24.00
Mamburao	1,000.00
	2,999.21

Balance on hand June 30, 1907.....	4,988.63
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The provincial revenues, outside of any appropriations from insular funds, amount to about ₱12,500 (fiscal year 1907, ₱9,174.79), to collect which, excluding salaries, costs about ₱10,000 per annum. It is believed that half of this cost could be saved were the province given a boat of its own, one like the boat built for the province of Palawan. Not only would the saving be considerable, but it would enable the provincial governor to spend days at remote barrios, where he can now only remain a few hours, without piling up a tremendous bill.

The new provincial government building was completed on May 20 and all offices transferred to it on that date. This building is made entirely from Mindoro timber, is commodious, and cost but ₱18,433.

Plans have been completed for a new jail, the funds for same having been acquired from the sale of the old jail to the bureau of education for shops, in connection with the Industrial School completed last year. The bureau of education has just completed a dormitory for girls at Calapan, at a cost, I believe, of ₱5,000.

The pier has paid for itself twice over by the amount of new business it has created; produce coming and going has necessitated carts and carriages, and they in turn have created interest in roads. Calapan shows prosperity on its every street and barrio, nearly due, I believe, to the pier and the Philippines Products Company, the only commercial concern in the province.

EDUCATION.

While progress has possibly been made at Calapan during the year, the other towns, except Pinamalayan and Bulalacao (where American teachers were stationed), have been sadly neglected.

NONCHRISTIAN OR PAGAN TRIBES.

The Mangyans, or Batanganes, found on the Batangan, Cayacyan, and the Bongabon rivers, are by far the most prosperous people, as a whole, in Mindoro. They have their little farms and good cogon (grass) houses. We found palay, cotton, tobacco, pineapples, bananas, pigs, chickens, and dogs; every stream had numerous dams or traps for catching fish, but, unfortunately, every house was deserted on our approach. In turning the bend of a river I ran into four men

fishing; three of these ran, while the fourth got ready to use his bow and arrow. I finally got them to come to me, gave them tobacco and cigarettes, and tried my best to get them to help me out with the load I carried but "nothing doing."

Several small settlements have been started on the west coast by Mr. Brown, and great improvements have been made in the older settlements, except Lalauigan. This place was abandoned early in the year and another of the same name started on the beach about a mile distant.

Shortly after the visit of Commissioner Worcester and party to this settlement, last June, several of its people died from eating poisoned fish, but to Commissioner Worcester's camera was attributed all the trouble. A large bonfire was built at one end of town and every living thing had to jump through the flames on its way out to drive off the evil spirit. The president of the town attributes their bad luck to the "Evil Eye" of a German scientist who accompanied Commissioner Worcester. This gentleman, who had a birth scald or mark over one eye, had a camera focused as is sighted a rifle, and his antics while trying for a picture would tend to make an enlightened Christian somewhat nervous.

I hope to soon visit the Batanganes on the Bongabon River and induce them to form settlements.

PUBLIC HEALTH.

The death rate among the ignorant natives is awful, and 75 per cent of it is due to ignorance of the simplest rules of sanitation. But how can a people be well, and bathe, wash clothing, and drink practically out of the same vessel; they wash either over or close alongside the well and all seeps back in. Then, too, I do not believe their pigs when eaten are capable of supplying any real healthy tissue. The pig in the Philippine Islands is a godsend, where the modern sewer does not exist, but he can hardly be considered a delicate morsel of food.

I recently gave Calapan a driven well outfit and I believe it is going to be the means of saving many lives. The people are interested in it, and many are buying an outfit for themselves. They are very cheap, pump point, 27 feet galvanized iron pipe, couplings, and freight only cost ₱22.75, and can be driven down by one man in less than a day. The provincial government has asked for authority to purchase an outfit for every town and barrio in the province. With good water the Filipino would be far healthier than he now is.

POLITICAL CONDITIONS.

Though politics is something I have warned these people against as the plague, it is slowly creeping in. I have been informed by reliable persons that the people in many of the barrios in southern Mindoro have been told that if they joined the Independent Catholic Church and voted for ——— for the Assembly they would have independence immediately. Few, if any, of those same people know what independence means, but they will obey instructions just the same.

It was no easy matter to find qualified persons for inspectors and clerks of election in several of the townships, but all have their quota except Caluya, where it was impossible, as every man but one who had the educational qualification was holding public office.

RECOMMENDATIONS.

It is again urgently recommended that the so-called "private crimes" be removed from the Penal Code. If the parents wont protect their girls the law should. As justice of the peace I have sat hour after hour listening to unprintable evidence in these *private* cases only to see the father later pardon the accused, either through fear or for a money consideration.

Only a few weeks ago the decency-loving people here saw an inhuman brute convicted of raping his 11-year-old niece. He was sentenced to some seventeen years in Bilibid, but hardly had he arrived at that institution when the inhuman father pardoned him, and for a sum less than ₱100. That the law will allow such a thing is disgraceful to our boasted American civilization. And why can not this same law be taken advantage of for blackmail—and I do not doubt but what it is. Many an innocent man will pay several times a hundred pesos rather than be hauled into court on such a charge.

I also renew the recommendation that the government provide food and shelter for witnesses summoned before the courts in criminal cases, and that the jurisdiction of the justices of the peace in special provinces be extended to include offenses where the maximum penalty does not exceed two years.

It is difficult to see what advantages the provinces derive from being compelled to purchase through the purchasing agent. I can duplicate almost every article purchased from that bureau for from 10 to 20 per cent cheaper and often save much valuable time. The 10 per cent over and above cost and freight would help keep in repair several roads or bridges. It is recommended that the provincial governments be authorized to purchase wherever a saving can be made, the purchase, as now, to be approved by the executive secretary.

Respectfully submitted.

R. S. OFFLEY,

Captain, 30th U. S. Infantry, Governor of Mindoro.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF MISAMIS.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF MISAMIS,

Cagayan, P. I., July 10, 1907.

SIR: Pursuant to the provisions of act No. 1044 and in conformity with the circular letter of May 8, 1907, I have the honor to submit the following annual report for the fiscal year ended June 30, 1907:

AGRICULTURE.

Abaca.—Abaca, the most important of the products of this province, which suffered much during the drought of last year, as reported in my first annual report, dated July 20, 1906, suffered still more during the first months of the fiscal year just ended, with an estimated loss of about ₱200,000, according to reports received, though fortunately this has not been general, but affected only two or three pueblos, where the abaca plantations, which had been withered by the drought, were burned. Since that time the plantations have been recovering, owing to the shortness of the dry season this year, and it is hoped that if it continues thus without any further setback the financial condition of the pueblos will improve. But while we have this hope on the one hand, on the other we have the discouraging falling of the price of this article during these latter months. Though it is true that only the inferior classes of abaca were affected, yet this depreciation was attended by the aggravating circumstance of a decreased demand.

In these calamitous times the people have devoted themselves with greater zeal to the cultivation of abaca and cocoanuts, for which it is not so necessary to use work animals, which continue to be decimated by disease.

An industrious young man of Mambajao, Camaguin Island, has invented a hemp-stripping machine which, to judge from the good results obtained from the tests made with it, will possibly solve the great problem of machine hemp stripping which so many are attempting. The apparatus is easily transported from place to place, and by its use almost twice as much of the product is utilized as with the ordinary hemp knife. The inventor is studying how he can improve and perfect the machine.

Copra.—This is, beyond a shadow of doubt, the article that will constitute, in the course of time, the second, if not the first, of the resources of the province. Its production is daily increasing, for of the trees planted in 1901 and 1902 there is a daily increasing number coming into fruit, and as the cultivation of that product has become more important since that time, encouraged by the continual rise in the price of copra, the little work and attention needed for its care, the great areas of land not cultivated with corn or rice owing to the lack of carabao, etc., we shall have a sufficient copra crop at the end of another eight years or more to bring general prosperity to the inhabitants of the province. Even now cocoanuts are the principal resource of many of the pueblos which have no abaca, and have been the stay of the people in their time of dire want.

During the fiscal year 74,423 piculs of copra were exported, at an average price of ₱8, amounting to ₱595,384.

During the same year the product of 70,800 cocoanut trees was lost, owing to the ravages of the locusts, which devour the leaves, thus preventing the trees from bearing for a year.^a

Rice.—The crop of this cereal was ordinary. All the pueblos of the province cultivate rice to a greater or less extent. The annually recurring mortality of carabao is the cause of the decrease in the area of land planted in rice and only about one-half the usual crop was planted last season. This yielded 60,307 cavans. The crop would have been larger had the locusts not appeared and destroyed 50 per cent of the crops of Misamis and Jimenez and greater or less portions of those of other pueblos, with an estimated total loss of 37,940 cavans.

Maize.—The two harvests of the year yielded 74,300 cavans. This figure shows the decadence of agriculture, so far as this cereal is concerned, which is due to the lack of work animals and the damage caused by locusts, the loss thus suffered being estimated at something like 36,700 cavans. The cultivation of much maize land has been abandoned for the first of the reasons mentioned above and has been planted in cocoanut trees.

Sugar.—As I said in my first report, sugar cultivation is insignificant, as there are only two sugar-cane planters in the province, and their product is not exported, but is exclusively for local consumption.

Tobacco.—I have the same to say with reference to the importance of tobacco cultivation. There are tobacco plantations in many of the pueblos, but they are small, though the tobacco of Medina (barrio of Talisayan) and that of Malitbog (a rancheria) is of superior quality. There were in this capital twenty-five years ago several tobacco factories, established by natives who exported their output to Cebu and other provinces.

Cacao.—The same may also be said of cacao, since, as a general rule, the crops are sufficient for local consumption only. It is only in the years of more abundant crops that the merchants can send out any quantity of importance.

Coffee.—This article is grown by the non-Christian hill tribes. From their settlements comes all the coffee exported from this province. They bring it down in small quantities and sell it to the merchants. It is of superior quality.

In order to encourage a more extensive cultivation of tobacco, cacao, and coffee it is necessary to diffuse modern methods of cultivation and care and of preserving them from the attacks of insects.

Maguey.—The few seedlings furnished by the bureau of agriculture and distributed among some of the agriculturists are developing under good care. There is a great desire on the part of these agriculturists to cultivate this plant on an extensive scale in the near future, employing vast tracts of land not adapted to the cultivation of other plants, with the assurance that they will receive rich returns therefrom. At the request of these agriculturists I addressed a letter to the director of agriculture under date of January 28, 1907, from which the following is an excerpt:

"I improve this opportunity to inform you that the cultivation of maguey in these pueblos is not exclusively a matter of experiment, and this is the opinion of the agriculturists here, who are very eager to undertake works of importance in connection with this cultivation, since there are extensive tracts of land here which, owing to the quality of the soil, can not be utilized for abaca, cocoanut trees, and maize, but are perfectly adapted to the cultivation of maguey, the only difficulty being the lack of seedlings. They therefore, through me, petition the government and the bureau under your worthy direction that we be furnished the seedlings in large quantities, promising—and I do so in their behalf—to reimburse the government for expense of acquiring the seedlings abroad. This is the best proof to convince you that much hope is placed in the cultivation of maguey for the amelioration of the financial condition of these pueblos and shows the interest displayed by the local agriculturists; and as the government, through the said bureau, is with laudable zeal endeavoring to improve the agriculture of the country, I trust that the request of these agriculturists, that they be sent maguey seedlings in large quantities, will meet with solicitous attention."

^aA table showing the number of cocoanut trees classified as bearing trees, trees from 2 to 6 years old, and trees 1 year old has been omitted and is on file in the Bureau of Insular Affairs, War Department.

Tubers.—The kinds of tubers cultivated are those called ube, gabe, camote, palao, and apale. At times when cereals are scarce they serve as a good means of subsistence.

Fruits.—We have great banana groves which take the place of corn and rice when these cereals are lacking. Mangoes and lanzones are harvested annually. Of this latter fruit there are many trees in the forests of Quinuguitan (Talisayan). Mangoes do not receive the same care here as in Luzon and Cebu, where, by the employment of certain methods, the trees are made to bear fruit several times during the year. Here they usually bear only once a year. There are many other fruits, but they do not constitute an important factor of commerce.

Locusts.—These continue to visit the pueblos alternately, and are a constant scourge to the agriculturist. It is believed that they breed in forests and places very remote from inhabited localities, since all the hopping locusts are exterminated, 2,259 cavans of them having been killed during the year. No method of exterminating flying locusts has yet been discovered; the most that can be done is to frighten them away by explosions. One pueblo, having no gunpowder for this purpose, made use of matchheads.

COMMERCE.

The commerce of this province consists in the exportation of abaca, copra, and other products and the importation of rice from Luzon and from foreign countries, and of the various foreign articles of merchandise.

The trade in the principal products is largely confined to the houses of the Compañía Tabacalera and Smith, Bell & Co. Chinese and other foreigners and a very few natives also deal in local produce.

The exportation of abaca and copra during the fiscal year was as follows:

Pueblos.	Abaca.	Copra.
	<i>Piculs.</i>	<i>Piculs.</i>
Balingasag.....	4,500	2,000
Cagayan.....	19,185	18,540
Initao.....	700	6,200
Jimenez.....	8,500	4,720
Langaran.....	5,600	5,400
Mambajao.....	26,600	15,600
Misamis.....	9,180	7,500
Oroquieta.....	14,886	4,048
Tagoloan.....	5,740	4,716
Talisayan.....	14,040	5,700
Total.....	108,901	74,423

The exportation of coffee, cacao, almáciga, and other products is of little importance, and there has been no exportation of lumber.

It has not been possible to secure data relative to the importation of rice, cloth, kerosene, and other foreign goods. Rice sold at from ₱5.50 to ₱6; but in the last few days it was quoted as high as ₱7.50.

The maize of the last crop was quoted as high as ₱3 a cavan.

ECONOMIC CONDITION.

The calamities which agriculture, the sole source of wealth of the province, suffered during the last fiscal year, have had considerable influence on the economic conditions of Misamis during the present year, and the crops of the latter, which were of the average class, have been unable to remedy the situation. While the production of abacá improved relatively at the beginning of the year 1907, after having recovered from the disastrous effects of the drought of 1906, there was, on the other hand, a lack of demand and therefore a considerable decrease in the price of the inferior classes, of which there is an abundance, they being quoted as low as ₱11 the picul during the last months of 1906-7.

FINANCES.

As to finances, the province is a little more prosperous now than during the preceding fiscal year, so far as provincial funds are concerned, which is demonstrated by the following tables showing the movements of funds for the last three years:

	Receipts.	Disbursements.	Balance.
1904-5.			
General fund.....	P57,725.97	P53,433.37	P4,292.60
Road fund.....	14,056.64	3,836.86	10,219.78
1905-6.			
General fund.....	45,670.25	39,008.83	6,661.42
Road fund.....	16,534.10	5,678.80	10,855.30
1906-7.			
General fund.....	61,060.77	51,324.59	9,736.18
Road fund.....	16,811.63	295.80	16,015.83

The receipts and disbursements for 1906-7 are made up of the following items:

	General fund.	Road fund.
RECEIPTS.		
Balance on hand July 1, 1906.....	P6,661.42	P10,885.30
Register of deeds.....	80.50	
Land tax.....	2,540.29	1,297.33
Cart tax.....		198.00
Cedulas.....	17,835.00	
Internal revenues.....	19,100.85	
Reimbursement by insular treasury.....	3,792.24	
Reimbursement by insular treasury (in lieu of land tax).....	7,862.00	3,931.00
Sale of supplies to municipalities.....	1,816.70	
Exchange of money.....	189.61	
Sundry collections.....	1,232.16	
Total.....	61,060.77	16,811.63
DISBURSEMENTS.		
Salaries.....	18,703.45	
Repair of buildings.....	387.45	
Transferred to school fund.....	5,000.00	
Exchange of money.....	189.62	
Sundry expenses.....	27,094.07	
Roads and bridges.....		295.80
Total.....	51,324.59	295.80

*Status of other funds.***Congressional relief fund:**

Balance on hand on July 1, 1906.....	P522.91
Expended for extermination of locusts.....	54.23

Balance on hand July 1, 1907.....	468.68
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School building fund:

Balance on hand July 1, 1906.....	207.00
Transferred from general fund.....	5,000.00

Balance on hand July 1, 1907.....	5,207.00
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Non-Christian tribes fund:

Balance on hand on July 1, 1906.....	₱1,355.62
Cattle registration	200.00
Internal revenues	3,978.60
	5,534.22
Paid to agents for branding cattle.....	66.72
Balance on hand July 1, 1907.....	5,467.50

Municipal funds:

Balance on hand July 1, 1906.....	3,395.02
Receipts—	
Land tax	5,080.62
Cart tax	198.00
Water rent	737.25
Fishery privileges	1,664.49
Cattle registration	1,504.00
Revenues and profits	7,054.99
Municipal licenses	7,436.62
Fines	3,467.44
Sale of estrays	99.91
Cemetery fees	225.75
Donations for schools	191.50
Cedulas	17,835.00
Licenses under act 1189.....	9,186.50
Opium smokers' certificates.....	620.00
Internal revenues	22,370.37
Reimbursement from insular treasury for land tax	15,720.50
Sundry collections	578.40
Total	93,971.34
Paid to the municipalities	89,167.49
Balance on hand July 1, 1907	4,803.85

The new assessment has been made with equity, without prejudice to the interests of either the landowners or the government. The following is the result: ^a

I believe that this important source of revenue will still further improve the financial condition of this province during the half of the new fiscal year when it will be collected.

PUBLIC INSTRUCTION.

Education is prospering. The same as in all parts of the Archipelago, the boys and girls here not only understand that the first step in life toward individual and collective happiness is education; but also find a stimulus in the excellent American system of instruction, the good results whereof are shown by the rapidity of the progress made by the students, the majority of whom now speak English with fluency.

The number of boys and girls matriculated during the fiscal year was 5,741, with an average monthly attendance of 80 per cent. On March 31, 1907, the teaching force consisted of 158 teachers, as follows: 84 municipal teachers, 51 aspirants, 7 native insular teachers, and 15 Americans. The maximum salary of the municipal teachers is ₱30, the minimum ₱10. There are 1 high, 2 intermediate, and 61 primary schools. In the course of the year 2 schoolhouses have been built at Jiménez, 1 at Oroquieta, 3 at Langaran, and 1 at Cagayan. The two at Jiménez and the one at Cagayan were built with volunteer labor and donations from the inhabitants.

The construction of a permanent high school building at Cagayan, and of an intermediate school building at Mambajao are in prospect. The estimated cost of the former is ₱32,000, one-half of which is covered by the ₱8,000 from the Congressional relief fund appropriated by the Commission and a like sum recently set aside for this purpose from the funds appropriated by act No. 1580, by the secretary of public instruction. As to the other half, the provincial

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

board has already appropriated ₱5,000, and the balance of ₱11,000 is to be covered by means of a public subscription which has already been opened in all the pueblos, with the approval of the governor-general. The building at Mambajao is to cost ₱20,000; one-half of this sum is covered by the appropriations made by act No. 1580, and the other will be raised by public subscription among the inhabitants of the municipality of Mambajao.

The status of the school funds was as follows at the end of the fiscal year:

Balance on hand on January 1, 1906-----	₱9, 720. 83
Received during the year-----	22, 600. 53
Total-----	32, 321. 36
Disbursed during the year-----	31, 484. 42
Balance on hand on January 1, 1907-----	836. 94

INDUSTRIES.

The industrial condition of the province has not changed. The existing industries are on a small scale, the most important among them being the preparation of abaca and copra for the market. Others are the manufacture of alcohol from tuba, salt-making, pottery, the making of rattan chairs and of other furniture, boat building, the weaving of sinamay, the making of mats, sacks of matting, native hats, baskets, etc., and fishing, the rest being of minor importance.

FACTORIES.

There is no establishment which can be properly called a factory. There is a barrio in the provincial capital where pots are made in every house, and every resident who has land bathed by the waters of the sea is a salt manufacturer on a small scale.

NATURAL WEALTH.

As to natural wealth, this province must be mentioned among the first of the archipelago; but this wealth is not exploited.

Timber of several classes, inferior to none for construction purposes, for the manufacture of furniture, and cabinet-making, abounds in the immense virgin forests.

There is also an abundance of bamboo of several kinds, which is of great utility for the construction of houses, fish weirs, fences, etc.

There are many medicinal, oleaginous, textile, dye, and tanning plants and an abundance of resins of all sorts.

The soil is rich in minerals. The existence of gold, platinum, iron, copper, mercury, aluminum, and other minerals has been confirmed, but so far there have not been any miners who have been satisfied with the result of their work.

In addition to the 34 mining claims registered in previous years, 9 have been registered recently.

NONCHRISTIAN TRIBES.

The mountains are inhabited by non-Christian tribes known as Bukidnon, Manobó, and Suban-on or Subanos. The Bukidnon live in the mountains of Cagayan, Initao, Tagoloan, Balingasag, Talsayan, and Gingoog; the Manobó in the forests and the hilly country of the interior, and the Suban-on on Mount Malindang, above the pueblos of the Misamis-Langaran range, in the western part of this province.

As stated in previous reports, the Bukidnon are docile, submissive, and intelligent; a large portion of them already have notions of civilization. The few Manobó living within the boundaries of this province have no organization, they being the most savage of all. The Suban-on are also of a docile character, but are less advanced than the Bukidnon.

The following rancherías or settlements of the Bukidnon are organized under act No. 1397.^a

Many of the Bukidnon tribes are still living in the woods and lead a savage life, and it costs a great deal of work to attract them to civilization; but little by little they are beginning to see the intentions of the government in taking

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

steps for their organization under the act aforementioned, and I am already in receipt of communications from Gingoog and Balingasag reporting the presentation of a goodly number of these people who have declared their willingness to comply with the instructions which they will receive. They will soon be organized into settlements.

The Suban-on of the mountains of Misamis, Jimenez, and Oroquieta have, as a result of my work, just organized settlements, named Silangit, Guba, Sinote, Manaol, and Bunga, and will organize others later on.

As shown elsewhere in this report, the non-Christian tribes fund now amounts to ₱5,487.50. The employment of this fund will be made the subject of careful study by the provincial board.

POLITICAL CONDITIONS.

Up to the present writing there is no organized political party in this province.

The municipal elections of last December passed off with the best of order, no animosity being displayed. Only one protest was filed, that against the election at Initao, which was declared null and void by the provincial board, there having been deficiencies that were considered detrimental to the true expression of the will of the people. The new election held in the municipality mentioned, after having also been annulled, for the reason that it was held under the municipal code at a time when the election law was already in force, was declared valid by virtue of an act recently passed by the Commission.

I hope that on the occasion of the coming election of delegates for the Philippine Assembly the voting public will display greater interest, in order that the most capable men may be elected, and that the right of suffrage will be exercised in a worthy manner.

Great efforts are made in the 10 municipalities to assure strict compliance with the provisions of the election law. Mambajao is the only one of the 10 municipalities which is divided into two election precincts.

The former municipality of Gingoog, which was annexed to the municipality of Talisayan when the fusion of the pueblos took place, will be reorganized as a municipality on the 10th of next August, by virtue of a recent act of the Commission.

Complete tranquillity prevails throughout the province. The outlaw Baludong is still at large, and his whereabouts are not known, notwithstanding the many efforts made to discover it. It is believed that he has gone to another province; but the efforts to capture him still continue.

The notorious agitator José Rosales, who caused the late disturbance in this province, is at present at the provincial capital, having recently arrived from Manila.

PUBLIC HEALTH AND HYGIENE.

No epidemic diseases are reported, but intermittent fever ranks first among the causes of death.

The lepers constitute a menace to the public health in the pueblos, as they continue to live in their respective dwellings, without being isolated, for the reason that the municipalities, being short of funds, can not defray the expense incidental to their isolation. The municipality of Mambajao has been luckier than the rest, the lepers there having recently been gathered by the director of health. The inhabitants of Mambajao are very grateful for this signal favor.

Cattle diseases (rinderpest, septiceimia, glanders, and surra) still prevail in several of the pueblos. Rinderpest has carried off over 200 carabao and 30 head of neat cattle, and the surra about 400 horses; but these figures are incomplete, as returns have not yet been received from some of the pueblos.

The existing sanitary regulations are complied with in all the towns.

RECOMMENDATIONS.

1. It is earnestly requested that the lepers be gathered in all the pueblos of this province, the same as has been done at Mambajao, and transferred to the island of Culion, for the reason that they constitute a grave danger to the public health.

2. In view of the unfavorable results of the fusion of the offices of fiscal of Surigao and Misamis, which latter province pays the larger share of the ex-

penses of the fiscal, though this officer does not have his residence in it, it is recommended that the laws in the premises be amended in the sense that the province of Misamis again have a fiscal of its own.

3. Upon the suggestion of several municipalities it is recommended that Dr. Francisco Xavier, the health officer of this district, return soon, his presence being very necessary in this place, where he has rendered excellent services.

Respectfully submitted.

APOLINAR VELEZ,
Governor of the Province of Misamis.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF THE MORO PROVINCE.

OFFICE OF THE GOVERNOR, MORO PROVINCE,
Zamboanga, September 10, 1907.

SIR: I have the honor to submit the following report as governor of the Moro Province for the year ended June 30, 1907. The tabulated statements showing the financial condition of the province are taken from the report of the treasurer.

FINANCE.

Disbursements of provincial funds in the Moro Province during the fiscal year 1907.

PROVINCIAL EXPENDITURES.

	Moro Province.	District of—					Total.
		Zamboanga.	Sulu.	Cotabato.	Lanao.	Davao.	
Executive:							
Personnel.....	P15,986.54	P9,437.81	P12,923.96	P4,018.55	P9,382.93	P10,688.82	P62,421.61
Fund for provincial governor.....	819.05			13.30		113.50	945.85
Telegrams, postage, etc.....	1,005.62	200.00	108.00	288.00	465.00	28.00	2,094.62
Transportation and per diems.....	158.00	1,156.45	822.00	483.50	974.00	1,654.77	4,697.72
Boats' crews.....		1,114.60					1,114.60
	17,952.21	11,907.86	13,853.96	4,768.35	10,821.93	12,465.09	71,274.40
Treasury:							
Personnel.....	18,100.00	10,129.16	4,812.47	4,886.46	3,689.80	5,999.92	47,607.81
Premium on bonds.....	2,869.52						2,869.52
Postage, telegrams, etc.....	1,038.04		75.00	170.00	425.00	90.00	1,828.04
Transportation and per diems.....	1,932.97		226.49	126.66	721.25	689.94	3,697.31
Commissioners of Cedula and board assessors.....		206.15	270.75	528.50	90.00	9.50	1,108.90
	23,965.53	10,354.81	5,384.71	5,711.62	4,926.05	6,779.36	57,101.56
Education:							
Personnel.....	14,067.03	40,720.67	5,966.33	4,702.28	8,162.41	9,906.03	83,524.70
Transportation and per diems.....	493.81	1,559.79	5.00	40.00	17.96	24.30	2,142.85
Postage, telegrams, etc.....	250.25						250.25
Rents.....		3,462.67	906.47	84.00	636.64	390.00	5,478.78
Minor construction and repair.....		742.13		504.03		294.06	1,540.22
Supplies.....	10,826.02						10,826.02
Night schools.....		315.00	384.00		384.00	201.00	1,284.00
	25,639.11	46,900.26	7,210.80	5,830.26	9,201.00	10,815.39	104,996.82
Justice:							
Personnel.....	12,232.62			42.20			12,274.82
Miscellaneous.....		6,835.66	1,601.35	1,107.86	1,852.28	2,406.20	13,802.35
Calarian Prison—							
Equipment.....	1,573.61						1,573.61
Maintenance.....	10,276.41						10,276.41
	23,885.64	6,835.66	1,601.35	1,150.06	1,852.28	2,406.20	37,780.19

Disbursements of provincial funds in the Moro Province during the fiscal year 1907—Continued.

PROVINCIAL EXPENDITURES—Continued.

	Moro Province.	District of—					Total.
		Zamboanga.	Sulu.	Cotabato.	Lanao.	Davao.	
Commerce:							
Moro Exchange, personnel		P4,620.78	P550.00				P5,170.78
Repair and equipment		1,001.34	35.60				1,036.94
Miscellaneous		57.50			P48.30		1,075.24
Ship subsidies						P8,092.60	21,870.88
Bonded warehouse, rents		P18,778.33					875.00
		875.00					
		19,153.33	585.00		48.30	8,092.60	28,558.85
Agriculture:							
San Ramon farm, salaries		9,322.63					9,322.63
Contingent		1,820.40					1,820.40
		11,143.03					11,143.03
Health:							
Personnel		8,835.00	.33				8,835.33
Contingent		8,639.66					8,639.66
		6,974.65	.33				6,974.98
Launchees: Maintenance		13,034.04					13,034.04
Customs: Refunds			116.14				116.14
Public Works and Supply:							
Personnel		13,952.10					14,552.10
Maintenance, junior engineer		3,199.92			1,200.00		3,199.92
Repairs public buildings		646.91	54.12			508.87	1,407.90
Transportation, freight		5,044.79	3.00		73.71	20.63	5,142.13
Maintenance, roads and bridges		7,837.17	195.00	P748.90			8,781.07
		21,596.81	252.12	748.90	1,273.71	527.50	33,088.12
Supply Department, personnel		2,997.90					2,997.90
Purchase of supplies		26,663.35					26,663.35
		29,661.25					29,661.25
Miscellaneous, rents		2,940.01	440.00	300.00	600.00		4,280.01
Miscellaneous expenses		1,991.86					1,991.86
		4,931.86	440.00	300.00	600.00		6,271.86

Public works:	87,204.05				
Provincial building, Zamboanga.....	.....	528.69	.....	.....	87,204.05
District building, Lantian.....	.....	4,887.64	.....	.....	87,204.05
Roads and bridges, Zamboanga.....	.....	4,500.00	.....	.....	4,887.64
School sites.....	.....	27.50	.....	.....	4,500.00
Tetuan-Mercedes road.....	.....	145.67	.....	.....	27.50
Santa Maria Creek bridge.....	.....	8.00	.....	.....	145.67
Repairs to wharves and docks, etc.....	.....	206.85	.....	.....	8.00
Barracks, Calarian Prison.....	.....	430.00	.....	.....	206.85
Santa Maria road.....	.....	.....	.....	.....	430.00
Jolo-Asturias road.....	.....	.....	6.37	.....	.....
Moro Exchange, Jolo.....	.....	1,108.01	.....	.....	6.37
Repair and construction dock, Jolo.....	.....	168.09	.....	.....	1,108.01
Curbs and sidewalks.....	.....	8,999.97	.....	.....	168.09
Streets and buildings, Siasi.....	.....	161.55	.....	.....	8,999.97
Construction Tulid bridge.....	.....	188.86	.....	.....	161.55
District building, Davao.....	.....	.....	.....	508.86	188.86
District jail, Davao.....	.....	.....	.....	8.15	508.86
Santa Cruz-Davao beach road.....	.....	.....	.....	8.15	8.15
Construction school, Mati.....	.....	.....	.....	174.74	174.74
Telephone line.....	.....	.....	.....	42.17	42.17
Governor's office and dwelling.....	.....	.....	.....	220.63	220.63
Survey, Dapitan.....	.....	.....	.....	157.50	157.50
	87,204.05	10,794.35	.....	410.85	410.85
	.....	.....	5,627.85	.....	.....
	.....	.....	.....	568.85	.....
Grand total.....	285,141.56	100,976.14	94,571.76	37,054.69	505,078.96

CUSTOMS EXPENDITURES.

	Salaries and wages.	Contingent.	Total.
Port of Zamboanga.....	₱16,824.11	₱2,640.41	₱18,964.52
Port of Jolo and subports.....	28,386.57	2,643.46	30,980.03
	44,650.68	5,283.87	49,944.55

RECAPITULATION.

Provincial expenditures.....	₹ 565, 079, 96
Customs expenditures.....	49, 944. 55
Total.....	555, 124. 51

Statement of revenues of the Moro Province for the fiscal year 1907.

PROVINCIAL REVENUES.

	Moro Province.	District of—					Total.
		Zamboanga.	Sulu.	Cotabato.	Lanao.	Davao.	
Land.....		P20,715.92	P3,299.51	P1,622.87	P3,148.54	P4,643.69	P33,420.53
Registration of property.....		410.05					410.05
Moro exchanges.....		6,608.53	2,080.29				8,688.82
Cedulas, Moro non-Christian.....		3,370.00	4,846.00	6,548.00	2,281.00	4,754.00	21,799.00
Cedulas, act No. 1189, Philippine Commission.....		6,291.00	1,466.00	925.00	7,278.00	8,197.00	24,167.00
Arms permits.....		241.00	43.60	181.00	222.00	861.00	1,648.60
Tribal ward court fines.....		286.10	40.00			58.00	384.10
Sale of products, San Ramon farm.....		12,648.15					12,648.15
Sale of products, trades schools.....		1,566.07	3,075.00				4,641.07
Provincial licenses.....		1,700.00	13,890.69				15,590.69
Sale of Chinese tobacco.....		223.95	73.37				297.32
Miscellaneous.....		33.00	10.00	199.00	13.00		255.00
Provincial fines.....							
Internal revenue, refunds.....							
Total.....		54,008.77	28,804.46	9,475.87	12,942.54	18,513.69	221,486.75

CUSTOMS REVENUES.

	Port of—				
	Zamboanga.	Jolo.	Bongao.	Jurata.	Slanki.
Duties on merchandise imported	₱189,265.23	₱156,079.12	₱333.88	₱2,381.86	₱1,907.08
Duties on merchandise exported	5,601.38	4,859.24	53.04	297.82	183.70
Tonnage	1,393.56	411.12	5.16	18.40	9.34
Storage, labor, and drayage	590.96	29.61	5.00	.....	.....
Fines, penalties, and forfeitures	.....	676.00	.....	.....	.....
Licenses	.....	28.58	.....	.....	.....
Sale of customs stamps	2,235.70	1,527.30	183.50	151.70	227.00
Immigration tax	592.00	516.00	4.00	2.00	19.00
Miscellaneous fees	693.11	590.00	5.00	.....	.....
Sale of blank forms	115.40	85.43	12.41	13.06	24.49
Lighterage and harbor license	36.98	.....	.....	.....	.....
Duties on merchandise sold	.....	16.50	71.54	.....	.....
Total	200,519.32	163,816.90	693.53	2,869.84	2,375.61
					870,275.20

RECAPITULATION.

Provincial revenues	₱221,436.75
Customs revenues	870,275.20
Total	591,711.95

INTERNAL-REVENUE COLLECTIONS (INSULAR).

	District of—			
	Zamboanga.	Sulu.	Cotabato.	Lanao.
Internal-revenue stamps	₱21,363.83	₱13,539.12	₱5,787.77	₱9,921.61
Documentary stamps	1,243.74	468.82	158.96	429.32
Opium	15,668.95	16,979.71	2,739.79	1,456.19
Forestry	6,626.05	656.10	1,471.71	842.11
Total	45,102.57	31,643.25	10,158.23	12,149.23
				115,578.85

Table giving classification of municipal revenues as taken from the accounts of district treasurers, and shown by districts.

	Zamboanga.	Sulu.	Cotabato.	Lanao.	Davao.	Total.
Fisheries.....		P15.00		P109.65		P124.65
Cattle registration.....	P158.00	812.00	P274.00	1,218.00	P2,567.00	5,029.00
Rents and profits.....	11,100.61	3,454.11	1,694.27	4,928.01	2,953.67	24,130.67
Licenses.....	17,099.85	10,426.55	10,727.00	13,888.12	5,090.51	57,172.03
Fines.....	1,851.41	1,248.43	7,273.14	9,757.43	5,554.37	25,684.78
Lineal frontage.....		2,123.78	455.24		487.70	3,066.72
Latrine.....		1,034.45			962.47	1,996.92
Refunds.....	1,069.47	96.83			.50	1,196.80
Internal revenue, municipal.....	1,814.80	242.50	1,510.00	1,032.50	1,122.50	5,722.30
Opium users' certificates.....	1,030.00	1,195.00	75.00	585.00	40.00	2,925.00
Street cleaning.....		571.00				571.00
Sale of stray animals.....				38.20		38.20
Total.....	31,124.14	21,219.65	22,008.65	31,550.91	18,718.72	127,658.07

Statement showing the deposits and withdrawals of funds not classed as provincial revenue for the fiscal year ended June 30, 1907.

	Congressional relief funds.	Subsidies, Sultan of Sulu.	anchors and buoys.	Arrastre.	Extra services, customs employees.
Balance July 1, 1905.....	P21,405.47		P1,680.90	P1,573.58	
Deposits.....	2,995.60	P15,062.50		3,024.59	P408.75
Total.....	24,401.07	15,062.50	4,680.90	4,598.17	408.75
Withdrawals.....	23,461.00	15,062.50		2,100.00	408.75
Disbursements.....			3.62		
Balance June 30, 1907.....	940.07		4,677.28	2,498.17	
Total.....	24,401.07	15,062.50	4,680.90	4,598.17	408.75

Statement showing customs receipts for the fiscal year 1904, 1905, 1906, and 1907 and cost of collection as against receipts.

Fiscal year.	Amount of collections.	Cost of collecting.
		<i>Per cent.</i>
1904.....	P222,388.77	24.9
1905.....	251,242.13	20.8
1906.....	318,394.10	13.7
1907.....	370,275.20	13.5

Comparative statement showing per cent of increase and decrease in customs revenues, by ports, for the fiscal years 1906 and 1907.

Port.	1906.	1907.	Increase.	Decrease.
			<i>Per cent.</i>	<i>Per cent.</i>
Zamboanga.....	P178,776.86	P200,519.32	12.3	
Jolo.....	134,262.39	163,816.90	22	
Bongao.....	2,913.57	694.53		76.4
Jurata.....	2,228.96	2,869.84	28.7	
Sitanki.....	200.32	2,375.61	134	

Statement of exports as shown by records of collectors of customs for the fiscal years 1906 and 1907.

Port.	1906.	1907.	Increase (per cent).
Zamboanga.....	P259,588.00	P308,790.00	53.33
Jolo.....	142,533.00	183,707.00	28.8
Total.....	402,071.00	582,497.00	

Statement showing the general revenues and withdrawals for general provincial purposes for the fiscal year ended June 30, 1907.

DR.

On hand July 1, 1906.....	P51,054.40
Provincial revenues.....	121,954.03
Customs revenues.....	368,912.90
Refunded by insular treasurer.....	97,698.42
Repayments by appropriation.....	11,750.66
Exchanges of currency.....	20.92
Miscellaneous refunds.....	69.70

CR.

Withdrawals from appropriations.....	591,792.93
Balance on hand June 30, 1907.....	59,666.10
	651,459.03

Statement of expendable property issued to the various departments during the fiscal year ended June 30, 1907.

Executive.....	P4,849.23
Treasury.....	3,616.68
Education.....	234.71
Justice.....	280.20
Public works and supply.....	46.68
	9,027.50

Statement showing cost of maintaining the various departments of the government of the Moro Province as against the revenues for the fiscal year ended June 30, 1907.

[Cost of expendable supplies furnished each department is included in these figures.]

	Per cent.
Executive.....	12.8
Treasury.....	10.2
Education.....	17.7
Justice.....	6.4
Commerce.....	4.8
Agriculture.....	1.8
Health.....	1.1
Launches.....	2.2
Public Works and Supply salaries and miscellaneous.....	4.5
Public works and maintenance.....	24.8
Customs.....	8.4

Statement showing increase or decrease of provincial revenues, fiscal years 1906 and 1907.

Class.	1906.	1907.	Increase.	Per cent of increase.
Provincial collections.....	P204,536.12	P221,436.76	P16,900.63	8.26
Customs collections.....	318,391.10	370,275.20	51,884.10	16.2
Total.....	522,927.22	591,711.95	68,784.73	13.15

Statement showing balance available for appropriation on July 1, 1907, after deducting outstanding obligations.

CR.	
Balance on hand June 30, 1907.....	₱67,781.82
Unexpended balances to be returned by disbursing officers.....	29,157.17
Internal revenue due from Insular government.....	24,546.32
June collections not yet deposited.....	5,562.11
Total.....	127,047.22
DR.	
Amount due Insular government, customs expenditures.....	88,041.49
Other outstanding obligations.....	21,570.01
Balance in favor Moro Province.....	17,435.72
Total.....	127,047.22

Statement of financial condition of the Moro Province June 30, 1907.

[This statement includes all funds in the hands of disbursing officers and all collections undeposited.]

CR.	
Balance on hand June 30, 1907.....	₱67,781.82
Unexpended balances to be returned.....	29,157.17
Unexpended balances, public works.....	2,529.33
Collections undeposited.....	5,562.11
Internal revenue due from Insular government.....	24,546.32
Total.....	129,576.54
DR.	
Amount due Insular government, customs expenditures.....	88,041.49
Other outstanding obligations.....	21,570.01
Balance in favor Moro Province.....	19,965.04
Total.....	129,576.54

Statement showing receipts and disbursements and balance remaining on hand of municipalities of the Moro Province, fiscal year 1907.

Municipality.	On hand July 1, 1906.	Received during fiscal year 1907.	Total.	Disbursed fiscal year 1907.	Balance on hand June 30, 1907.	Total.
Zamboanga.....	₱4,031.92	₱36,691.74	₱40,723.66	₱35,891.71	₱4,831.95	₱40,723.66
Jolo.....	1,474.15	19,122.24	20,596.39	17,620.90	2,975.49	20,596.39
Siasi.....	153.17	2,100.91	2,254.08	1,981.43	322.65	2,254.08
Davao.....	1,075.77	11,021.40	12,097.17	10,748.80	1,348.37	12,097.17
Caraga.....	441.49	1,799.45	2,240.94	1,109.83	1,131.11	2,240.94
Cateel.....	35.65	1,466.85	1,502.50	1,004.99	497.51	1,502.50
Bagauga.....	779.18	3,035.03	3,814.21	1,328.34	2,485.87	3,814.21
Matl.....	1,273.69	1,376.00	2,649.69	2,058.39	591.30	2,649.69
Cotabato.....	1,854.20	8,181.34	10,035.54	7,989.99	2,045.55	10,035.54
Parang.....	1,886.92	15,198.37	17,085.29	15,433.40	1,651.89	17,085.29
Iligan.....	5,117.41	13,194.70	18,312.11	10,914.70	7,397.41	18,312.11
Dapitan.....	6,759.00	14,747.17	21,506.17	11,602.52	9,903.65	21,506.17
Malabang.....	1,582.28	5,387.03	6,969.31	4,297.04	2,672.27	6,969.31

The treasurer's report shows a gratifying increase in receipts, the fiscal year closing with sufficient cash in the Treasury to cover all outstanding liabilities and leaving a balance on hand.

The organic law of the province has been modified by act No. 1631 of the Commission, under which the legislative council may by resolution abolish the office of district treasurer in any district where the duties thereof are to be performed by the provincial treasurer, and may reestablish said office when it shall deem such action expedient. In accordance with this law the legislative council by its resolution of June 25, 1907, abolished the office of district treasurer of Zamboanga, resulting in an annual saving of ₱3,920 to the province.

The customs receipts show a healthy increase and exports a large increase. The maintenance of the subports of entry in this province continues to be for it a losing investment. The subport of Bongno showed a decrease in revenue of 76.2 per cent during the year, and was ordered closed on September 1, by the

government in Manila. Sitanki is developing a good trade in dried fish. During the year a light wharf and warehouse were constructed by the local merchants and the South Philippines Steamship Company for handling this article and other products of the sea. It is possible that this port may become a paying one in the future.

It is believed that great benefit would accrue to the province if the port of Davao were opened, as requested by the legislative council under date of October 24, 1906. At present the government of the province is getting practically no benefit from the hemp exported from the province and from imports used in the district of Davao. Earnest efforts will be made to handle as much of this trade as can be secured by legitimate methods through ports in the Moro Province.

The payment of collectors of customs and all expenses connected with the administration of the customs service in the Moro Province should be made directly by the treasurer of the Moro Province. The present method involves a deposit with the insular treasurer to the credit of the various collectors of customs and the disbursement of this amount by the collectors in person. The method is cumbersome and involves unnecessary work for the collectors of customs and a division of property responsibility which results in loss to the Moro Province, since property for the customs service hitherto purchased with provincial funds has been taken up by collectors on their property returns as insular property. A modification of the method of handling the property has already been approved by the insular collector of customs, and in future all purchases of supplies, both expendable and nonexpendable, for custom-houses in the Moro Province will be made by the engineer of the province and the articles issued to collectors of customs on memorandum receipt, the provincial engineer being accountable and rendering returns for the articles so issued.

The act of the Philippine Commission organizing the government of the Moro Province set apart for its financial support the customs revenue actually collected at its ports of entry. It is manifestly a matter of growing interest to various persons that importations demanded by the growing wealth and industry of the province should be entered at other ports of the islands and transhipped hither. It is of equal manifest interest—more, it is of vital importance—to the provincial government that the largest part possible of these importations be entered at provincial ports and pay duty here. In order to perform even a small part of the work devolving upon it, the government must not only do everything possible to protect its existing revenue, but also to increase it. Measures taken for this purpose are sure to prove obnoxious to some interests which have no responsibilities connected with the administration of this government. We have had to work hard for our revenue and must continue to do so until some other method of financial support is devised.

PUBLIC WORKS.

The expenditures in this department during the year and the objects on which expended are shown in the statements under the heading "Finance." For the current year ₱110,050 have been appropriated for new work on public buildings, roads, trails, wharves, custom-houses, etc.; ₱46,221 for maintenance, and ₱40,000 for supplies.

The steady policy of the provincial government has been to do the most that it can with its revenues and to keep out of debt. As the annual appropriations are made in advance of receipt of the revenue, the new works can be undertaken, in the order of their assumed importance, only as sufficient money therefor, has accumulated.

The policy of keeping out of debt is in the abstract a sound one, but sometimes the incurring of debt is good business. The provincial government during the past year wished to borrow ₱500,000 to be expended in much-needed public works and to be secured by the customs receipts. Even with no increase in our revenue this debt could be extinguished in a comparatively short term of years. But these works would at once greatly increase the revenues of the province, still further shortening the period of the debt and increasing the security. It will be years before they can be undertaken through the ordinary increase in the revenue. It was found, however, that there was no power under the law to obtain the loan in the way proposed and the idea had to be abandoned.

During the past year the most important work under way was the new provincial building. At the close of the year this was 95 per cent completed,

and that part of it is assigned to the treasury department has been occupied. At the date of writing this report the building is completed and occupied by the various branches of the government and by the court, of first instance.

The allotment from the Congressional relief fund for work on the Iligan-Lake Lanao road having become exhausted in November, 1906, the work was turned over to the Quartermaster's Department, United States Army, by whom it has been continued since that date. This road is now in excellent condition and has given no trouble during the year. Bridges on the Camp Overton-Iligan road have all been completed excepting that over the Iligan River.

The roads in the vicinity of Zamboanga have been maintained in fair condition, although the original light character of the construction is now beginning to show up and extensive repairs will be needed during the coming year. A 46-foot reinforced concrete arch bridge has been constructed during the past year at Putig on the Mercedes road at a cost of less than ₱4,000, proving conclusively that this style of construction, if supervised by a competent man, is practically no more expensive than a wooden bridge of like dimensions and strength, and when the question of durability is considered the comparative advantages of the concrete steel construction are most evident. Only one-half mile of new road has been constructed during the year on account of lack of funds.

The various municipalities have done more or less municipal work during the year. In Jolo the curbs and gutters have been completed, and it is hoped that arrangements can be made to connect with the water and sewerage systems installed by the military authorities in Jolo. In Davao the streets have been graded, ditched, and partly metaled, and a strong and durable market with galvanized-iron roof and hard-wood harigues has been constructed, largely by voluntary contributions of labor and material. In Parang the streets have been graded, ditched, and metaled, an excellent bridge constructed across the Nituan River, a road thereto built from the town, and a schoolhouse constructed, partly with municipal and partly with provincial funds. In Zamboanga a large amount of street work has been done, involving curbs, a small amount of sidewalk, and also metaling of the streets. A municipal market of steel with concrete flooring has been ordered, the material received, and construction started.

During the coming year it is hoped that the amount of road work done may be largely increased, as more funds will be available, not only from current revenues, but a large amount of labor and money should be available under the new road law of the province.

EDUCATION.

During the greater part of the year the provincial governor has been ex-officio superintendent of schools; the work of administration has been actually performed by Mr. Charles R. Cameron, the assistant superintendent, to whom the entire credit for this administration is due. Mr. Cameron has, since the close of the fiscal year, been appointed superintendent of schools, under authority granted by the Philippine Commission in its act No. 1673. The following data are taken from his report.

During the year there was an average of 21 American teachers on duty in the Moro Province. Of this number 4 were engaged in advance or industrial instruction, 3 were deputy superintendents engaged partly in the work of supervision, 7 were engaged in primary instruction of Moros, and 7 in primary instruction of Filipinos.

During the year there was an average of 65 native teachers on duty—43 men and 22 women. Fifty-six were Christian Filipinos and 9 were Moros. Of the 56 Christian Filipinos, 2 gave instruction exclusively in Spanish, and 54 in English. Of the 9 Moro teachers, 4 gave instruction exclusively in Moro and 5 in English. Of the 59 native teachers who gave instruction in English, 43 had received a grade of instruction equaling or exceeding the primary course. As regards ability to teach, 23 were able to teach the primary course in its entirety, while 3 of this number could teach Grade V. The current school year will see a rapid increase in attainments and ability to teach, owing to the appointment of graduates and students of the Zamboanga provincial school, and it is hoped in a few years more to eliminate from the service practically all native teachers who are unable to teach the entire primary course. The assistant superintendent reports:

"In communities where Moros predominate and Moro sentiment is strong, Christian Filipinos are unable to act as teachers. Moros qualified to be teachers are as yet few in number, and consequently it is often necessary to assign Americans to the Moro schools. This explains the fact that the same number of American teachers is engaged in the Filipino and Moro primary schools, although the enrollment of the former is six times that of the latter.

"The remoter districts of this province, through their backwardness and their isolation during part of the year, offer considerable hardships to the American teachers. Some of the latter have been stationed in Moro settlements where food and even good shelter have been difficult to obtain. In spite of all these trials, however, the American teachers, with scarcely an exception, have performed their tasks with the greatest fidelity. At the beginning of the current school year the legislative council authorized two additional American teachers, class 8, and, therefore, although a smaller number will be employed during the current year the rate of pay will be higher. It is hoped that the future will see a steady increase in the pay of the American teachers. In that way as the increasing efficiency of the native force makes possible a gradual reduction in the number of American teachers the liberal promotion of the latter will enable the province to obtain and hold the very best school men available."

The average monthly salary of native men teachers employed last year was ₱37.32 and that of native women teachers ₱26.13. These figures may be compared with the compensation received by municipal teachers in the bureau of education during the school year 1905-6, which averaged ₱18.01 for the men and ₱17.62 for the women. Recently the legislative council has authorized the employment of 10 additional native teachers, and when these new positions are filled it is probable that in no province outside of the city of Manila will native teachers be so well paid as in the Moro Province.

During the school year 58 schools were in operation in the province. Of this number, 55 were primary, 2 purely industrial, and the remaining 1 the provincial school of Zamboanga. Three schools were discontinued during the year—1 at Bongao, district of Sulu; 1 at Caraga, district of Davao, and the girls' school at Dapitan, subdistrict of Dapitan. The first was closed on account of economic conditions, which caused the emigration from Bongao of a large part of the Moro inhabitants. The other two were closed on account of lack of support on the part of the people. On the other hand, however, 3 new schools were established—1 at Boston, district of Davao; 1 at Santa Filomena, district of Lanao, and 1 at Parang, district of Sulu.

Night schools were maintained during the year in Zamboanga, Jolo, Iligan, and Davao. These schools are not considered to be an essential feature of our educational system, and from motives of economy have been discontinued.

Two vacation normal schools for native teachers were held during the year. One normal school was held during the months of January and February, during which months the native schools not under charge of American teachers were given a vacation on account of harvest time. The other was held during the regular long vacation in the months of April and May. In both of these normals the greatest emphasis was laid upon industrial work. During the morning session the ordinary subjects were taught, but the afternoon was devoted solely to industrial work.

Closely related to the work of the vacation normal schools is that of the Saturday class for native teachers, held in Zamboanga each year from July to December. All native teachers stationed within a radius of 5 miles are required to attend and receive instruction from the American teachers detailed therein. This class also offers an excellent opportunity for explanation of all questions of school policy and management which may arise during the year, and thus in a way compensates for the lack of supervision. In respect to the difficulties attending school inspection and supervision the assistant superintendent reports as follows:

"The 55 primary schools of this province minister to the needs of 28,766 square miles—one school to each 523 square miles. From the school of Boston, district of Davao, to that of Siasi, in the district of Sulu, is a journey of 750 miles, while a complete inspection of provincial schools necessitates about 3,000 miles of travel. From these figures will readily be apparent the enormous difficulties attending school inspection and supervision in the Moro Province. Up to the present year most of the supervision has been carried on from this office, but the insufficiency of such inspection is obvious. The increasing efficiency of the native teaching force and the corresponding reduction in the num-

ber of American teachers engaged in primary work makes it financially possible to assign a certain number of American teachers to the work of supervision. Such action is rendered feasible by the fact that most of the primary schools of the province are grouped within a radius of 50 or 100 miles from certain centers. The entire province has therefore been divided into the supervising districts of Zamboanga, Jolo, Iligan, Cotabato, Davao, and Baganga, and the coming school year will see supervisors at work in three or four districts. Supervisors are expected to make the rounds of their districts once a month and remain from three days to a week in each school. It is hoped eventually to place supervising teachers in all these districts, with possibly an additional district in Dapitan. The legislative council has recently made provision for the commutation of transportation in the case of supervising teachers who furnish their own horses, and such commutation has been granted to one supervisor."

On September 1, 1906, a new primary course of instruction was issued for the schools of this province, providing for four years of primary study and laying great emphasis upon industrial work. Upon this new course of instruction the assistant superintendent reports as follows:

"Considering this kind of education from a practical standpoint, we find that certain conditions are essential to the best results.

"(a) The work prescribed should be simple, so as to require the minimum outlay for tools and at the same time provide the maximum amount of manual training. (b) The work should be suited to the locality in which it is taught; that is, it should be either a standard local industry which can advantageously be taught to the children, or some new industry which it is feasible and desirable to introduce. (c) The materials should be cheap, or, better still, obtainable by the children themselves. (d) The produce should be useful, salable if possible, and (e) should be artistic, so as to develop to the highest degree the artistic sense of the pupil.

"The industrial work prescribed in the new course was planned having in mind the foregoing considerations. Stick laying, slat plaiting, paper folding, block building, and other kindergarten occupations, the materials for which can usually be provided by the teacher, are prescribed for the first grade. Second-grade pupils take up the weaving of hats and mats and other articles from pandan and burl. One or the other of these materials can usually be obtained by the pupils themselves. Furthermore, the hat and mat industries, though of the greatest practical utility, are little practiced by the Christian Filipinos of this province. By the use of colors and patterns, this weaving gives the pupil an opportunity to develop his artistic sense. In the first and second grades the boys and girls work together. In the third and fourth grades, however, the work of the sexes is separated, the boys taking up rattan working and the girls needlework. Both of these branches of industry conform very closely to the requisites enumerated above. During the intermediate course the girls continue needlework, while the boys spend one hour each day in carpentry.

"Great difficulties have attended the introduction of industrial work in our primary schools. Principal among these has been the unfamiliarity of the teachers themselves with industrial instruction. This defect, however, has been partly overcome by careful training in the normal schools and by occasional rigid inspections of work done. As a result, practically every child attending the public schools during the past year has received a certain amount of instruction in industrial work. A little consideration will show the great economic value of even a limited amount of such training. For example, considerable emphasis has been laid upon the fabrication of the common hat woven from burl leaves, which retails for 25 centavos. The materials are usually obtained by the children and cost nothing. If each child enrolled in our primary schools last year had made a single hat of this kind, the economic saving to the community would have been ₱1,257.50 during the lifetime of a hat, which is certainly not more than a year. If we assume that there are in this province 30,000 Christian Filipinos of the male sex, and that all, or at least one member of each family, has acquired the ability to make a hat, then the economic saving of a generally disseminated knowledge of hat making would be about ₱7,500 per annum."

During the year, 3,454 male and 1,040 female pupils were enrolled in the public schools, with an average daily attendance of 1,887 male and 1,081 female pupils. The total enrollment was, therefore, 5,394, with an average daily attendance of 2,968. This shows an increase over last year of 27 per cent in

enrollment and 47 per cent in attendance. The figures for each year since the organization of the Moro Province are as follows:

School year.	Total enrollment for year.	Average daily attendance.
1908-9	2,114	1,582
1904-5	3,617	2,083
1905-6	4,235	2,021
1906-7	5,394	2,908

"The total enrollment of 5,394 for 1906-7 includes 4,414 Christian Filipinos, 793 Moros, 165 pagans, and 22 Americans. Reckoning about 60,000 Christian Filipinos in the province, there are 12,000 children of school age, one-third of which, or 4,000, should be in school at one time, according to the standard fixed in the bureau of education. It therefore appears that so far as the Christian Filipinos are concerned our enrollment has already passed this limit. However, it may be maintained that as our primary course has been lengthened to four years the per cent of children in school at one time should also be raised, the purpose being to give every child in the community an opportunity to complete the primary course while of school age. Considering, then, that this course may be pursued at any time between the sixth and sixteenth years—a period of ten years—of 12,000, or 4,800 children, should be in school at one time. Even from this calculation our enrollment falls less than 400 short of the required number. It is necessary to consider in this connection, however, that an unusually large proportion of the Christian population of this province live in the country and in detached hamlets which it is not practicable to reach with schools.

"The density of population of the archipelago is 67 inhabitants to the square mile. The density of the Moro Province alone is 15 to the square mile. It is not at present practicable to support a school in any barrio where school population falls below 40—that is, a barrio having a population of 200—the average attendance in the primary schools of the north for 1905-6 having been over 100. We learn from the census reports that but 7 per cent of the Christian population of the north live in barrios of less than 200 population, while in the subdistrict of Dapitan, Moro Province, 30 per cent of the Christians live in barrios falling below this limit. Although the census reports give no definite information covering the whole province, it is probable that, on the average, 20 per cent of our Christian population live in barrios of less than 200 inhabitants. There are, then, living beyond the reach of the schools of the province 13 per cent more of the Christian population—1,560 children of school age—than live under similar conditions in the north. Here practically every Christian barrio of sufficient size is already provided with a school, and we may therefore conclude that so far as the Christian population is concerned our school system at present covers practically the whole field with all necessary thoroughness.

"We find conditions far different, however, when we consider the Moro and pagan peoples. The Moro Province has about 50,000 Moro children and 28,000 pagan children of school age. Twenty thousand Moro children and 11,200 pagan children should therefore be in school at one time, yet last year's enrollment shows but 793 Moros and 165 pagans. This enormous discrepancy between the proportion of Christian and non-Christian children enrolled is due to various reasons aside from the greater natural friendliness of the Christians toward our schools. One fact which has greatly influenced patronage of the schools is that the Christian population, although exceedingly scattered as compared with the north, is nevertheless vastly more compact than the non-Christian population. The former, being composed almost wholly of immigrants who have settled around Spanish or American garrisons, is centered near the seaports or along the coast in places easy of access. The necessity for self-defense has made these settlements comparatively few. On the other hand, the nomadic pagan tribe wander over the vast interior territory, forming few villages, and these, at best, have a constantly shifting population. Pagan villages of sufficient size to support a school are therefore practically nonexistent. The few pagan children enrolled are members of families who have been attracted to already existing settlements by the more stable conditions of life. In the possibility of such attraction lies the hope of the future. Migratory habits

are induced largely by the quest for food and the absence of vested property interests, the latter due to a feeling of insecurity. If adequate protection for property and an unfailing means of livelihood be provided, the primary cause of nomadic habits among our pagan tribes will have been removed. The necessary conditions seem to be fulfilled in the agricultural settlements which have been formed amid the wild tribes dwelling around the Gulf of Davao. Here we find villages of considerable size growing up on the hemp and cocoanut plantations which have been established so extensively in the Davao country since the American occupation. Labor on the plantation furnishes a never-failing means of gaining a livelihood, while property which may be accumulated is perfectly protected.

"In a word, certain progress in civilization must be made before the schools, as ordinarily understood, can begin effective work. As a preparatory step the wild man must establish communal relations and learn to be an orderly and useful member of society, however crude that society may be. Then and only then can the schools begin their task of individual and social development.

"The Moros, who inhabit both the interior and the seacoast, break very slowly with their ancient migratory habits, and their villages, though quite numerous, lack permanence. Precisely the same measures which will counteract these conditions among the pagans are applicable to the Moro communities.

"It appears, then, that the solution of the non-Christian problem lies in the greatest possible encouragement of the agriculture, manufacturing, and commerce of the Moro and pagan peoples. The development of these branches of industry will induce community life and the accumulation of property—conditions themselves highly civilizing as well as essential to the establishment of schools."

In his report to the governor the assistant superintendent of schools strikes the keynote of the situation in his remarks upon the immediate purpose of our system of education in the primary schools of the Moro Province:

"It is essential for the Filipino child to know how to live, not in the highly organized society of America or Europe, but here in his own native land, surrounded by more primitive conditions. And if this is the true purpose of education it would be foolish for us to impose upon the great mass of the Filipino peoples an education calculated to fit them for life under conditions which do not obtain in their native land and which, even under the most favorable circumstances, can not obtain there for generations to come. It is, indeed, a legitimate purpose of education to stimulate healthy, natural growth to the utmost. We are therefore justified in teaching in the schools concepts a step in advance of existing conditions, that our pupils may be fitted to lead in the national development. But no step in the orderly development of national life can be slighted or omitted. The foundations must be well and firmly laid if we wish to raise an enduring superstructure.

"We have then to consider what is the next step to be taken in the orderly development of the people of this province. Few will gainsay the assertion that no considerable progress in culture or in any phase of national life can take place without the practical basis of material prosperity. And material prosperity in the Moro Province means agricultural and industrial expansion. The immediate purpose of education in our primary schools should be, then, to lay the solid foundations of prosperity by stimulating our agricultural and industrial development; that is, every primary school of our system, though including the ordinary subjects in its curriculum, should lay emphasis upon industrial or agricultural training. This does not mean, however, that opportunity should not be given to all who so desire to educate themselves for professional careers. It merely determines the kind of instruction which will be most useful to the vast majority of pupils whose opportunities for education are limited to the primary school."

Very little in the way of repairing or erecting school buildings has been done during the past year. This has been due in a measure to the ruling of the insular auditor that permanent improvements exceeding ₱250 could not be made upon land the title to which had not been duly registered. There are in the Moro Province upwards of 32 school lots which have always been regarded as public property, but none of which has been registered. Many of the buildings situated thereon are in urgent need of repair, but, due to the length of time which experience has shown that registration proceedings require for completion, if the auditor's ruling were strictly enforced a large proportion of our schoolhouses would have to be abandoned during the next two years and the

province thereby lose thousands of pesos. Preliminary steps have been taken toward the registration of all lots claimed for school purposes, and it is hoped that, until registration proceedings are completed, the auditor's ruling may be waived in the case of all school lots the titles to which are satisfactory to the provincial authorities.

The total cost of operating the educational department for the fiscal year 1907 was ₱104,996.82, or, deducting the cash revenue derived from the trades schools, a total actual cost of ₱103,430.75. This gives an average cost of ₱19.17 for each pupil and ₱34.81 for each one of the average number of children in daily attendance. The average cost for the year 1906 was ₱66.30 in the Moro Province, as compared with an average cost of ₱12.53 in the northern provinces for the same year.

The reduction in the average cost for this province during the past year was due to the smaller number of American teachers, to the fact that a good stock of supplies was on hand at the beginning of the year, and to the increased average daily attendance. Our average expenditure per pupil, however, is still nearly three times that of the bureau of education. This is due to our more scattered population and our greater proportion of American teachers employed. Owing to the scattered population, the average daily attendance of each of our 55 primary schools for the last school year was about 50, while the corresponding figure for the bureau of education for the preceding year was over 100. Further, because of backward conditions here, it has been necessary to assign 14 American teachers (two-thirds of the whole number employed) to primary work. In the bureau of education practically no Americans are thus employed. If these 14 American teachers were stricken from our pay roll, this one item would reduce our cost per pupil from ₱34.81 to ₱25.62, and would still leave us about the proportion of American teachers (1 to 500 attendance) which obtained in the north during the year 1905-6. The greater average cost of education in the Moro Province is due entirely to the backward conditions which exist here, and a reduction can only come with the material development of the province.

The foregoing statement of conditions in the educational department of the Moro Province, as presented in the report of the assistant superintendent, shows the imperative necessity of a great increase in the revenues available for this department if any rapid increase in the education of the children of the province is desired. I fully agree with Mr. Cameron that the basis of our primary educational system should be very largely industrial; but the equipment and maintenance of trade schools, except those of the most elementary character, is very expensive. If ₱1,000,000 were to be immediately available for this purpose, I am convinced that within ten years the educational progress along its true lines, reenforcing and hastening the material development of the people, would put this province at a point which it will not reach within a generation under present conditions.

THE SAN RAMON FARM.

Receipts and expenditures.

Receipts:

From sale of hemp	₱4,032.90
From sale of copra	7,934.02
From sale of seeds and plants.....	582.70

Total..... ₱12,549.62

Expenditures:

For salaries and pay rolls.....	8,570.02
For contract work, on hemp and copra	1,805.85

Total..... 10,375.87

Balance in favor of the farm..... 2,173.75

Hitherto the operations of the farm have resulted in a deficit. The results for the past fiscal year are mainly due to the adoption and use of improved patterns of tools and implements and to economy in the use of the labor employed, and not to an increase of products. The copra crop has been less than in some former years, but the hemp crop shows an increase over former years.

The plan of paying a small percentage of the net profits of the farm to the superintendent in addition to his salary has worked well and will be continued for the ensuing year. During a portion of the present year 10 provincial con-

victs have worked at the farm and have given such satisfaction that the number will be increased to 30 or 40 as soon as proper quarters can be provided for them, which in all probability can be readily done by transforming part of the old sugar mill into a temporary prison. Hitherto the principal difficulty in the profitable operation of the farm has been the lack of a sufficient and reliable force of laborers. During the year additional cocoanut trees have been planted, a small amount of new roads have been built, and plans prepared for an irrigation system, which will render the farm independent of the severe droughts to which this portion of the Zamboanga Peninsula is subject. One of the principal difficulties thus far in handling products of the farm has been the question of transportation. During the coming year it is hoped that a first-class wagon road may be built from San Ramon to Caldera Bay. A small wharf may then be constructed at the latter place at slight expense, and the products of the farm can then be shipped without difficulty at all seasons of the year. This road and wharf will, in addition, be of the greatest value to the numerous cocoanut plantations adjacent to Caldera Bay.

OPERATION OF EXISTING LAWS AND NEW LEGISLATION.

The tobacco act has continued in satisfactory operation in Jolo without further complaint from interested parties. The income therefrom has, however, been greatly below that which was estimated at the beginning of the year.

The enforcement of the land tax in this province as modified by act 168 of the legislative council has worked satisfactorily and has resulted in a great deal of new planting and working of land which hitherto had lain dormant.

A large increase in the number of cedulas collected for the year as compared with 1906 is shown, particularly in Cotabato, where the activity of the district governor and secretary in traveling over new and unexplored country has given very satisfactory results. Act 174, authorizing the collection of the cedula tax among non-Christians by superintendents of Moro exchanges, has worked satisfactorily and has added to the increase in cedula collections already mentioned.

The compulsory school law has increased the attendance at schools both directly and indirectly, as the parochial schools, finding that children would be compelled to attend the public schools unless accommodations were provided for them at parochial schools, have shown great activity in improving the parochial schools and increasing their capacity.

Act 176, which permits the issue of shell-fishing licenses to any vessel wholly owned by citizens of the United States, etc., regardless of the locality of her construction, has resulted in the addition to that industry of a large pearling fleet, which has engaged in a growing and profitable business during the past year.

Under act 180, providing for the compulsory employment of able-bodied prisoners serving sentence in district or municipal jails, a large amount of municipal work has been done by prison labor, and a decided improvement in the appearance of municipalities is evident.

Probably the most important legislation during the year was the passage by the legislative council of act 187, known as the "Road law of the Moro Province." Under this act every male inhabitant of the Moro Province who is subject to the payment of the poll or cedula personal tax shall labor on the public highways, bridges, wharves, or trails for five days of nine hours each every calendar year or pay the equivalent in cash of such days' labor. This act is along the lines of the road law of the Philippine Commission, act No. 1511, with certain modifications, required by local conditions in the Moro Province. The law seems to have been accepted in the Moro Province in a public spirited way, and no trouble is anticipated in enforcing its provisions. So far as the Moros and other non-Christians are concerned, in many cases in the past, without special legislation, labor has been contributed by them for road and bridge building, notably in the vicinity of Parang, where trails have been constructed from Parang to Pollok and Buldung and a bridge built across the Nituan River, practically without expense to the province.

LAND LAW.

The legislative council concurs with me in recommending the application of the land law in its entirety to the Moro Province.

FORESTRY AND FOREST PRODUCTS.

The year 1907 has shown a marked increase in the output of lumber from the province, due largely to the railroad construction in the north. A new sawmill has been established in Sibuguey Bay, and another one will be put in at an early date in the same locality, and it is hoped that the lumber business from Zamboanga alone during the coming year will approximate ₱50,000 per month. The prices of lumber still seem excessive as compared with American standards, and it is believed that the appearance of another mill in this locality will cause a decided drop in prices. The forests of the province are extensive, but thus far little information is available relative to their value and the possibilities of development. During the past year there has also been considerable development in the planting of rubber trees, and apparently it is an industry which would give most profitable results in this province.

GENERAL CONDITIONS IN THE MORO PROVINCE.

DISTRICT OF ZAMBOANGA.

This district is subdivided into two municipalities—those of Zamboanga and Dapitan—and five tribal wards. The political advancement of the people of a limited portion of the district is undoubtedly greater than in the case of any other part of the province. Yet even in these limited parts the impossibility of granting at this time or for a long time to come local representative self-government is obvious; that is to say, the impracticability is obvious to anyone who believes that the American Government has assumed a responsibility with reference to the advancement of the Moros and the pagans which it can not transfer to anyone else. The two municipalities of Zamboanga and Dapitan contain by far the larger part of the Filipino population in the Moro Province, and of this part by far the larger part is contained in the municipality of Zamboanga. Yet even in this municipality only a little more than one-third the total population is Filipino, the remainder being Moro and pagan. Of the entire district, the Filipino population, including mestizos of all kinds, is less than one-third of the whole, while of the entire province the Filipino population comprises about one-tenth. No one dreams of now giving the Moro and pagan the powers and of imposing on them the responsibilities of self-government. The most advanced of them has no conception of what the word means. Anyone who believes that it is our duty to train them to some understanding of what civilized law is will not dream of putting them under the control of any other element of the native population. We have enough object lessons in this province and elsewhere to show what the local jefe will do to the tribesmen if we put him in power and protect him in the exercise of it. It is the sole cause of the pillage and murder that has been going on in certain sections for an unknown number of years. For a long time to come the proposition to confer on any one native element the power of government would, stripped of all misleading verbiage, amount to the naked fact that the United States would have to hold the larger part of the people by the throat while the smaller part governs it. It is true that we constitute a still smaller part and are forcibly holding the people while we govern them; but if we assume the responsibility of forcibly holding anyone we had better also assume the responsibility of governing him, rather than attempt to pass the responsibility to one who can neither hold nor govern.

The centro of the municipality of Zamboanga is the capital city of the province. It is entirely cosmopolitan in character, and its commercial interests are developing under American, European, and Chinese energy and capital. Until recently the governing body of the municipality was practically entirely Filipino. It consisted of a president, vice-president, secretary, and 12 councilors. After a long and conclusive test of several years it was fairly demonstrated that, without a change, nothing could be accomplished in the way of real improvement and advancement. The municipal council was therefore reorganized with Filipinos as president and secretary, with an American as vice-president and with 5 Americans, 5 Filipinos, 1 European, and 1 Chinese as councilors. The energy and sanity of the resulting administration fully justifies the change. The great difficulty here, as elsewhere, is that the only idle element, the only element with time for political work, is the Filipino. The American, the European, and the Chinese are all hard at work improving and developing the country. Here, as elsewhere, the conditions will improve as the Filipino gets to work and as the American and European begin to realize that municipal ad-

ministration is not political work, but common-sense business directly affecting their material and social progress. In reference to the business transacted in the municipality of Zamboanga the district governor reports:

"The Chinese business interests of Zamboanga are larger than all of the other interests combined. These people are not only merchants, but landholders. They are not parasites, but producers. Their voices are not heard in the legislative halls, nor are they seeking political aggrandizement or official position. They are preeminently traders and producers.

"The Chinese of Zamboanga are proverbially generous in the support of every public measure, improvement, or amusement that will make for the welfare of all concerned.⁶ The largest and best plantations on the plains of Zamboanga are not only owned but worked by Chinese. There is no display about this industrial grasp and control, but the work moves on with that deliberation, patience, persistence, conservatism, and keen knowledge of native customs that means permanent success.

"The Filipino farmer is still grumbling about the loss of his carabao from disease and that, therefore, he is forced to neglect the rice paddies and most other forms of cultivation. The Chinese farmer has had to meet the same difficulties, but he surmounts them by harder personal labor and the adoption of the most feasible schemes to tide over the temporary interruption of his plans. The Filipino farmer is inclined to view these difficulties as visitations of Providence with which he should not meddle nor attempt to circumvent."

There is, however, a gratifying and encouraging increase in the planting of coconuts, hemp, rubber, cacao, and coffee. Both Americans and natives are seeking land in the foothills and mountain ranges back of Zamboanga. Here there is a better distribution of rainfall than on the lowlands, and already most encouraging results with hemp, rubber, coffee, corn, vegetables, and fruits have been realized. Copra is overwhelmingly the principal export product from Zamboanga, and it shows a large increase over the years 1905 and 1906. There has been a large planting of maguey, and abaca, and the increasing production of hemp fiber promises well for the future.

The importation of rice has largely fallen off and amounts now to about what it did in 1905. With proper cultivation the district could supply all the rice that it consumes, while the rice lands of the province could supply the demand of the archipelago.

In Dapitan the agricultural interests are steadily improving. Hemp is by far the principal export, with copra next in importance. The hemp plantings, while not large, indicate a steady growth of this great industry. In the municipality are some 5,000 carabaos, 350 horses, and 300 cattle, and these animals are an important item in the prosperity of the inhabitants. The valleys of the Dipolog, the Ilaya, and the Lubungan rivers afford great opportunities for the growth of coconuts, hemp, and rubber on a large scale, and capital would find ample returns from well-conducted plantations. There is regular transportation by steamers with Cebu, Iloilo, and Dumaguete.

In the tribal wards of the district the governor reports a satisfactory improvement in the condition of the natives, and for the most part a state of good order. Certain points on the coast of the island of Basilan have been the resorts of murderers and thieves from other islands. A secret expedition of constabulary is now being made in the hope of capturing the principal offenders. If unsuccessful, an armed expedition on a larger scale may possibly be necessary. Such expeditions, however successful in their immediate object, are in various ways productive of many unfortunate results. They alarm the timid and suspicious native who is working and obeying the law; they scare him back into the forests and the mountains; they deprive for a long time the planter of his only source of labor, and all this over wide areas which never heard of the crime. In the mind of the native killing is not murder and is amply compensated by a small fine. The case is easily conceivable under present conditions, where it is better that a crime which implies no resistance to the government should go for a considerable time unpunished, while effort is being made to quietly arrest the criminal, rather than that the progress of a large section should be checked for years by a formidable expedition which may or may not be successful.

Throughout the district there has been considerable improvement among the wild tribes along industrial lines, as shown by the increased collection of forest

⁶ They recently subscribed liberally to a fund to pay off the debt on the rectory of the Episcopal Church in Zamboanga.

products and the planting of cocoanuts, rice, and hemp. The Subanos are now protected from the former depredations of their old-time enemies, the Maguindanaos. They are therefore moving about less, are seeking permanent houses, and are moving nearer the seacoast, where they are able to transport their products to the nearest Moro exchange.

In this district the tribal ward courts have worked well. The district governor reports that during the year—

"There has been a large number of murders, cutting affrays, and robberies among the Maguindanaos, and all these affairs have been brought to light and the guilty parties secured through the operations of the tribal ward courts. many of these crimes arise from the oppression of the poor through the nefarious schemes of dattoism. The old chiefs were accustomed to make their living through instigating the commission of crimes on the part of their followers and slaves. A new order of things is gradually dawning upon these people, but the progress of improvement, overcoming the influence of centuries of oppression, ignorance, and superstition, must necessarily be very slow."

There are 20 Moro exchanges in operation in the district of Zamboanga, and it is proposed to establish 10 more. The total business transacted amounted to ₱574,645.17. It is interesting to note American agricultural tools among the articles for sale to the natives at these exchanges. The demand for these tools is constantly increasing as their usefulness becomes known.

DISTRICT OF LANAŌ.

The population of the town of Malabang has increased slightly during the year and is now estimated at 4,000. On the 6th of February, 1907, a large part of the town was destroyed by fire. Since the fire all buildings reconstructed within the prescribed fire limits have been made with hard-wood frames, board sides, and galvanized-iron roofs. About 25 such buildings have been completed or started. During the past year various classes of public work, amounting to ₱3,500, have been constructed. Most of the public improvements have been done with prison labor. New capital invested during the past year amounts to ₱85,000; imports, ₱200,000; exports, ₱30,000. Ten thousand hemp plants have been planted during the year. Five hundred additional hectares in rice have been planted. The increase in live stock amounts to 200 head of cattle and 50 head of carabao. The general condition of the community is good. The Moros in the neighborhood are industrious and are constantly increasing their tilled area and raising more products each year.

The population of Iligan has increased slightly during the past year, now amounting to 2,598. During the past year new capital invested in the community amounts to ₱6,900. Eight hundred and ten hectares of hemp, 12,000 cocoanut trees, and 21 hectares of sugar cane are now producing. Exports for the year, ₱123,000; imports, ₱257,000. The municipality of Dansalan was created by the legislative council on May 24, 1907. The municipal town is Dansalan, situated on the opposite side of the Agus River from the military post of Camp Keithley. Thirty houses are now under construction, and many more will be built as soon as the new municipality is fully organized. The following public works have been constructed without aid from provincial funds:

Constabulary barracks.....	₱300
Dock on lake.....	273
Streets and alleys.....	2,000

The municipal revenues will probably amount to about ₱900 per month. Capital invested thus far, ₱50,000.

The origin of this new town of Dansalan, in the heart of the disaffected Moro country, presents a most interesting study, as it is probably the first and only instance in the Philippine Islands of the establishment of an orderly and well-regulated community after the manner followed by the Anglo-Saxon settlers of the United States. The interesting feature in this case is that the mass of the settlers are not Anglo-Saxons with a long inheritance of the principles of independent and self-governing village life, but are Chinese, Japanese, Filipinos, and Moros who, without hesitation, submitted themselves to the domination and guidance of a few Americans. It is an illustration of what would happen could a sufficient number of American settlers of the old sturdy stock—just such as those who are already here—be induced to settle in the province.

This new town grew out of the necessity of removing the settlement of squatters at Marahui on the military reservation of Camp Keithley. After much de-

liberation they decided to transfer themselves from the northern to the eastern shore of Lake Lanao. They then raised by voluntary subscription the sum of ₱3,000, which they placed in the hands of a committee of three Americans of their number. The latter negotiated with the Moros for an eligible site near enough to the military reservation to be assured of some protection, and purchased it for the above sum. The site was then carefully laid out, and in accordance with a previous agreement lots were sold at public auction to an amount sufficient to reimburse the subscribers of the original purchase price of the site. The remaining lots were then deeded to the town to be sold to new settlers.

This well-considered, orderly, and sensible procedure is, strange to say, in its entirety without sanction of law. Neither the datto, with whom the settlers negotiated, nor any of his followers had proved nor could prove title under existing laws. Neither the individual settlers nor the town could acquire title through the datto, but the datto and all his followers believed that the land belonged to him under Moro law or customs and that he could dispose of it as he did. If the settlers had not recognized these believed rights of his; if they had camped upon the site as being waste, unoccupied, uncultivated public land and should have proceeded to acquire title under the provisions of the land law whenever the latter should be made to apply, without compensation to the Moros, they would have brought on a war. There can be no doubt that their recognition of the fact that the Moro was there with his gun and his spear and that his gun and spear (in the absence of a greater number of opposing guns) gave him a valid title for which they had to negotiate, was the only sensible, civilized, and just thing for them to do. And there can be no doubt that the rights they have thus acquired will in due time be confirmed.

The total estimated commerce of the district of Lanao is as follows:

Exports-----	₱148, 000
Imports-----	457, 000

In addition to this there is a large amount of internal trade, particularly along the shores of Lake Lanao, there being no less than 32 markets held each week at various points in the lake basin.

General conditions.—Excepting the eastern shore of the lake, conditions throughout the district have been satisfactory. During the fall of 1906 government launches visiting Sauwir and the mouth of the Malaig River were frequently fired upon by Moros. On December 13 a camp, consisting of a force from the Fifteenth Infantry and a detachment of constabulary, was established on the Malaig River and was maintained until March 4 following, during which time the situation in Puna-Maciu was carefully studied. It was found that the trouble in Puna-Maciu was due to a long-standing feud between Gundauwall, who claimed the title of sultan of Puna-Maciu, and Mamantun, the siled with Mamantun. After the American occupation Amal Binaning announced his friendship to the American Government. This action increased the hostility of the Gundauwall faction, and there seems no doubt that Amal Binaning used his friendship for the government to advance his own interests. While in the Maciu camp every effort was made to persuade Gundauwall and his followers to come in, and negotiations progressed favorably for some time; but during February certain Puna-Maciu Moros united with Ampuan Agaus on the eastern side of the lake. On March 23, however, Gundauwall presented himself to the district governor at Marahul and announced his intentions of being friendly to the Government. He was then permitted to bring his people back to his old rancheria on the Malaig River. On April 6 the sultan of Maciu, Amal Binaning, Gundauwall, and the Kabugatan of Mimbalay appeared at Marahul in response to an invitation from the district governor, and an effort was made to settle the dispute as to the sultanhip of Puna-Maciu, but was unsuccessful, as neither side was disposed to yield in the matter. On June 8, while a force of constabulary under Lieutenant Furlong was operating on the Taraca River, they were fired on from a house on the opposite side of the river. The fire was returned, and it has since been learned that Mamantun, the sultan of Maciu, who was in the house, was killed. On January 30 the following letter was received from Uti, a fanatical priest:

"The Lion of God to the District Governor, Tomas and Baltazar: "

"Do not come in the night, pigs. If you do I will crush you. Come in the daytime, so that the Moros can see the dead Americans. Ashamed be God.

* Tomas Torres and Baltazar are the official interpreters in the Lanao district.

All of you that come I will give as Sungud (marriage portion) to the Virgin. Durum pacal (the kris that cuts fast) is ready."

Uti had prepared a cotta at Lumbac about 4 miles east of the mouth of the Taraca River, but speedily retreated as soon as an expedition was sent against him.

Nuril Hakim, an influential pandita of Rumayas, has always been unfriendly to the government, and in November, 1906, had sent an insulting letter to Governor Griffith. He was arrested, brought to Marahui, detained one day, and on manifesting a willingness to return whenever called upon to do so was released. During the troubles in Puna-Maciu, Hakim twice visited the camp and made various promises to the district governor, which he failed to carry out. On March 14 information was received that Dimabara, one of the alleged murderers of Private McDonald at Parang, was hiding in Rumayas. An expedition was sent to Rumayas, and Dimabara was found in the house of a kinswoman of Hakim, but succeeded in escaping. On April 7 and 11 defiant letters were sent by Hakim to the district governor. An expedition sent to Rumayas to punish him resulted in driving him and his son, Baguindali, into the mountain fastnesses back of Rumayas. On the eastern side of Lake Lanao the country is exceedingly difficult to operate in and the people have never been thoroughly organized under the civil government. In this part of the district the influence of Ampuan Agaus is predominant. His immediate following is not large, but he has more or less influence among many Moros in Taraca and Romain. His main camp is in the Kamanga Valley on the Romain side of the mountains. The position is naturally a very strong one, and it is practically impossible to attack him by a direct advance into the canyon. An attempt was made to do this on April 26, resulting in the wounding of one officer, two enlisted men, and a guide. The Moros were driven from their position into the mountains surrounding the valley, but none of them were captured. On June 1 a force of constabulary under Lieutenant Furlong was sent into the upper Taraca Valley to reconnoiter and if possible to operate against Ampuan Agaus from that side of the mountains. On June 5 a cotta in Galauan was captured by Lieutenant Furlong, with loss of one constabulary soldier killed and one wounded. The Moro loss was 17 killed. Two Remington rifles and five Tower muskets were captured. During the attack on the cotta the constabulary were fired on from the surrounding cover. It has since been learned that Ampuan Agaus was in Galauan and that his men did the firing from the outside of the cotta. During the remainder of Lieutenant Furlong's stay in the Taraca Valley he was fired on from a number of rancherias, which were punished. The general effect of Lieutenant Furlong's expedition was excellent. On June 18 Lieutenant Furlong and Lieutenant Wood, with a force of constabulary, captured the cotta of Piraku on the Kamanga River. The cotta contained a large supply of rice belonging to Ampuan Agaus, which was destroyed. A Krag and a .30-caliber Winchester rifle were captured. This expedition confirmed a previous report that Ampuan Agaus had his main camp in the upper valley of a branch of the Kamanga River. No further attempts will be made against Ampuan Agaus until the expected constabulary reinforcements arrive. It is known that he has 12 Krags, with an abundance of ammunition, also a considerable number of Remingtons and muzzle-loading muskets.

The general hostility encountered by Lieutenant Furlong in the Taraca Valley pointed to the possibility of a general disaffection, but later developments indicated that the Moros on the eastern side of the lake, while more or less hostile to the Americans, show little or no disposition to unite, as they are unwilling to acknowledge the supremacy of any one man, but prefer to maintain their individual independence.

Practically all the Moro chiefs in this section of the district now in hostility are murderers and slave stealers, and it is the intention of the government to promptly bring them to order and have such of them as are notoriously guilty of crime punished by the courts. It is desired to do this without calling in the military. For this purpose it is intended to establish a camp of not less than 200 constabulary in the heart of the disaffected country. The natives (many of them Moros) who form the constabulary would soon establish peaceful relations with the mass of the people and convince them of our good intentions. The location of criminals would soon be determined and their arrest

effected by two or three men, without the necessity of sending out expeditions, which alarm the entire country and generally fail in their real purpose.

Tribal ward courts are located at Marahul, Iligan, Vicars, and Malabang, but the great majority of cases are brought into Marahul. The greatest part of the tribal ward work consists in arbitrating questions which do not require formal legal proceedings. Probably one-third of the cases concern the relations between dattos and sacopes, who are the lower-class Moros. There seems to be a growing tendency on the part of the sacope class to frequently change their place of residence and to eschew steady labor. With a few gratifying exceptions, the dattos have not yet learned how to handle their men under the new conditions existing under American government. Owing to the low intelligence of the majority of the sacope class, there is ample opportunity among the Lanao Moros for native leaders in industry, commerce, and agriculture, and some of the dattos are beginning to appreciate this opportunity. Two hundred and ninety-four cases have been reported from the tribal ward courts of the district during the fiscal year. Of these, 238 have been settled and 56 are pending. These cases are as follows: Between datto and sacope, 80; slavery, 8; customary law, 28; debt, 49; disputes as to cattle and cattle stealing, 33; theft and fraud, 48; robbery, 6; assault, 14; murder, 6; hostility, 7; boot legging, 3; claims for damages, 12. The great majority of these cases were settled by arbitration.

DISTRICT OF DAVAO.

This district, as is well known, is that one of the province which has received the largest investment of labor and capital for agricultural development. All reports show most gratifying progress and increased prospects. During the first six months of the year there was an unfortunate but inevitable interruption of orderly progress along the established lines. This was due to the murder of the district governor, Lieut. E. C. Bolton, Twenty-third Infantry, in a wanton and entirely unprovoked uprising by a few disaffected local chiefs. This was soon quelled, and Governor Bolton's good work was shown in the prompt revival of the district from the temporary check and the increased rapidity of its progress along the lines established by him. I quote with pleasure, as being due to his memory, the following extract from the last report of his successor:

"The life and work of Lieut. E. C. Bolton as Davao's first district governor have made a deep and lasting impression on all the activities of Davao. His character and the principles for which he stood will continue to influence the people of the district as succeeding years of time demonstrate more fully the wisdom of his policy and the justness of his administration. His work was to lay broad and deep the foundations for the future. These foundations were not alone for material development, but were laid deep down in the hearts of the native peoples themselves. The trust and confidence inspired in this pioneer labor of getting the work of government started throughout the length and breadth of Davao district has been a supreme factor in inducing the cooperation of the tribes people in the work laid out by the present district authorities. This constant factor continues and will continue in the future of Davao."

The population of the district is for the most part undeveloped Moro and pagan tribes, who, however, are easily influenced and controlled by just treatment. As a consequence of their hitherto nomadic life, they are possessed of no real property. With a great majority of the native population the question of food and clothing is the all important one. In some parts of a land so richly endowed by nature many die every year for lack of proper food. From well-grounded fear of unjust treatment by their dattos or lack of protection by them they have lived in a hand-to-mouth way in poverty and want. The infamous "grafting" by Filipino jefes in the coast towns beyond the reach of steady pressure of American influence has made them loath to settle along the coast or bring their products there and has kept them in hiding in the forests of the mountains. The one great aim of the American planters and of the government has been to induce them by just treatment to settle in fixed communities along the coast, where their labor will be of equal value to them and to the planters, where schools can be established among them, and where the spread of the merest rudimentary notions of sanitation will result in a rapid increase in their numbers. For these reasons the dominant idea of the government has been and is economic progress—progress entirely of a material nature—as only in this way can a sure foundation be laid for future advancement

along social, moral, and intellectual lines. The governor and his subordinates in their ceaseless journeys through the tribal wards constantly preach the doctrine of work. And the sermon is very simple: "Take up land holdings, improve them, plant hemp, and with its produce build better houses, and get better food." As a result the returns show that in the Gulanga tribal ward alone (near Davao) the number of hemp hills planted by the natives has increased from 70,000 one year ago to 150,000 at present. The governor reports this increase in hemp planting by the natives as universal throughout the gulf region. It means much not only to the productiveness of the district, but also to its tranquillity. When a community becomes settled, occupies land, and owns real property, the maintenance of peace and order becomes an easy matter. Tribesmen who increase their hemp holdings 100 fold, who clear the forest and plant more hemp in six months than they had planted in all previous time, have neither time nor inclination for insurrection.

The gulf region is mainly inhabited by wild tribes whose exact number is unknown. Even the exact whereabouts is unknown of those occupying the lofty mountain ranges. The governor reports that the mountains from Callan southward, including the Sarangani Islands, are for the most part inhabited by the Manobos and Bilans. The Tagacaolos, Bilans, and Atas live in the high ridges of the mountains from Callan north to Mount Apo. The mountains north of Apo, along the headwaters of the Davao River to the upper Tagun, Libaganun, and Saug rivers, are inhabited by Atas, Libaganons, Libabaoans, Mansacas, Mangwangas, and Mandayas, extending to the Compostela country in the great valley of the Agusan River. These tribes are for the most part pagans, hill dwellers, undeveloped, peaceable, and tractable. They lead a seminomadic life and are agriculturists in a very limited way. They live in loosely defined communities and only under partial control of their hereditary chiefs. They work in iron, steel, and brass, make and wear clothes of hemp fiber and ornaments of shell, beads, teeth of animals, and forest seeds, and live, love, fight, and die according to their own peculiar tribal customs and beliefs.

The American planters are doing more than any other agency in getting into touch with these people. In a kindly way they are teaching them the desirability of labor and guiding them along the first stretches of the road leading to a settled life and its resulting advantages. Already some 4,000 of them are living on American plantations. Here they not only work for a daily wage, but are planting hemp on their own account, and thus taking the first steps toward becoming a class of peasant proprietors. Twelve hundred of these men have families and now own a total of 89,000 hills of hemp. The policy of the district government toward this large body of pagan and partially civilized people is one of attraction. The first thing is to get their confidence and convince them of the government's good intentions toward them. This may take a year in the case of a small group, but when this point is once reached and favorable conditions are maintained the future steps in progress toward a higher civilization are assured, because its manifest advantages appeal to them. Especially is this true when the hill tribesmen are fortunate enough to have as an object lesson the sane, sensible, peaceful, and progressive work of the American plantations in Davao.

As might be expected, hemp fiber holds the predominant place as respects money value among the commodities exported from Davao. During the last six months of the fiscal year more than ₱330,000 worth of hemp fiber was shipped, being an increase of nearly ₱20,000 over the preceding six months. Almaciga and the blao nut rank next in importance, but their total value amounts to only some ₱50,000.

The hemp planted in the gulf region of Davao now amounts to more than 4,000,000 hills, of which some 2,000,000 are reported by the Planters' Association. There are 90,000 cocoanuts in this region, of which 45,000 have been planted in the last half year. Five thousand rubber have been planted very recently, and all by the Planters' Association.

Direction in all this work has been given by the members of the Planters' Association—a body of men who have rendered inestimable service in the development of the district and whose energy and intelligence have stimulated the progress of the entire province.

The present tendency among the pioneer American planters is to give to cocoanuts a higher relative importance than when they began to plant in Davao, with the result that there has been a notable increase in coconut planting by both Spanish and Filipino farmers. Rubber planting has now been begun on

a considerable scale by American planters. This branch of tropical agriculture, so important in other oriental colonies, has heretofore not figured in the agricultural activity of Davao, but it is believed that it will hold a place of constantly increasing importance among the products of the district. Pará, Castilloa, and Ceara rubber have been planted. Ceara, owing to ease of transportation of the seed, to its vitality, and to the very vigorous growth of the young plants, seems to be the favorite for planting. Young trees in Davao 3 months old from the seed have attained a height of 7 feet. Other trees planted at Magnaga within 100 feet of the beach and at an elevation of scarcely more than 3 feet above high tide have in eight months from the seed reached an average height of 10½ feet. Pará and Castilloa rubber planted at Kibulan have also grown well.

The returns of the Planters' Association for the last six months would indicate, with two strippings a year, an annual average of 18 piculs per 1,000 hills of hemp. There is a case of one field—some 3 or 4 acres—on the banks of the Talomo River which for the last four years has produced annually between 40 and 50 piculs per 1,000. The same figures have been given for a small amount of hemp on the Matina River and in favored locations in Daron.

The capital town of Davao has been much improved during the year. The government has appropriated money for the construction of a district building, a wharf, and certain roads during the current year. A suitable wharf and approaches are very much needed. Changes that have occurred during the year, due to natural forces, at and near the mouth of the river, have made the loading and discharge of cargo difficult. The provincial engineer is now studying a project for remedying the difficulty with the small amount of money available. To do what is desired in the way of controlling the mouth of this river would be an expensive proposition. It is one of the things intended to be done with the loan referred to above and which the government was found to have no power to make.

DISTRICT OF COTABATO.

Conditions in this district have materially improved. The Moros have shown no hostility to the American Government. On the contrary, they evidently regard it with respect and liking. A good evidence of this is the considerable increase in the cedula tax collections.

The entire watershed of the Rio Grande is exceedingly fertile. Hemp, tobacco, rice, cocoanuts, and sugar cane can be readily raised. Fine grazing ground for cattle is found on the foothills. In the mountains are to be found hard woods, gutta-percha, an abundance of honey and beeswax, almaciga, and other forest products.

The country occupied by the Tirurayes, south of Cotabato, is under present conditions the most inviting to an intending settler. The people are tractable, and with kind and just treatment would become reliable laborers. Without an assurance of such labor there is no use in a white man investing either his own labor or his capital. The country consists of fertile highlands, infinitely more suitable to the white colonist than the low, swampy lands of the river bottoms. The people are kindly disposed toward the white man, which can not be said of the Moros. The latter like the white man's government, which is just and firm, but they have no liking for the white man himself.

In February of this year the Moro Sansaluna and four followers were taken from the valley to the United States in connection with the Jamestown Exposition. The exhibition of Moros seems to have become a stock feature of these expositions. No good has come to the Moros from it, and I recommend that the practice be stopped.

In the same month of February an incident occurred which seemed likely to breed serious trouble. Datto Piang, on the one side, and the so-called Princessa (one of the numerous widows of the late Datto Uto and now the principal wife of the sultan of Magulindanao) were induced to carry a case in long dispute before the court of first instance. The case involved the disposition of certain property of Datto Uto, who died before the American occupation. It involved intricate questions of Mohammedan law and custom which could not be taken cognizance of by the court. Yet the Moros would demand recognition of them; otherwise they would claim bad faith, since they interpret the statements made to the sultan of Sulu in his original official interview with the Government in Manila as meaning that neither their laws, customs, nor religion will

be interfered with except where repugnant to decency or humanity. In any event prolonged litigation would have engendered a dangerously ill feeling. The parties at interest came to see the provincial governor at Zamboanga. Their attitude of mutual hostility at this interview showed that they were already in a mood to settle the dispute with arms. They were asked if they wanted their law and custom recognized in the case. They replied that they did. They were asked if their law and custom would not permit the settlement of the dispute by arbitration. They replied that it would, but that they had been led to believe that the case must be settled in an American court or the conclusion would not be valid. When they were told that even under American law such a case as theirs could be settled out of court, they at once agreed to appoint three arbitrators on a side, with a seventh one appointed by the government, who should be acceptable to both parties. The arbitrators met in Cotabato, and in four days the case was settled satisfactorily to all concerned.

The Moros of Cotabato have come into very little contact with white people except in time of war. They now see only a few officials of the government whose business takes them at intervals over a very restricted part of their territory. Yet their advance in civilization depends upon a very greatly increased contact. Thus far no colonists have settled among or near them, bringing new ideas and methods. This is due to the fact that the most accessible land is not inviting to the white colonist, and is rendered uninhabitable for him by the pest of mosquitoes. Through his ignorance of him and of his ways and intentions the Moro is, therefore, still very jealous of the white man and suspicious of him.

Probably the most immediate way of getting into closer contact with him would be through a systematized working, under proper regulations, of the forest products. The best way to do this is a matter for very serious consideration. One thing is certain—it must be done in such a way as not only to leave no just ground for the grave scandals that have attended the exploitation of the forest products of other countries, but so as to leave no opportunity for such scandals. I am one of those who believe that the Moro Province will continue indefinitely to be the home of the people who now inhabit it; that is to say, that the white man will never come here in such numbers as to make even a beginning of ousting the native from his occupation of the soil. And there can be no doubt that in a reasonable time the native will so fully occupy the soil as to leave no room for the white man should the latter desire to come, except as he comes with the limited numbers and the limited purposes with which he has come to other eastern countries. With the complete stoppage of intertribal wars; with the introduction of sanitary ideas; with the building of better houses, the wearing of better clothing, the eating of better food, which will come as security and prosperity increase, there will be a great increase in the number of inhabitants. This has been the history of every country in the East which the white man has successfully governed, and it will be the history of Mindanao. A strict enforcement of the land law will make not only the greater part of the Cotabato Valley, but of the entire island of Mindanao public forest land. It is the right and duty of the government to regulate the working of the forest products by the native so that he shall not destroy the source of supply or, if destroyed, shall renew it. The whole civilized world has an interest in these products, and neither native nor white man should be permitted to destroy the source of supply. If it be true, as it probably is, that the wild, native supply of rubber and gutta is doomed to destruction and that we must replace it by cultivated plantations, it goes without saying that if an exclusive license is granted to a company to work these products over a certain area the interest of the company will be lost in that area as soon as the source of supply disappears and will be transferred to its cultivated plantations. The company will have no interest in preserving the source of supply longer than is necessary for its plantations to become productive. The whole administration of this business must therefore be so conducted that when the native is left, as he will be, in undisputed possession of the territory he now wanders over he will not have been robbed of all of his patrimony. When that time comes he should be far more civilized, far more amenable to law, far better able to take care of himself, than when the exploitation of his country began. If we destroy his gum-producing trees, we should have taught him to cultivate new ones and not leave him to look over a fence at the only existing trees in the private plantation of a company which will have destroyed all his own trees. At any rate he should be qualified to take care of himself on

the territory we leave to him. Whether this can and will be done by a private company operating under such supervision as the government can give to it is the question to be determined. Experience has shown that such a company, operating beyond the view and the criticism of the general public and subject only to the inspection and reports of moderately paid government agents, is guided by governmental regulations only so far as its interests dictate.

DISTRICT OF SULO.

This district is subdivided into two municipalities—the towns of Jolo and Siasi—and tribal wards. The population of the two municipalities has increased during the year by about 800 and 300, respectively. Very considerable improvements have been made in these towns during the year. New houses of good, comparatively modern construction have been built. In Jolo it is hoped soon to connect the city water system with that of the quartermaster's department, giving increased fire protection. In this the military authorities are quite as much interested as the civil. The amount and character of the stock carried in the local stores has been doubled and tripled, though very little of this increase represents American manufactured goods. The imports and exports of the port have materially increased. The amount of ready money in Jolo is much larger than at any time heretofore, and the rate of interest has correspondingly fallen. The governor reports that buyers are shipping stock on every boat and that every boat is bringing in an increased number of agricultural implements.

In Siasi, the population of which is Moro and Chinese, there being only two or three Filipino families, a great deal has been done during the year in local improvements. Due to the energy of the constabulary officer on the spot, the streets have been graded, drains put in, street lamps purchased and installed, streets named and posted, houses numbered, one new street opened, and a public park built. With all this there is a balance of municipal funds on deposit in the treasury, although eighteen months ago the town of Siasi was indebted to both the district and the province, was three months in arrears in payment of municipal salaries, and little or nothing had been done to improve or beautify the place.

The governor reports that during the past year there have been very few changes in the methods of agriculture, but the amount of land under cultivation has probably been more than doubled over that of the previous year. This is due entirely to the feeling of security which the common people have acquired in the Government and to the feeling of protection which they have against the former unjust exactions of dattos and headmen. The district governor reports that now when on his tours of inspection he passes near the fields where the Moros are working, instead of running away and hiding as was formerly the case, they continue their work without exhibiting any curiosity whatever. Large numbers of hemp stalks and cocoanut sprouts have been planted during the year. Just outside the town of Jolo over 3,000 cocoanuts have been set out. The densely tangled jungle is fast disappearing by reason of the increased number of farms started and animals pastured. All this improvement is due to the initiative of the natives themselves, since there are no American or European colonists by whose example they can be inspired with increased industry or from whom they can learn new methods.

On the island of Jolo (and it is true generally of the Moro country) one of the greatest drawbacks to agriculture is the constant stealing of carabao and other farming cattle. The farmer who has to tie his cattle up under his house at night for fear of thieves has to spend several hours of daylight in pasturing them before he can work them, thus losing a large part of his day. This subject will be referred to again in this report under the head of "Tribal wards."

Throughout the farming districts of Jolo there is a noticeable increase in the substantial and permanent character of houses that have been built. They are larger, better constructed, and afford greater comfort. During the year the Sultan, Dattos Joakanan, Panglima Indanan, and Hadji Butu have each built modern houses. At the Zamboanga Fair in February of this year the Joloano Moros received numerous first prizes, among them being those for hemp, bananas, native vegetables, coffee, peanuts, honey, sugar cane, millet, buyu leaf, cassava, betel nut, nipa, native agricultural implements, hemp cloth, and tobacco.

Some parts of the island of Jolo suffer during the dry season a great deal from scarcity of water, the people of some districts having to go from 6 to 10

miles to obtain water. A great benefaction to the people would be the sinking of a few artesian wells in suitable localities. This matter is now under investigation, with a view to seeing whether the improvement can be made with means available.

The sale of Chinese tobacco through the distributing agents, the Jolo Trading Company, has been carried on during the past year. This tobacco has been distributed by this company at Jolo, Mainbun, Parang, and Kambing on Jolo Island, and at Siasi, Bongao, Sitanki, South Ubian, and Tandu Bas. The sale of this tobacco under the conditions imposed by law was authorized for the political purpose of creating good feeling among the natives, and for this purpose has proved a success. The tobacco is sold at a uniform price throughout the district, and the governor has reported that smuggling has practically ceased, owing to the low price at which it is sold. At the selling places the Moros are lined up and purchase their tobacco as their turn comes. They are rapidly learning to appreciate the system, under which the weakest is as able to buy, when his turn comes, as the strongest. During the last rush sale at Jolo a dwarf 3 feet high stood in line between two big men, and the Moros cheered when his turn came.

The Moro exchange at Jolo has thrived since its establishment, and the governor recommends that branches be established at Mainbun, Siasi, and Parang.

During the year two cases of running amuck occurred at Jolo. The first case was on December 13, 1906, when Moro Agsak attempted to kill a packer at Asturias. After inflicting an ugly wound with his kris he was himself killed. The second case was on April 4, 1907, inside the walled town, when Moro Sariol attacked a party of soldiers in the street, two of whom he wounded with his barong before he was himself killed. In each of these cases the Moro considered himself to have been affronted by his own people, but, after the peculiar custom of Joloanos, he considered that the only way to efface the affront was to assassinate a Christian.

The only way in which the government comes into contact with the Joloano Moro is through the constant visits of inspection by the district governor and other district officials to all parts of the islands. These visits require to be made with an escort of troops. The condition of the island of Jolo can well be shown by a brief reference to some of these visits of inspection.

In November, 1906, the district governor marched through the western part of the island, visiting Mainbun (the sultan's home), Parang, Tubig Pipan, and Indanan's cotta. During this trip the headmen and deputy headmen visited the governor and reported that all conditions were good in their respective jurisdictions. In December he visited the eastern portion of the island and held interviews with all the principal headmen and their deputies, at the same time holding the tribal ward court and disposing of a number of cases. He found several cases of murder and that considerable cattle stealing had been going on among the inhabitants of the different wards. In January he again made a trip through the western part of the island, but covering territory not traversed in his November trip. The general improvement of the country was noticeable. Whereas in January, 1906, there was little of the farming land that was not a tangle of weeds and grass, it was found that this year these tracts had been kept cleared and free from weeds during the interval between the harvest and the planting seasons. During February an inspection march was made to the south. It was found in this part of the country that there had been no rain for several months. At various places the inhabitants had to seek water a long distance away at a perennial spring, for which they paid at the rate of 50 cents per can. Nevertheless, that there seemed to be a growing confidence in the future was shown by the fact that many of the people were using the dull season to build new houses, while others were taking up unoccupied land. The inspection trip of April was into Indanan's country, which is the most advanced farming district of the island. The apparent advancement of the Moro, as shown in the increased cultivation of the land, was gratifying to all the Americans who witnessed it. On the May inspection a somewhat serious condition of affairs was found existing between the people of the Looc and Tandu wards. The governor's report for the 27th of the month states as follows:

"A large number of Moros came to camp and their complaints were heard. Here I learned that conditions existing between the Looc and Tandu wards were very unsatisfactory. I had known for some time that there had been more or less cattle stealing between the two sections and that a feud had existed for a long time, but it was only upon my arrival that I ascertained that they had

been killing each other recently. Tandubas, smarting under very recent depredations on the part of the Looc people, had armed itself and was about to retaliate, when my arrival in the nick of time prevented further hostilities, which would undoubtedly have resulted in a serious conflict. The representations made by the Tandubas people indicated that the wrongdoing was on the part of the Looc people under the leadership of Olang Kaya Abaidulla, and it seemed I would have to resort to severe measures to bring him to terms, as he was represented as being fortified in his cotta. During the night we heard in the distance, but without being able to ascertain the exact locality, some thirty or more shots. On the 28th I proceeded in a southeasterly direction through the mountain chain which comprises Buda, Kausukan, and Sani to the village of Sukuban, on the southeastern coast of the island, and thence westward toward Obaidulla's cotta. He, hearing of our approach, very wisely came forward and presented himself to the governor and showed no signs of desiring to resist our authority. Placing him under the orders of Maharajah Sumihak, deputy headman of the Looc ward, I proceeded via Bandahalla's to Kambing, where I held court. During the afternoon and evening the camp was crowded with Moros, both from Looc and Tandubas, all more or less excited over recent events. Further investigation in the matter showed that there had been about as much wrong on one side as on the other and that the feud that had existed so long a time had simply culminated in greater hostilities than usual. Owing to the absence of Datto Kalbi, the headman of the Tandubas ward, it was impracticable to definitely settle the matter then, but each party to the trouble was ordered to turn in five rifles to their headmen until the matter could be thoroughly investigated and finally settled, if practicable. It is fully realized that it is very difficult to settle to the satisfaction of both parties, or, in fact, to the satisfaction of either party, one of these old feuds. In this case it was unsuccessfully attempted some time ago. It is my intention to proceed further in this matter at the very first opportunity."

With the exception of this feud between the two eastern wards, no special disorder was learned of on this trip, and everywhere there was evidence of an increased acreage being put under cultivation.

The district governor reports that in making his tours of inspection it has been his aim to cover new trails and sections of the country; the beaten paths are avoided. The headmen of the districts always come to camp and are always pleased to have the troops in their country. The change in the bearing of the people is very marked. In former years many of the people either ran away and hid in the jungle or if seen were silent and sullen, while now everyone speaks to the soldiers. A great many of the people seem to have friends in the ranks. This is noticed even in the extreme parts of the island. Ordinarily when camp is reached a crowd from the farming class, with fruit, eggs, and vegetables, appears. They show no sullenness and they have no fear in insisting on their rights. During the year there was only one complaint of injustice done in camp. This was quickly righted and entirely to the satisfaction of the complainant. In respect to the matter of cattle stealing, the governor says that it is possible that it is the result of a craving for excitement, such as was formerly given by their frequent fights, a successful thief being generally respected. Force alone will put a stop to this evil, and this force can be most successfully applied by a properly organized and mounted police force. A military expedition into the interior of the country for the purpose of arresting a thief and then leaving the country to take care of itself until another crime is committed and another visit of the troops will do infinitely more harm than good. Further remark on this subject will be made under the head of "Tribal wards."

The governor reports that his inspection of the districts of Siasi, Bongao, Sitangkay, Balimbing, South Ubian, and Tandubas showed that favorable progress was being made in these sections. For proper communication between the different parts of the Sulu Archipelago and for proper inspection of the different tribal wards a suitable boat at the disposition of the district governor is absolutely indispensable. This the civil government has not been able to provide, and the district governor has had to rely upon such assistance as he has been able to get from the military authorities.

TRIBAL WARDS AND TRIBAL WARD COURTS.

Some discussion of the two acts known as the "tribal ward act" and the "tribal ward court act" is necessary in order to understand the real condition of affairs in the country occupied exclusively by Moros and pagans.

Immediately after the organization of the Moro Province a careful study was made (as was enjoined in the organic act of the Philippine Commission) of the laws and customs of the Moros and non-Christian tribes, with a view to determining whether a consistent, sensible, and humane code of law could be formed which would appeal to the inherited ideas and practices of these people and which could be put in force by a civilized government instead of imposing upon them an utterly alien and obnoxious system. As was to be expected, this study at once made clear that among the pagans who have no written languages, no literature, and no religion, and among the Moros, whose notion of government is a dim reflection of theocracy as interpreted by the prophet and reinterpreted by ignorant, corrupt, and superstitious local teachers—among neither of them was there any consistent system that a civilized court could apply. If anything was found that even a loose and superficial writer would call law, it rested upon no commonly accepted authority even among people of the same section and was accepted or rejected according to the will of him who applied it. Crimes that in civilized countries would be considered of the gravest were with them no crimes or almost no crimes at all. Crimes that with us would be met with the severest penalties were by them sufficiently punished by a slight fine. Acts which with us would be no crime were punished by them with ridiculous, degrading, and inhuman penalties. It was therefore decided to pursue this matter no further and to enact from time to time laws based upon our ideas and enforce them to the extent that we were able to do so. So far as the pagan is concerned, the matter is comparatively simple. He has only to get rid of certain vague, ill-defined notions out of which his practices grow in order to accept our system in its entirety. With him it is only a question of civilization. But with the Moro the case is entirely different. His customs, his practices, what he calls his laws, are all based upon his conception of religion as promulgated by his great prophet. His conception is a most corrupt and degraded one as compared with the original teaching, but it is none the less his religion, and he adheres to it and to all the practices he deduces from it with a tenacity that the Christian can scarcely conceive of. The matter is complicated by his firm belief that we have promised him no interference with his religion. As he has no practice nor so-called law that does not grow out of his notion of religion and that is not believed by him to be a part of his religion, the difficulty of approaching him with any view to effecting a change is apparent. The case of the Moro is not settled by civilizing him. All the agencies and results of western civilization may be accepted by the Oriental without bringing him one step nearer to western ideas. The civilized Malay Mohammedan will in all certainty be, at his best, like the civilized Mohammedan of India or the civilized Hindoo. We know that these latter may speak English, may wear European clothing, may be able to discuss the latest system of western philosophy, and at the same time, if they are Mohammedans, will continue to believe that the highest heaven is to be attained by the assassination of a Christian. If they are Hindoos they will continue to worship in temples lighted by electricity the same gods and in the same way that they have worshiped for unknown centuries. If this view be justified by experience in the East, it is a question whether it is not our duty to try to absorb the Oriental spirit, to try to anticipate as far as possible (if possible at all) the views of the coming civilized Moro and begin the preparation for him of a code of law which will be in accord with a civilized interpretation of his religion, and at the same time be sensible and humane. I believe that such a code, sensible and humane, could be formed, and which would thoroughly accomplish its purpose even though in many respects it would be repugnant to western ideas.

When it was decided to cut entirely loose from native notions and customs and begin the establishment of a system in accord with our ideas, it was well understood that this system could not be at once and everywhere enforced unless the country were to be dotted with military garrisons; that over indefinite areas for an indefinite time the previous native system (whatever that might be in each locality) would continue in operation.

The first step was taken in act No. 39 of the legislative council, enacted on February 19, 1904. By this act the entire territory inhabited by Moros and pagans was directed to be divided into tribal wards delimited in such a way (as far as practicable) that each ward should comprise a single race or a homogeneous division thereof. The wards in each of the five districts into which the Moro Province was divided were under the immediate supervision and control of the district governor. The latter was required to appoint as his representative or deputy in each of the wards of his district a headman, who, as far as

practicable, was to be the one already recognized by his people as their chief or headman. Each headman was required by the law to divide his ward into as many subdistricts as the district governor should direct and to appoint a deputy for each subdistrict. These deputies were to constitute the police force of the respective wards, and the law required them to notify the headman of any offense committed within their subdistrict. The headman was required, personally or through his deputies, to enforce all laws and ordinances within his ward and to report to the district governor all crimes committed therein.

The district governor (subsequently the district board, composed of the governor, the secretary, and the treasurer) was empowered to pass ordinances on certain specifically mentioned subjects and to enforce them by certain limited penalties of fine or imprisonment, or both. An advisory council of any district or group of wards therein, composed of the headmen, was created by the law and empowered, by a majority vote and with the approval of the district governor, to put in force a certain defined system of taxation, somewhat after the order of the taxation which may be imposed by the councils of organized municipalities.

It is evident that this law was wisely drafted in such a way that its enforcement was left to a certain extent to the discretion of carefully selected district officials. In fact, the law provides no way for its general enforcement. It was a tentative measure, the general rejection of which by the Moros, after careful explanation and moderate and discreet attempts to apply it, would be regarded as equivalent to an insurrection against the government and would be treated accordingly.

In one particular the law ran counter to all Moro customs; neither the headman nor his deputies were empowered to try the slightest offense, although these same men had from time immemorial tried and punished the gravest crimes. Of course this provision of the law was intended, when it could be generally enforced, to put an end to the inequalities and iniquities of the Moro system. But it struck at a principal source of revenue of the headmen. It could not be enforced without the establishment of military garrisons in all parts of the country, and it goes without saying that now, as formerly, grave offenses are tried by the headmen and their deputies without any warrant in our law. If not so tried they would not be tried at all, for our courts would not even know of the commission of the offenses. I am inclined to think that in our formative system of law it would be wise to recognize this fact and to vest the headmen with certain limited powers to try, and even to dispose of fines in accordance with their custom, giving the convicted party the right of appeal to the tribal ward court which was established subsequent to the law here being discussed. I do not advocate as a general principle the legalizing of whatever can not be prevented, but it is entirely within the discretion of a government to do so when no moral principle is involved.

Under this law the district governor had practically no way of enforcing ordinances or law without the full consent of the Moros. The deputy headmen, under the headman, were the policemen of the ward. If they failed to arrest criminals they could only be removed. If those so removed were the real recognized chiefs and headmen of their people (as must generally be the case if they are of any value), they could not be replaced by anyone more reliable; and if all or a considerable proportion of the violators of law and ordinances in an entire district could have been arrested, no jail room could have been provided for the number of cases that would have accumulated before they could be tried by any court then provided for.

The next step was taken more than a year and a half later. On October 6, 1905, was enacted the tribal ward court law—act No. 142.

So far as the terms of the law could do so, there was at once created in each tribal ward a tribal ward court, presided over by a justice. Such number of auxiliary justices were to be appointed as the legislative council might direct. The district governors and secretaries were made *ex officio* justices of all the tribal ward courts in their respective districts. The sessions of each court were required to be held, within the limits of its tribal ward, at such times and places as the district governor should by written order direct.

These courts were vested with jurisdiction only in civil actions when the parties in interest, or any of them, were Moros or other non-Christians, and in criminal actions when the accused or any of them were Moros or other non-Christians. Within these limits they had the same jurisdiction as courts of justices of the peace. They had power to make preliminary investigations of all those criminal offenses, jurisdiction to hear and determine which was vested in courts of first instance, provided the accused, or any of them, were

Moros or other non-Christians. These courts also had jurisdiction to try and determine violations of the district ordinances.

With certain exceptions, the rules relating to process, pleading, practice and procedure in tribal ward courts were the same as those provided for courts of justice of the peace.

The headmen and deputy headmen were deputy officers of the court within their tribal ward.

No costs of any kind could be taxed or awarded in any action or proceedings. Fines accrued to the provincial treasury.

In case of any judgment an appeal lay to the court of first instance, and on such appeal the action was to be tried *de novo*.

It will be observed that under this law, as under the former one, headmen were deprived of their immemorial power to try cases, whether trivial or important; that there was still no effective civil process provided for the arrest of criminals; that crimes committed in the Moro country beyond the vicinity of military garrisons could be known to the authorities only if the headmen chose to report them and the criminals could be secured only if the headmen chose to arrest them; and that it was a fair presumption that the headmen would continue their ancient practice of trying and punishing offenses according to their ancient customs and without any warrant in our law. There is a marked tendency to willingly report alleged offenses only in cases of disputes between wards whose people and chiefs are at feud. They know that we will not allow them to fight the quarrel out as they did in the old times and their only recourse is to the district governor and the tribal ward court. In such cases the reports are as likely as not to be without justifiable cause.

In the greater part of the Moro country the justices and auxiliary justices contemplated by the law are not available. There are no Americans there. The native has no notion of the procedure by which our law is applied or the processes by which it is enforced. If, when acting as an officer of the law in effecting the arrest of a criminal, the latter is killed in resisting arrest, he is quite likely to cut off the criminal's head and send it in to the authorities in a bamboo basket as an evidence of his zeal and good faith. Such men can not be intrusted for a very long time to come with the application and enforcement of an alien system of law. Our whole present theory rests upon the fact that we have disapproved the Moro laws which the Moros themselves approve, and that we have determined to substitute for them laws which we think more rational and humane, but which are neither rational nor humane to the Moro because he does not understand the philosophy upon which they rest, and because they punish with death acts which to him are trivial offenses and let off with little or no punishment acts which to him are the gravest crimes.

These facts are stated only in the hope of giving some idea of the tremendous difficulties which impede the progress of our ideas among these people. I think that the time has come to take further steps, even were there a risk of exciting temporary resistance, to bring about compliance with our system. But, with certain modifications in our system, the risk of resistance would be minimized. The following are some of the modifications that could be considered:

1. To vest by law in the headmen power to try certain cases, with right of appeal by the convicted party to a tribal ward court presided over by the district governor or secretary, and with the right for the present to dispose of fines in accordance with Moro custom. The law should fix the fines in each case. This (except that their fines now are more or less arbitrary) is what they do anyway, over a large part of the country, because we have no means to prevent it. This necessarily weakens the Moro's respect for our system. If we formally legalize it he will find, to his surprise, that American law is in part at least his own law and it is conceivable that he will begin to look with less disfavor upon that part which is American and not his. Under their present custom the fine imposed upon the convicted party is divided in certain proportions between the aggrieved party and the native court. Our law should define these proportions, and when our revenue is sufficient to pay the headman a proper salary his proportion of the fine will be willingly turned into the treasury.

2. To establish in each district one or more native courts or boards of arbitration with formal power to decide according to their customs all disputes about property between Moros, which involve no crime of violence; the property to pass according to the decision of the court, but with no power to award punishment by fine or otherwise. The losing party should have the right to

appeal to a tribal ward court presided over by the district governor or secretary, or to the court of first instance, according to the amount involved. If the case involves a crime of violence, it should be tried by the tribal ward court or the court of first instance, according to the character of the alleged crime.

3. To legalize Mohammedan marriages and to vest the above-mentioned court or board of arbitration with power to decide all cases growing out of the family relation. Punishments should be prescribed by the law in reasonable accord with native customs, but involving no degrading or inhumane condition. There should be the right of appeal to the district governor's tribal ward court and in certain cases to the court of first instance.

A system involving the three foregoing elements would cover the great majority of cases arising in the Moro country. The tribal ward court presided over by a native justice would disappear. Cases now triable by that court would come before the district governor's court only on appeal from a native court. The name of "Tribal Ward Court" could properly be retained, since this court would sit either at the district capital or within the limits of a tribal ward in the discretion of the governor, according to the case or cases to be tried on appeal.

Under any system of law in any country a great mass of cases are those in the settlement of which the government has no special interest, while there is a much smaller number of cases the disposition of which bears upon the general welfare of the entire community. The first class is represented by *John Doe v. Richard Roe*; the second class, by the *State v. John Doe*. What appeals to me as the advantage in a system constructed on the general lines suggested above is that it puts the disposition of the first of these classes of cases in the hands of the Moros, while the state will control the disposition of the others. And, of course, the state will exercise a constant watchfulness over the native courts and will have opportunity for control, by retrying cases that are appealed from those courts.

I believe that the native will accept what from our point of view would be a reasonably satisfactory and workable code provided the great mass of cases that affect their daily life are to be tried by courts of their own, which we had legalized. And I believe that with this concession to them, their unwillingness to assist the government in enforcing the laws relating to the graver crimes would more quickly disappear.

THE CONSTABULARY.

The services of the constabulary in the Moro Province have been of the greatest value and reflect the highest credit upon that admirable body. This is due to the high character, ability and good judgment of the officers that have always been selected to command the Fifth Constabulary District and to the same qualities in the officers of the corps serving under them. It has always been our policy to utilize these officers to the utmost in the work of the civil government and many positions of trust and importance have been filled by them with credit to themselves and to the satisfaction of the administration. Their services in the field have been equally commendable. At the present moment their principal work in this direction is in reducing the country back of the eastern shore of Lake Lanao to a law-abiding and orderly condition.

CHANGES IN PERSONNEL DURING THE YEAR.

Provincial secretary: Capt. G. T. Langhorne, Eleventh Cavalry, resigned September 8, 1906; Capt. J. P. Jervay, C. E., detailed to perform duties, appointed provincial secretary September 21, 1906, in addition to duties as provincial engineer, upon reduction of legislative council.

Provincial attorney: John E. Springer appointed judge, court first instance, fourteenth district; Richard Campbell appointed attorney October 19, 1906.

COTABATO DISTRICT.

District governor: Maj. Charles T. Boyd, P. S., relieved October 27, 1906. Maj. C. C. Smith, P. S., appointed October 28, 1906. Maj. A. B. Foster, P. S., appointed June 26, 1907.

District secretary: L. P. Hamilton relieved September 10, 1906; Capt. H. Gillsheuser, P. C., appointed November 12, 1906.

District treasurer: S. R. Beard, resigned November 30, 1906; Mathias Hugo appointed December 1, 1906.

DAVAO DISTRICT.

District governor: Lieut. Allen Walker, P. S., appointed July 14, 1906, vice Lieut. E. C. Bolton, deceased.

LANAO DISTRICT.

District governor: Maj. E. W. Griffith, P. C., resigned November 10, 1906; Capt. John McA. Palmer, Fifteenth Infantry, appointed November 11, 1906.

District treasurer: B. A. Crumb, resigned July 31, 1906; G. W. C. Sharp appointed November 1, 1906.

SULU DISTRICT.

District governor: Col. E. Z. Steever, Fourth Cavalry, appointed July 5, 1906. District secretary: Capt. J. H. Reeves, Fourteenth Cavalry, resigned April 10, 1907; Capt. Chas. C. Farmer, jr., Fourth Cavalry, appointed June 12, 1907.

ZAMBOANGA DISTRICT.

No changes.

Very respectfully,

TASKER H. BLISS,
Brigadier-General, U. S. Army,
Governor of the Moro Province.

The EXECUTIVE SECRETARY,
Manila, P. I.

REPORT OF THE PROVINCIAL GOVERNOR OF NUEVA ECIJA.

[Translation.]

OFFICE OF THE GOVERNOR, NUEVA ECIJA PROVINCE,
San Isidro, July 15, 1907.

SIR: In accordance with the provisions of act No. 1044, of the Philippine Commission, and of Executive Bureau Circular of May 8, 1907, I have the honor to submit my annual report for the fiscal year ended June 30, 1907.

AGRICULTURE.

The tide of immigration to this province, which began about two years ago, coming from Ilocos Norte, Ilocos Sur, Union and Pangasinan, and the endeavors of land owners to acquire draft animals and modern agricultural implements, have been two factors which have had a notable influence on the agricultural development of the province of Nueva Ecija during the last fiscal year. As a consequence of this, lands which had been untilled since revolutionary times have again been brought under cultivation. The greater part of these newly cultivated lands are dedicated to the growing of rice, the principal agricultural product of this province.

Bearing in mind the data appearing in the annual reports of the municipal presidents of this province, dated January of the present year, and personal investigations conducted by myself for the purpose of becoming informed of the agricultural development of the province, I can affirm without fear of error that 17 per cent more of the lands of Nueva Ecija was cultivated than during the preceding fiscal year. It may also be affirmed that, as a consequence of this increase of cultivated lands, more has been harvested, generally speaking, except in some municipalities of the south where the crops suffered a notable decrease on account of the untimely rains and heavy winds, which prevailed exactly at the time when the rice was heading.

I do not remember that at the beginning of the rice harvesting season the price of this product has ever been so high in this province, as it was in the fiscal year just completed, a price which prevails up to the present time, undoubtedly owing to the great competition existing among the owners of the rice hulling and cleaning machines which have been established along the line of the railroad through some of the municipalities of the province, since the time of its construction.

According to my information, there have been times when in the municipality of Cabanatuan the price of palay was higher than in Manila.

The acquisition of new agricultural implements is increasing more and more in this province. During this fiscal year there were three machines acquired by various progressive agriculturists of Nueva Ecija, and the employment of these machines has given satisfactory results, especially in the threshing of rice. Experiments were made with two kinds of plows, the disk plow having given the more satisfactory results.

More tobacco was also harvested in Nueva Ecija than during the last fiscal year. The cultivation of this latter product has also been increased, and just as in the case of rice its price in the market holds out without fluctuations. The larger part of this product is exported to Manila, and to some of the municipalities of Bulacan province situated along the railroad, as Baliuag, where there are some tobacco factories.

In some of the municipalities of the south, after the rice crop has been harvested, the planters are accustomed to sow mongo upon the lands in which the rice was planted. A case in point is that in which two different products have been harvested from the same land within the space of six months. This is the practice followed by the majority of the Ilocanos residing in Nueva Ecija. The other products, such as sugar, corn, etc., are sufficient for the general consumption of the province, it being noted on the part of the inhabitants here, that it is without doubt more beneficial for them, besides they prefer to devote themselves to the cultivation of rice, rather than any other product, because the work is completed in less time and with greater economy; the agriculturist becoming more favored by the price which said article is attaining in the market, it having been constantly ascending during the past two years.

I said previously that one of the prime factors which has contributed to the development of agriculture in Nueva Ecija was the constant endeavor on the part of the agriculturists to acquire draft animals. The Ilocos provinces are those which give the greatest number of carabaos to Nueva Ecija; during the dry season the Ilocanos make trips to this province for the purpose of selling carabaos which, in spite of the high price placed on them, are sold here. According to the data furnished this office by the municipal treasurers, there is a considerably larger number of draft animals at the present time than there was last year.

During this fiscal year scarcely any sickness has been known among the draft animals, and it has therefore been possible to cultivate more land than in the past year.

COMMERCE.

The commerce of this year has increased a little over that of last, principally in the municipalities of Gapan, Peñaranda, and Cabanatuan, which, by the establishment of the railroad, have been converted into commercial points. The price of transportation by animal power remains stationary, in spite of the number of carabaos having increased through their introduction from Ilocos, Pangasinan, and other provinces.

In respect to retail trade, it has increased over last year in spite of the difficulty of business, due to the scarcity of money of small denominations, which is the continuous complaint of the merchants.

The articles which are ever the objects of business are rice, wood, bamboo, betel leaves, gogo, rattan, and others. The traffic in these products has been about equal to that of last year, with the exception of the second and third articles which, on account of the fires of greater or less magnitude that have occurred during the last months in some parts of the province, have had a somewhat larger demand than ordinarily, within the province.

As regards commercial relations, the province may be divided into two parts, as the municipalities in the north along the railroad line traffic with the capital of the province, or with Manila, while the municipalities on the northeast traffic with Tarlac and Pampanga, and rarely with Manila, owing to the bad condition of the roads leading to Cabanatuan, the last station of the railroad where produce can be shipped.

ECONOMY AND FINANCE.

Although it is true that the province of Nueva Ecija is not enjoying a highly satisfactory financial condition, when compared with past years, it is seen that since the establishment of the civil régime in the Philippines under the present rule, the province never enjoyed such a condition of ease as at present.

During past administrations the province did nothing but contract debts with the insular government, some to provide for the general expenses of the province, and others for educational purposes. These latter were canceled March 12, 1907, in accordance with act No. 1603, and part of those which were invested in general expenses were paid by the provincial treasury. Nueva Ecija is at present in debt to the insular government in the sum of ₱22,196.50, which it is hoped will be canceled by the Commission in the same manner as has been done with other provinces, to be used solely and exclusively for educational purposes.

Nueva Ecija has a bright prospect as to her future financial condition, taking into consideration the fact that the land taxes will notably increase the provincial funds, as shown by comparing the figures of the last assessment of ₱5,119,405, with those of the new ₱9,156,210.

The provincial board of tax appeals, in making the assessment of lands, believes that it did so in equity, which is all that can be done in work of this character. Undoubtedly due to this, the board had to intervene in only five protests, which were decided in favor of the protestants, without loss to the interests of the provincial government.

In confirmation of the justice with which the said board acted in the assessment of the lands of Nueva Ecija, attention is called to the fact that not a single protest respecting private property in regard to unjust assessments was filed with the central equalizing board. The provincial board can not feel less than satisfied with this result, the more so as this disposition on the part of the citizens shows very clearly that they realize perfectly that it is most just for the people to pay the expenses occasioned by the benefits which the administration gives to the citizens.

Attached is the table showing the present financial condition of the province.

PUBLIC INSTRUCTION.

SAN ISIDRO, NUEVA ECIIJA, *July 10, 1907.*

SIR: I have the honor to submit the following report on school conditions for the province of Nueva Ecija during the year 1906-07:

During the year 99 separate schools were conducted, employing a total of 163 teachers. Of these, 17 were American teachers, 10 insular, and 136 municipal.

The attendance varied greatly during different months of the year. In October, at the time of greatest attendance, the total enrollment for the month was 12,582, of these 12,127 being in the primary grades, 431 in the intermediate grades, and 24 in the high school. About 39 per cent of the pupils enrolled were girls.

Intermediate schools were conducted during the year in Cabanatuan, Cuyapó, Gapan, Peñaranda, Licab, and Wright Institute. The number of pupils in advanced classes is rapidly increasing, there being in the sixth grade twice as many students as for the preceding year.

The standard as to educational qualifications of the teachers employed during the year was considerably higher than previously. Few teachers were employed who had not passed the third grade examination. Many of the teachers were able to teach all the work of the primary course, and several Filipino teachers conducted classes of the intermediate course.

In industrial work, the construction of the walls for the industrial building of the provincial school is particularly creditable. This building is made of concrete blocks, and all labor was performed by the pupils under the direction of E. C. Koerner, industrial teacher. It will be of great advantage to the entire province. The roof of the building will be completed within a few months, this also being put up by pupils engaged in the work in concrete and practical building. Outside of San Isidro little was done in industrial lines, although at Cuyapó work of a very creditable nature was carried on by Mr. J. C. Stanley, intermediate teacher, and Mr. Nicolas Ruiz, teacher in Muñoz, had a most excellent school garden, as did Wright Institute, under the direction of Mr. Charles H. Bright.

The erection of school houses throughout the province has been greatly hindered by the requirement that all school ground should be registered before construction should be continued. However, the building of the intermediate school at Cuyapó is under way and the roof is now on. It is expected that the building will be completed before November. This building is being constructed under the provisions of act No. 1275 and the appropriation of ₱10,000 made for it by the insular government should enable us to complete a building which is the equal of any now in the province.

In Bongabong, Peñafranda, and San Juan little progress has been made in the construction of the school buildings there under way, for various reasons, among these being the delay caused by the requirement for the registration of school land, and the unexpected shortage of the appropriation of school funds under the provisions of act No. 1579.

The progress made in barrio school house construction is most encouraging, a large number of these having been completed during the past year, many without any aid from provincial or municipal funds.

The attitude of the people in thus contributing voluntarily to insure school privileges for their children, is most gratifying. The friendliness of the people has been shown in various other ways, and I have no hesitancy in saying that the interest aroused is greater than ever before.

A large tract of land has been set aside for the purpose of establishing an agricultural school near the center of the province. This tract contains approximately 600 hectares of the finest and most fertile land. It is thought the school can be started within the next year.

As a whole, the school work, under the direction of Superintendent T. W. Thomson, has made all the progress that could be expected, and at the present rate there will in a few years be very few persons in Nueva Ecija who are unable to read and write.

During the year a total of more than ₱25,507 were expended for school purposes, ₱19,746.78 being for salaries, ₱4,651.65 for construction, ₱161.20 for furniture, and ₱947.49 for current expenses. Various comparisons for 1906 and 1907 follow:

	1906-6.	1906-7.
Total expenditures.....	₱25,844.01	₱25,507.02
Municipal teachers average yearly salary.....	₱121.21	₱168.00
Total enrollment of pupils.....	12,582	14,766
Average number of pupils attending.....	7,400	7,715
Average per cent of attendance.....	57.25	88.89
Number of municipal teachers employed.....	120	136

These comparisons show that there has been an improvement in nearly all lines of school work, there being a gain in attendance over that of last year, greater regularity of attendance than previously, and greater interest on the part of the parents. The work of the municipal teacher has evidently been gaining in favor. He is better qualified than ever before. Although the results accomplished are not startling, it is believed that in thoroughness of work done, as well as in amount and extent, the year compares most favorably with that of any preceding year, and it is also believed that the people have received more than value for all money and effort the schools have cost them.

Respectfully submitted.

CLINTON D. WHIPPLE,
Acting Division Superintendent.

HON. ISAURO GABALDON,
Provincial Governor, Nueva Ecija.

INDUSTRIES.

Judging from the introduction of new machinery into this province during the fiscal year, it may be asserted without hesitation that industry is progressing. Beside the rice mills already erected, and which are constantly being operated, some planters have acquired other machinery.

With respect to other industries, such as the manufacture of hats, rattan chairs, bamboo baskets, and other articles of domestic use, to which may be added the making of hats, trays, and small baskets from the suitably prepared fruit of a climbing plant called Tabubok, I have not noticed any material progress, and these articles are not sufficient for the consumption of the province, for the reason that the producers of them are not organized into companies, do not devote themselves exclusively to these industries, but only during such time as they are not engaged in agricultural labors. The rapid development of these industries, however, is expected when there is sufficient capital to sustain and protect them.

FACTORIES.

The province has at the present time but one cigarette factory, located in the capital. There are no distilleries nor refineries, for nearly all its inhabitants are engaged almost exclusively in agriculture, especially in the cultivation of rice, and in commerce.

NATURAL RESOURCES.

Forestry.—Because of the great difficulty of transportation, due to the lack of highways of communication between the points where timber of the highest groups is found, and of markets for the same, this source of wealth is not developed as it should be. The receipts from forestry taxes reached about ₱4,000.

As, on the other hand, the inhabitants of Nueva Ecija avail themselves of the privilege to cut timber from the public forests free of taxes, in accordance with the provisions of act No. 1407, section 9, paragraph (b), there are few who engage in the timber or wood business.

MINING AND STOCK RAISING.

As to the mining and stock raising industries, we sent a full report for the preceding fiscal year, but we must make mention of the estimated increase this year, of 30 per cent in the number of carabaos, over that of last year. This increase is to be noted also in the number of horses.

NONCHRISTIAN TRIBES.

There are settlements of non-Christian tribes in the municipalities of Cuyapó, Carranglan, Pantabangan, Pefaranda, and Bongabon, which tribes are known by the generic names of Tingulanes, Ibilao, and Ilongots.

Cuyapó.—In this municipality there are two settlements, known as Bued and San Marcelo, the population of which is estimated at 160 and 150, respectively.

These settlements are organized similarly to the municipalities, having as local officials a president, vice-president, and councilors, who enforce the ordinances of the municipal council to the jurisdiction of which they are subject.

The social condition of the Tingulanes in these settlements is highly progressive, for the children of both sexes punctually attend the schools, and a very pronounced desire to study is observed. At the instance of the respective presidents of these settlements, the provincial board, instead of assisting the inhabitants with clothes and other necessary effects, to the value of ₱50, invested that sum in the construction of a school building sufficiently commodious for the children of both sexes. Besides the schoolhouse, they have a cemetery recently opened for their use, as the necessity was seen of its opening, in view of the fact that prior thereto the Tingulanes had abandoned the inveterate custom of burying their dead under their own dwellings.

A great number of these people have been converted to Christianity. It is estimated that less than 10 per cent are pagans, who still preserve their ancient customs, as well as their mode of dress and manner of living. Those converted have adopted the manners and customs of the Christians. Their character is submissive, and they recognize and respect the orders of their officials, not failing to protest when they believe their rights are infringed upon.

They do not engage in commerce or industry, but exclusively in agriculture, which promises an abundant harvest this year, thereby removing the fear of what happened last year, when they suffered hunger. For this reason the board appropriated the sum above mentioned to purchase rice, which was afterwards devoted on petition of the authorities of the settlements to the construction of a schoolhouse.

Carranglan.—In this municipality there are three settlements called Caslagcagon, Cagaddengan, and Lomboy, the total number of their inhabitants being estimated at some 191.

Each settlement has its president, vice-president, justice, councilors, and police, who govern them in an orderly manner, the officials being elected by the inhabitants.

In respect to the social condition, there is much to be desired, owing to the state of the finances and the topography of the municipality in which these settlements are located, since on these accounts it is not practicable for said municipality to provide the necessary means for the proper progress of these settlements, although the same desires may be observed in their inhabitants as in those of the settlements of Cuyap6.

They are agriculturists, and harvest, besides palay in sufficient quantities for their own consumption, coffee, which, with rattan and products of the chase, produce a small traffic with the Christians.

In general, the character of the inhabitants is good, who have a proper conception of their duties as citizens.

Pantabangan.—The Ibilao, or Ilongots, in the jurisdiction of this municipality, are separated into distinct groups, some living in the mountains, and others in the sitios adjacent to the center of population. Although these groups live in various settlements, all are under the administration and government of one president, vice-president, four councilors, and police, elected by themselves.

They ordinarily know how to comply with and to respect the orders emanating from the municipal council and president. It is estimated that 70 per cent of those not living in the mountains have been converted to the Christian religion. Many of them have left the mountains to live with the Christians in the barrios, and having cut their hair, in appearance resemble them. It may be asserted that their status is a little higher than those of the settlements of Carranglan, though conditions are alike in the two municipalities. This is the case as to those living in the barrios, or near them, who number about 100 and intermingled with the Christians, but those known as Ilongots, living in the mountains, and estimated at double this number, still preserve their savage customs, and are vengeful and superstitious. Owing, however, to the fact that these mountain dwellers are growing less in number from day to day, this is fortunately one of the years in which no crime has been committed.

Those living in the sitios adjacent to the center of population cultivate rice, yams, gabe, and other tubers, as well as coffee. They also engage in horticulture, and with the products thereof, and of the chase, to which they temporarily devote themselves, carry on their business on a small scale with the Christians.

Peñaranda and Bongabon.—Some settlements of Aetas are found in the mountains of Peñaranda and Bongabon, the inhabitants of which engage in hunting and fishing. They live a pacific life, and I have not observed any progress among them, owing to the fact that they continue to live in a primitive way and are refractory to the ideas of civilization and culture. Some of these tribes, the most advanced, are accustomed, from time to time, to come down to the center of population in order to exchange their scanty products with the Christians for others which they need.

POLITICAL CONDITIONS.

During this fiscal year there were no disturbances or disorders and very little criminality.^a

During the months of May and June, some robberies took place within the jurisdiction of this province, the authors thereof being a band of ladrones led by a man named Nicolas Gutierrez, a person with a very bad record, and against whom there are various charges of brigandage.

The frequency with which, during said months, these robberies were committed, is due rather to the fact that for a long time the greater number of the municipalities have been disarmed, and so continue up to the present time. As this rendered the capture of the ladrones impossible, the provincial government felt itself obliged to resort to the secret service, appointing special agents, having previously appropriated the insignificant sum of ₱340, with which the said agents, assisted by influential and prominent residents of this province, have succeeded in capturing not only the leader, but the majority of the members of the band, together with the arms which they used while committing their depredations. Said capture has resulted in putting a stop to robberies and raids in the province.

^aA comparative statement of the criminal causes heard in the court of first instance during 1906 and 1907 has been omitted and is on file in the Bureau of Insular Affairs, War Department.

The theft of carabaos, which is so common throughout nearly all the archipelago, has also decreased in comparison with the preceding year. This is due exclusively to the efforts of the secret service agents of the constabulary.

I can state that absolute tranquillity is enjoyed. The attitude of the people is that of peace and order, and there is no indication whatever of discontent among them, in consequence of which the people have assisted the provincial government, generally speaking, in so far as was their duty, in the capture of the ladrones.

There have been scarcely any tidings or private communications concerning the Felipe Salvador sect for a long time. The followers from here whom he had converted, are living tranquilly, and do not engage in the practice of exhortations and penitences, as they formerly did. This is undoubtedly due, in a great measure, to the influence of the visits of government officials to the barrios where these followers reside, through which officials they learned that it was more useful and advantageous to work their fields, than to carry out the religious practices exacted by Apong Ipe, the immediate result of which led to crime, or at least to hunger.

The robbery of the municipal treasury of San Juan de Guimba was committed by the band alluded to, whose leader was Nicolas Gutierrez, and which has already been captured.

No real political agitation has been recorded as in others; the approaching election for assemblymen has been received with little enthusiasm, as is proved by the fact that, as compared with the number of electors who participated in the last election, the number who have taken the elector's oath for the approaching election, with the exception of certain municipalities, shows a considerable decrease. It is possible that this may be due to the fact that the majority of the inhabitants were engaged in their agricultural pursuits at the time of registering required by the election law, far from their regular place of dwelling in the towns, as they were compelled by necessity to prepare their seed beds of rice, since the time of registration coincided exactly with the time of the first rains. Again, the short time fixed for registration has had a notable effect in there not being a greater number of electors and it is also possible that many of them did not qualify as in former years because they were much impressed by the penal provisions of section 29 of the election laws.

PUBLIC HEALTH AND SANITATION.

As to public health and sanitation, attention is called to the following report of the acting district health officer dated July 10, 1907:

SIR: I have the honor to forward to you the following report of the sanitary condition of this province, in compliance with your directions, which report covers the period from July, 1906, to May, 1907, both inclusive. I have not yet received the data for June, 1907, for which reason I do not include this month.

Very respectfully,

H. JACINTO,
Acting District Health Officer.

CHOLERA.

In accordance with the new law, act No. 1487, in effect since July 1, 1906, the former president of the provincial board of health ceased to hold office, and the district health officer of Pampanga province was placed provisionally in charge of this province. I can not give the exact dates when Asiatic cholera first appeared in this province, but I believe that the first case was recorded in this capital on July 5, 1906. Notwithstanding the rigorous measures of disinfection and isolation of those attacked adopted by the municipal boards of health, with the cooperation of the respective municipal councils, the epidemic spread in this capital and in the municipalities of Peñaranda, Cabanatuan, San Antonio, Allaga, Gapa, Talavera, and San Juan. The ill-fated Dr. Justo Panis, deceased, having taken the oath of office as health officer, the active measures which had been adopted from the beginning of the epidemic, were carried on under his personal direction in the municipalities of Peñaranda, Cabanatuan, Allaga, and Talavera, where no duly qualified presidents of municipal boards of health existed, and as a result cholera disappeared, and there has been no further evidence of it since November 14, 1906.

From July 5 to November 14, 1906, there were 652 cases, with 495 deaths, or 75.90 per cent. All were Filipinos, of whom 348 were male, with 254 deaths, and 304 females, with 241 deaths.^a

SMALLPOX.

There were only four deaths from smallpox during the eleven months covered by this report, which, compared with the number in the same period of the preceding year (229) shows a great difference in favor of the present period. This great decrease is due to the vaccination work begun in the fiscal year 1905, which has continued in the preceding and the present fiscal years, and in which some municipal vaccinators, in conjunction with the four duly qualified presidents of municipal boards of health, have been employed. Notwithstanding this work, and to prevent this disease in the present year, a corps of provincial vaccinators was organized on April 30, 1907, going from town to town, to complete this vaccination work. Several cases of varicella having appeared in this capital, they began their work here. This community having been immune, the corps was transferred to the district of San Leonardo, Peñaranda, for the same purpose. From there the vaccinators went to the municipality of Cuyapó where there were cases and deaths from smallpox, from where they changed to the district of Cabiao of this capital, and from the latter place to the municipality of San Antonio, where they are at the present time. The effects of this systematic plan of vaccination work may already be noted, demonstrated by the fact that there is less smallpox at the present time than at any other period. From the date of the organization of the corps of vaccinators until May 30 last, there have been vaccinated 32,632 persons of both sexes.

All the necessary material was received from the bureau of health, Manila.

From July, 1906, to May, 1907, inclusive, 4,585 births were recorded, as against 4,437 for about the same period during the previous fiscal year.

The number of deaths were 4,146 during the past eleven months, as against 3,473 during the same period in this last fiscal year.^b

MOST COMMON CAUSES OF DEATH.

Convulsions among children has been the cause of the greatest mortality this year. This is due to the lack of care and the neglect on the part of some parents who leave everything to the care of the midwives, who are without any qualifications whatever for practicing this profession.

Malaria in its multiple forms occupies the second place in the cause of greatest mortality.^c

There are at present in the province 47 Filipinos—32 males and 15 females—affected with leprosy, and all of whom are under the care of their respective families.

There are 44 demented persons, 23 are males, and 21 females, all with one exception cared for by their respective families.

At the present time there are five duly organized municipal boards of health, one in each of the municipalities of San Isidro, Gapan, San Antonio, Cabanatuan, and Cuyapó. The presidents of San Isidro and Cabanatuan are qualified physicians, of San Antonio and Cuyapó, undergraduates of surgery, and of Gapan, a second-class pharmacist.

During the time to which this report relates, 249 carabaos died of rinderpest, and 10 of foot-and-mouth disease, 18 horses of glanders, and 2 of surra.

The nine remaining municipalities have provisional boards of health, over which the presidents thereof preside.

In accordance with the new law, act No. 1613, a municipal health district composed of the municipalities of Peñaranda, Cabanatuan, and Talavera, has been organized. This organization has already been approved by the director of health and by the councils of the respective municipalities. Because the municipal council of Talavera has not appropriated its pro rata of the salary of the party appointed president of said municipal health district, alleging lack

^a A table showing the extent of the epidemic in each of the municipalities infected has been omitted and is on file in the Bureau of Insular Affairs, War Department.

^b A table showing the distribution of the deaths has been omitted and is on file in the Bureau of Insular Affairs, War Department.

^c A table showing the common causes of deaths has been omitted and is on file in the Bureau of Insular Affairs, War Department.

of funds, Dr. Clodoaldo Abad, who applied for that position, has not assumed his duties as such official, up to the present date, in spite of this fusion having been approved.

RECOMMENDATIONS.

We insist upon our recommendations.

1. That the capital of this province be transferred to a central point, and reiterate the reasons set forth in the report for the previous fiscal year, which are, among others, the great distance between the capital and the majority of the municipalities of this province, the lack of means, or highways of communication between the capital and said points, for which reasons the administrative action of the provincial government is not so effective as is desired.

2. That the police of the municipalities, which continue up to the present time without arms, be immediately rearmed, and it is suggested that the municipalities of Licab, Cuyapó, and San Juan be armed with rifles, on account of the conditions there existing, especially in times of floods, when they are absolutely isolated from the other municipalities of the province.

This provincial government does not understand why the neighboring provinces are supplied with rifles for their municipal police and the province of Nueva Ecija, which is in worse condition, in respect to security and safety of life and property, owing to its topography and its immense forests, which are frequently sought as a secure retreat by ladrones from other provinces, is refused by the authorities vested with the power of giving rifles to the municipal police, and who do not take into account the reasons set forth by this government, ignoring them and giving heed to the unfounded reports made by persons absolutely unacquainted with the conditions of Nueva Ecija province.

3. I also recommend the approval of the following resolution of the provincial board, dated May 28, 1907:

"Sec. 7. On motion of the provincial governor, the board unanimously adopted the original resolution presented by the former, the tenor of which is as follows:

"Whereas, the province of Nueva Ecija is in debt to the insular government in the sum of ₱22,196; and,

"Whereas, ₱6,000 of this total debt corresponds to a loan made by the insular government to the provincial board of Nueva Ecija, at a time when this entity was scarcely provided with funds sufficient to pay the general expenses of the government, and the balance of said total debt proceeds from expenses of the court, taking into consideration that the provincial government, although it is not going through a financial crisis as in the past, should give encouragement to public works, such as the construction of bridges, repair and maintenance of roads, and the construction of schools, therefore, the provincial board resolves to call the attention of the Government to these facts for the purpose of canceling the entire debt in benefit of the interests of the province of Nueva Ecija."

"The reasons upon which the provincial board bases this petition for said cancellation are the following: 1. Precarious financial condition of Nueva Ecija; 2. Evident necessity for the construction and repair of roads in every part of Nueva Ecija; 3. Necessity also of building schoolhouses of strong materials and of the capacity required by the municipalities, owing to the increase in the number of students who attend.

"As a large part of the sum the cancellation of which is petitioned, proceeds from court costs, and this rather corresponds to the insular government, since said office is of an insular character, it seems equitable that the sum due for such purpose should be unconditionally canceled by the insular government.

"Moreover, in the opinion of the provincial board of Nueva Ecija, a sum amounting to ₱15,532.40 was unjustly paid to Bilibid prison, in which sum the government of Nueva Ecija ought to be reimbursed, taking into account that the prisoners of this province remitted to Bilibid though they are maintained by this office, it is a fact that from the time of their arrival in Bilibid prison, the latter takes the benefits of their labor.

"The provincial board of Nueva Ecija, in the event of the approval of what is petitioned in the present resolution, agrees to spend an amount equal to the sum petitioned for cancellation, for the construction of schoolhouses, roads, and bridges, voting for said purpose an annual sum of not less than ₱5,000, beginning with January 1, 1908, until the sum of ₱22,196.50 has been expended."

Respectfully submitted.

ISAURO GABALDON,
Governor of the Province of Nueva Ecija.

The GOVERNOR-GENERAL.

Financial statement of the province of Nueva Ecija for the fiscal year 1906-7.

	General fund.	Road and bridge fund.	Congressional relief fund.	Cuyapó school building.
Balance, July 1, 1906.....	P11,880.00	P5,647.56	P1,608.15	P7,980.24
Receipts, July 1, 1906, to June 30, 1907:				
Land tax.....	1,250.67	625.27		
Land tax refund, act No. 1455.....	12,347.23	6,173.58		
Land tax refund, act No. 1579.....	5,291.67	2,645.82		
Cedulas.....	15,083.00			
Cart tax.....	2,506.23			
Internal revenue refund.....	4,292.18			
Sale of supplies.....	868.48			
Registry of property.....	246.55			
Congressional relief act (No. 1406, Feb. 15, 1907).....			500.00	
Transferred from general to Congressional relief.....			101.00	
Transferred from Congressional relief to general.....	1.65			
Transferred from road and bridge to general.....	7.80			
Miscellaneous.....	579.83			
Total.....	55,235.01	15,092.23	2,204.15	7,980.24
Disbursements, July 1, 1906, to June 30, 1907:				
Salaries.....	23,732.94			
Repairs to building.....	193.20		516.04	
Traveling expenses and per diem.....	2,764.94			
Office supplies.....	2,641.13			
Permanent equipment.....	415.34			
Clerk of court fees.....	738.08			
Sheriff fees.....	490.28			
Feeding prisoners.....	3,015.66			
Premiums on bonds.....	419.38			
Postage and telegrams.....	467.80			
Miscellaneous.....	2,225.63			
Labor and material, roads and bridges.....		4,724.56		
Permanent equipment.....		94.07		
Repairs, industrial school.....	65.52		628.09	
Congressional relief fund expenditures.....			130.00	
Cart tax refunded.....	2.50			
Land tax refunded.....	576.39	238.20		
Transferred to Congressional relief.....	101.00			
Cuyapó school building.....				1,306.05
First installment on P12,000 loan.....	6,000.00			
Total expenditures.....	42,863.75	5,106.83	1,272.13	1,306.05
Balance, June 30, 1907.....	12,371.26	9,985.40	932.02	6,674.19
Total.....	55,235.01	15,092.23	2,204.15	7,980.24

Note—

Internal revenue balance, July 1, 1906, withheld by insular auditor... P4,292.18
 Internal revenue refunds, July 1, 1906, to June 30, 1907, withheld by insular auditor..... 11,974.53

Total..... 16,266.71
 Internal revenue refunds received from insular auditor, September 17, 1907, settlement warrant No. 7458..... 4,292.18

Balance internal revenue refunds withheld by insular auditor, June 30, 1907..... 11,974.53

REPORT OF THE GOVERNOR OF NUEVA VIZCAYA.

OFFICE OF THE GOVERNOR, PROVINCE OF NUEVA VIZCAYA,
Bayombong, P. I., July 21, 1907.

SIR: I have the honor to submit my annual report for the fiscal year ended June 30, 1907, as required by act No. 1044 of the Commission.

GENERAL CONDITIONS.

Good order and tranquillity have prevailed.

The municipal officials in the townships organized under the township government act have performed their duties satisfactorily and I desire to express here my appreciation of their work.

The province experienced, on September 26 last, one of the most destructive storms in its history. In common with the rest of the Cagayan-Magat river valley severe losses of property occurred, but in this province fortunately no loss of life, the losses being confined to houses, crops, and domestic animals and great destruction to bridges, roads, and ferries. The municipal buildings of Bambang and Dupax were destroyed by the storm.

In Bayombong, by the change in the course of the river caused by the flood, the San Vicente irrigation canal, a very old work, which, diverting a portion of the Magat River, waters practically all the sementeras of Solano and Bayombong and their barrios, was temporarily fendered useless by having more than a thousand feet of its bank washed out.

This can be repaired temporarily by voluntary labor of the two towns so that the canal will be serviceable, but whenever a rise in the river occurs, such as comes regularly several times each rainy season, the temporary work is carried away and must all be renewed, and not only is this the case, but every occurrence of high water increases the extent of the break in the canal and seems to threaten the safety eventually of a large portion of the town of Bayombong.

The temporary repairs to the canal of the kind referred to have had to be renewed three times since the flood of last September during only an average rainy season, and permanent works to prevent further and more serious damage by the river are urgently needed. It is believed that the extent of the works required is such that the province can not undertake the same without insular aid, but the problem is one that requires expert engineering advice.

Accordingly, after your recent visit to the province, by your direction that an engineer from the bureau of public works be detailed for the purpose, Mr. Charles H. Kendall, the assistant director of public works, visited the place in question and has just completed making a careful survey and plan for works which it is believed will control the river in the future and cause it to build up instead of destroying the lands affected.

Mr. Kendall has not yet completed his report and estimates, but a preliminary estimate made by him while here indicates that the work will be of such magnitude as to require insular aid in addition to all the province can do out of its own resources and all the voluntary labor that can be furnished by the towns in question.

The work is of vital importance to the two towns, which, with their barrios, contain more than half of the Christian or civilized population of the province.

COMMERCIAL AND AGRICULTURAL.

The only industry of the province, as in the past, is its agriculture, the only manufacturing establishment being a brick and tile factory at Bayombong.

On account of the extreme isolation of the province from the outside world the only commodities that are marketed are sufficient agricultural produce to bring in exchange what the people require other than food. These include mainly rice, potatoes and other vegetables with some coffee and cacao, marketed mostly in Isabela, that market being nearer than Pangasinan.

All transportation into and out of the province is now by pack animals. The great handicap caused by lack of transportation will delay agricultural development until better ways of communication are opened up.

While we are better off in this respect than ever before in the history of the province, yet no products will be grown for export that the people are not actually compelled to find a market for in exchange for the necessities of life, until the cost of transportation is materially reduced.

This would be aided very much by a wagon road to Echague, Isabela.

Our part of this road—part of the main highway of travel through the province—is a cart road at the present time, connecting the towns of Dupax, Bambang, Bayombong, Solano, and Bagabag. Beyond Bagabag to the Isabela line, a distance of 18 miles, the road has been improved and can be easily made of cart width. This, however, would serve no purpose if the remainder of the highway from the Isabela line through Cordon and Carig to Echague remains, as it is now, a series of mud holes impassable even for carabao at certain times in the year.

The writer held a conference several months since with the governor and other provincial officials of Isabela to discuss mutual cooperation for the improvement of this common highway.

While the Isabela officials were fully alive to the importance of the highway to the people of both provinces, they advised me that the province had no funds at that time for road construction and the towns of Cordon, Carig, and Echague, situated on the line of this road, which would be most directly benefited, seemed to be deterred by the magnitude of the work from trying to do anything unaided, and so the matter stands. It is possible the Isabela authorities may soon be able to put their part of this road in good repair and make it a cart road.

The other main artery of travel into and out of the province, the Padre Juan Villaverde or San Nicolas trail from Bayombong, 70 miles, to San Nicolas, Pangasinan, is, in its mountain section, one of the best examples of mountain trail work the writer has ever seen.

Since its opening, nearly four years ago, the road bed has improved and become settled year by year so that now travel is almost never interrupted, even for a day, by slides, mud, fallen trees, and the various troubles that are familiar to officials charged with the maintenance of roads of this kind in the Philippines in the rainy season.

The maintenance work on this trail is directed toward its constant improvement and not merely to keeping it open for traffic.

FINANCIAL.

The following statement furnished by Mr. Thomas P. Maddela, acting provincial treasurer, shows the receipts and disbursements from all sources during the fiscal year ended June 30, 1907:

Statement of receipts and expenditures for the fiscal year ended June 30, 1907.

RECEIPTS.	
On hand July 1, 1906.....	₱11,191.29
Provincial receipts:	
Cedulas.....	2,971.50
Sales of supplies.....	1,095.17
Cart tax.....	727.615
Road tax.....	6,366.00
Refunds, errors, etc.....	165.06
Township and settlement fund, (refund internal revenue).....	11,912.10
Dog tags.....	5.00
Justices of the peace, ex-officio fees.....	72.00
Congressional relief school building fund.....	5,500.00
Appropriations.....	20,600.00
Total.....	60,605.735
EXPENDITURES.	
Salaries, from general fund.....	₱13,348.68
Roads and bridges.....	11,699.61
Provincial government building.....	5,083.16
School buildings.....	7,531.89
Miscellaneous expenses.....	11,115.13
Balance on hand June 30, 1907.....	11,827.265
Total.....	60,605.735

Mr. W. C. Bryant, provincial treasurer for nearly four years past, and now in Manila, has, it is understood, been offered and decided to accept the trusteeship of Misamis Province which will be a well-deserved promotion. Mr. Bryant has been a most painstaking and efficient treasurer and leaves with the friendship and good will of all the people of the province.

PUBLIC WORKS.

An effort has been made during the year to educate those persons in the province who are capable of undertaking the work to contract for bridges and other public works. We have tried to make bridges, particularly, an object lesson by putting in several carefully constructed ones of standard types and then

advertising for bids for constructing others, giving intending bidders all possible information about the amount and cost of labor required, the cost of getting out and transporting timber and all other items of cost in the construction done by the province and to convince them that private persons ought to be able to do the work more cheaply than the government and yet make a living profit.

The experiment has not been an entire success, as we have found that the only way to get a piece of contract work done satisfactorily is to furnish the same superintendence that is given work done by the province and as the item of superintendence is one of the largest in construction cost of such work, it has been almost impossible to get contracts taken for a price that shows any saving over work done by the province.

The people seem to be timid about bidding on work even where no bond is required and where it would simply be a case of the province taking over the work and carrying it on to completion if for any reason the contractor could not proceed. A beginning has, however, been made and a few small contracts taken and carried out.

Three of the six towns are without "Presidencias," those of Dupax and Bambang having been destroyed by the September baguio, and that of Bagabag having been gutted by fire years ago. Solano lost its municipal school in the September storm and has given up its municipal building for school purposes until another can be erected. The municipio of Bayombong is also badly in need of repairs.

The provincial board made the proposition to these towns that if they would furnish by gratuitous labor all necessary materials, the board would, when the materials were on the ground, make a grant out of the fund for "roads, bridges and other public works" (section 19, act 1396) for the construction of these badly needed public buildings.

The towns have accepted the proposition and Dupax and Solano have quantities of material now on hand and are about ready to begin the work of construction.

It was thought only fair to the towns to devote a part of this tax for the coming year to these purposes, as their revenues have been so much reduced by the loss of half the cedula tax that they have no funds available for the purposes stated, and as it has been necessary to use a share of this fund for the past two years for the completion of the provincial government building.

As this ₱2 poll tax is a direct tax paid equally by the people of all the townships it is felt that it should be expended as much as possible on public works within the townships and when extraordinary need arises on other works than roads and bridges.

The provincial office building at Bayombong, completed and occupied during the year, has been built at a cost of between ₱14,500 and ₱15,000. It has been in course of construction for two and one-half years, is of two stories, some 45 by 65 feet in dimensions and while not large is very conveniently planned, all space being utilized, and will probably be adequate for the needs of the province for many years to come.

The treasurer's office is equipped with a roomy fire and burglar proof vault, insuring safety for the public records in case of fire. All but ₱6,400 of the cost of construction has been met out of provincial funds.

The road or rather the trail, for it is not of cart width, from Bagabag to the Isabela line, before referred to, has been put in good condition at a cost of ₱3,000 and considerable bridge and repair work done on the main highway through the province from Pangasinan to Isabela, all out of provincial funds.

The cost of maintenance of the Padre Juan Villaverde trail through its mountain section has been defrayed for the most part by an appropriation of ₱3,000 from the insular treasury. It should be said that this trail, while the supervisor of this province has charge of its maintenance, and the funds for its maintenance are charged to this province, runs for its first 20 miles through Pangasinan province, the dividing line being where it crosses a range of the Cordillera Central at an elevation of 4,780 feet.

TOWNSHIP AND SETTLEMENT FUND.

This fund, created by act 1426, consists of the moneys derived from the proportion of the refund of internal revenue corresponding to the non-Christian or uncivilized population and is set apart as a fund to be expended solely for the benefit of that population by the provincial board with the approval, first had, of the secretary of the interior.

A considerable balance has been allowed to accumulate in this fund which the provincial board, in accordance with the views of the secretary of the interior, intends to use in extending as rapidly as possible ways of communication throughout the northern Igorot country. Work is now progressing on a road from the Polis Mountain pass, on the line between this province and Lepanto-Bontoc, to Banaue, where our northernmost constabulary post is situated; the road will be on a cart grade but for the present not of cart width. Work will be pushed on this road as fast as the season will permit, a force of 350 men being now at work. Meantime a survey of a new trail from Banaue to Quilangan at the southern extremity of our rugged and densely populated Igorot country.

It is expected that by next February or March a road on a grade practicable for wheeled vehicles but not of cart width will be completed through from the Polis Mountain divide to Quilangan, so that it will be possible to ride a horse over the entire route without dismounting.

What a great improvement over present trails this will be when accomplished can only be realized by one who has seen and experienced what a mountainous and rugged country the road will traverse. North of the Ibelao River, just out of Quilangan, it is extremely hard to find a single acre of level ground. Laying out a road on anything approaching an easy grade is only possible by following the contour of the mountain slopes and patient prospecting for the most practicable ways of overcoming the difficulties and obstacles involved.

When the road from the summit of Polis Mountain to Quilangan is put through several other important roads must be opened up as rapidly as funds will allow. One of the most important is the one from Banaue to Mayoyao. Those from Banaue to Sapao, Sapao to Asin, Banaue to Malapap, Quilangan to Ayanan and Mayoyao and many others when opened up will be of great strategic value in handling the Igorots.

It is intended to push the work of opening up these important communications as fast as available funds will allow.

NONCHRISTIAN TRIBES.

The non-Christian population of this province is given in the official census returns as some 46,000, which is now known beyond doubt to be much less than the true figures. At the time the census of 1903 was taken our northern Igorot country had not been opened up since American occupation, and it was impossible for the census enumerators to enumerate many, in fact most, of the Ifugao districts and rancherías at close range, the mountain tops affording a convenient coign of vantage.

The census takers were not required actually to enumerate the population in a region where such conditions prevailed, so that the census figures at best were only an estimate.

It is believed that an accurate census can now be made without great expense and that it will show a much larger population than the present official figures. Such a recount should be made and the result made official. Plans for undertaking this work at the end of the present rainy season are now being considered.

Progress in dealing with the non-Christian tribes is apparent in the settling of feuds of long standing and the ability of Igorots to go about freely where they never before could have ventured to go unprotected. This is due to the fact that the Igorots have learned to have confidence in the authorities and a healthy public sentiment has arisen among them in favor of reporting to the authorities acts that they know are unlawful and punishable.

Captain Case, now promoted to senior inspector of constabulary of the province, and Lieutenant Gallman, who has succeeded him as the senior constabulary officer with station in the Igorot country, are men having the highest possible qualifications for the difficult work of controlling the Igorot population (formerly uncontrollable except with a very strong military force) and at the same time retaining their respect and confidence.

It has been thought best to form only one new partial township organization during the year and that not in the northern Igorot country, but the group of rancherías known as the Imugan district lying along the line of or near to the Padre Juan Villaverde trail. These rancherías are just across the boundary from the former comandancia of Kayapa, now a part of Benguet.

These Igorots, in their characteristics, are like the well-known Benguet Igorots and not at all like our northern Ifugaos. A "padron" or list of the inhabitants of the newly organized township shows a population of over 1,900, with 572 males of cedula age.

The great majority of the inhabitants of cedula age have already paid their cedula tax and cedulas will, it is believed, all be collected before the limit of time for payment fixed for September 30 is reached.

They have an organization consisting of Igorot officials and councillors with an Ilocano secretary-treasurer, who lives among them.

The condition of these Igorots is improving very rapidly and they will one day be very prosperous. They are clearing land rapidly, are planting a great deal of coffee and find a ready market for all their coffee and vegetables in the towns of San Nicolas and Tayug, less than a day's journey distant. They also frequently bring produce to the Bayombong and Solano markets.

NEED OF A PROVINCIAL SUPERVISOR.

A competent provincial supervisor is urgently needed to relieve the provincial governor of the duties of that office.

The governor has more than he can do to discharge properly the other duties devolving on him as governor, beside being sheriff, *ex-officio* justice of the peace, having to act in lieu of a fiscal, investigating crimes committed and conducting the preliminary trials of persons accused of crimes, since the fiscal is only in the province during the actual sessions of court.

The duties of supervisor are sufficiently onerous to engage the entire attention of a competent man.

SCHOOLS.

I append a report on school work in the province for the year, kindly furnished by Mr. Norman G. Conner, division superintendent of schools.

In conclusion I wish to refer to the great appreciation that the people of the province felt at the honor of a visit from the governor-general of the islands when he accompanied the secretary of the interior on his recent official tour of inspection.

I believe great good was done by the visit and by the public utterances of the visitors, which gave the people a new idea of the Government's policy toward them and the conferences held at the towns visited.

Very respectfully,

LOUIS G. KNIGHT,
Governor of the Province of Nueva Vizcaya.

The GOVERNOR-GENERAL.

DEPARTMENT OF PUBLIC INSTRUCTION,
BUREAU OF EDUCATION,
Bayombong, N. V., July 26, 1907.

SIR: I have the honor to submit herewith a brief statement of school work and conditions in this province during the past year.

Certain data as to attendance, teachers, and school finances are given in appendices "A," "B," and "C."^a

The enrollment of last year was less than that in the year 1905-6, as in four municipalities several teachers were discharged for lack of funds. The average number of pupils enrolled per teacher, counting municipal and Filipino insular teachers, was about fifty.

The native teachers, as a body, are improving in the grade of their own attainments and in their teaching ability. With the exception of three Igorot teachers there are none who are not of the fourth grade or better.

The storm of September 27 last destroyed seven school buildings, three of which were of strong materials, and badly injured all of the others. With one exception the wrecked buildings have been replaced by new and better structures. All of the labor on the new buildings was voluntary, not a cent being paid from either provincial or municipal funds.

The new provincial school building was begun in January, 1907, and work has gone on rapidly. The building should be completed, barring accidents, by next March.

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

The Igorot schools at Quiangan and at Banaue made as much progress as was expected. The work at Quiangan was interrupted several times during the school year, as the teacher in charge had to be brought to Bayombong twice in order to work in the normal institute and in the high school, and during the months of February and March was absent, sick.

Both of these schools should have at least two American teachers, and the bureau of education has promised to send them soon.^a

Very respectfully,

NORMAN G. CONNER,
Division Superintendent of Schools.

The Hon. LOUIS G. KNIGHT,
Provincial Governor, Bayombong, Nueva Vizcaya.

REPORT OF THE GOVERNOR OF NEGROS OCCIDENTAL.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF NEGROS OCCIDENTAL,
Bacolod, P. I., July 24, 1907.

SIR: I have the honor to submit herewith my annual report, as required by law.

AGRICULTURE.

The agriculture is in a state of decadence, the same as in the past few years. It has to contend with the same difficulties, among them the lack of labor cattle, the want of credit, the low price of sugar, the locusts, and the labor question.

The rinderpest, which has become endemic, continues to destroy the labor cattle, but it does not do so on a large scale and is not of general prevalence throughout the pueblos.

The cattle owners have lost all confidence in the measures adopted so far by the government, which consist in the simultaneous method of protective inoculation applied by the veterinary surgeons, it having been observed in practice that it is fortunate if 20 per cent of the cattle inoculated are saved. In view of the lack of cattle many plantations and extensive tracts of farming land are lying waste.

The lack of capital for cultivation is another difficulty with which our agriculture has to contend. The agriculturist, though anxious to extend his work and develop cultivation with a view to securing good crops, is forced to remain idle because of the difficulty in obtaining money, and this circumstance is causing a great deal of discouragement in the exploitation of the soil.

The passage by the Congress of the United States of the act providing for the creation of agricultural banks in the archipelago has caused great satisfaction among the people of Negros Occidental, and it is believed that agriculture will be greatly relieved by the establishment of such banks.

The locusts have become a veritable pest to agriculture and have destroyed large quantities of rice, corn, sugar cane, etc.

The provincial government has adopted suitable measures for the extermination of the locusts in accordance with existing legislation, but these proved abortive in practice in view of the passive resistance of the people, who ask that they be given at least their food as a compensation for their work, which request has been denied by the insular government, notwithstanding the persistent petition of the provincial government.

It goes without saying that the low price of sugar and the habit of the laborers of requesting advances of wages and deserting after having worked for a few days, or not at all, leaving the agriculturist without laborers and without the money advanced by him, which they do not refund, contribute also to the decadence of agriculture.

^a Statistical data concerning school attendance, relative number of American and native teachers, and school finances have been omitted and are on file in the Bureau of Insular Affairs, War Department.

I believe that the insular government should, for the best interest of these islands, adopt the legislation suggested in my report for last year, abolishing all customs duties on importations of agricultural machinery and implements, and abolishing or reducing the Dingley tariff duties on sugar. It is also to be recommended that the Philippine Commission appropriate from insular funds money for the extermination of the locusts and pass an act regulating the service of day laborers.

INDUSTRY AND COMMERCE.

Industries, but on a small scale only, are the weaving of textiles of silk, abaca, pineapple fiber and other material, fishing, the distilling of tuba, and the making of straw hats and of sundry articles of abaca, rattan, and caña espina.

Commerce is carried on to an ordinary extent; it is, with very few exceptions, monopolized by the Chinese.

ECONOMIC SITUATION.

The province is passing through a period of rather severe economic depression, which is due to the fact that agriculture, the principal source of wealth, is in a state of decadence and that industry and commerce do not give the revenues desired.

PUBLIC INSTRUCTION.

Public instruction is gaining considerably in the eyes of the people, who receive it with much pleasure and cordiality.

The number of children who attend school is increasing all the time and lacks little of coming up to the attendance desired.

So great is the enthusiasm which the people feel for education that in many barrios schoolhouses have been built at the expense of the inhabitants, and on several estates at that of the proprietors. Several municipal presidents have ceded their salaries to the cause of education, and there are private citizens who pay the salaries of a few school-teachers. Mention must also be made of the construction of the school of arts and trades and of the high school, which are almost completed and will be ready for the purposes to which they are destined in less than two months.

The school of arts and trades has been built with cash donations by the municipalities and private parties, the province paying 20 per cent, more or less, to complete the contract price. This is another proof that the people take up with solicitude any idea connected with instruction.

This edifice (the school of arts and trades) has been built according to modern standards, lumber of the superior group having been used for the interior work and reenforced concrete for the exterior.

The high school has also been built according to modern standards, lumber of the first group being used in its construction.

To complete the buildings destined to education, the provincial board is contemplating the construction of a school of agriculture and a girls' dormitory.

FINANCES.

The balance struck on June 30 last shows the following funds on hand in the provincial treasury:

General funds.....	P31, 879. 51
Road and bridge funds.....	21, 111. 04
Congressional relief funds.....	958. 48
Funds of schools of secondary instruction.....	26, 667. 17
Municipal funds in the provincial treasury.....	13, 506. 74
Non-Christian inhabitants fund.....	1, 084. 10
Municipal deposits.....	53, 055. 18
Total	148, 262. 22

The following table contains the sums shown by the balance struck on June 30, 1906; the collections made from July 1, 1906, to June 30, 1907; the disbursements from July 1, 1906, to June 30, 1907, and the balance on the date last mentioned.

General fund.

Balance June 30, 1906.....	₱43, 436. 71
Collection July 1, 1906, to June 30, 1907.....	112, 543. 63
	<hr/>
Disbursements July 1, 1906, to June 30, 1907.....	155, 980. 34
	<hr/>
Balance June 30, 1907.....	31, 879. 51

Road and bridge fund.

Balance June 30, 1906.....	19, 020. 39
Collection July 1, 1906, to June 30, 1907.....	31, 480. 34
	<hr/>
Disbursements July 1, 1906, to June 30, 1907.....	50, 500. 73
	<hr/>
Balance June 30, 1907.....	29, 389. 69
	<hr/>
Balance June 30, 1907.....	21, 111. 04

Congressional relief fund.

Balance June 30, 1906.....	915. 52
Collection July 1, 1906, to June 30, 1907.....	742. 96
	<hr/>
Disbursements July 1, 1906, to June 30, 1907.....	1, 658. 48
	<hr/>
Balance June 30, 1907.....	700. 00
	<hr/>
Balance June 30, 1907.....	958. 48

School building fund.

Balance June 30, 1906.....	32, 521. 58
Collection July 1, 1906, to June 30, 1907.....	14, 860. 24
	<hr/>
Disbursements July 1, 1906, to June 30, 1907.....	47, 381. 82
	<hr/>
Balance June 30, 1907.....	20, 714. 65
	<hr/>
Balance June 30, 1907.....	26, 667. 17

Non-Christian inhabitants fund.

Balance June 30, 1906.....	466. 56
Collection July 1, 1906, to June 30, 1907.....	617. 54
	<hr/>
Balance June 30, 1907.....	1, 084. 10

Municipal account.

Collection July 1, 1906, to June 30, 1907.....	105, 604. 81
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PUBLIC WORKS.

During the last twelve months the public works have been given great impulse.

The provincial board has not spared time nor work to respond to the wishes of the people of Negros Occidental, who have made sacrifices to pay their taxes. It has endeavored to give preference to the public works and has appropriated a large portion of the general provincial funds for that purpose.

The plan of the provincial board for distributing the provincial funds in an equitable manner among the municipalities has given good results in practice. It has been easy, therefore, to secure the efficacious support of the municipalities and of the private citizens for the execution and realization of many improvements, and it may almost be said that the success achieved is to a considerable degree due to their support.

During the period of one year the following work has been done, aside from other work of less importance.^a

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

Bridges, also of reenforced concrete, are in construction at Taloc Pequeno, Sibucan, Hilamnan, and Antipolo.

Leading among the work in project are the construction of reenforced concrete of the Calumangan bridge at Bago, the Lulubcon bridge at Saravia, the Magnanud bridge at Victorias, and the Catabla bridge at Talisay. However, this work can not be executed promptly and easily, in view of the lack of funds and of the fact that the province owes to the insular treasury the sum of ₱16,000, which has been spent for school buildings.

In view of the fact that the Philippine Commission has passed acts remitting the debts of the provinces of Iloilo, Capiz, etc., and that this province has expended large sums to complete the construction of the high school and the school of arts and trades, it would be reasonable if the Commission would remit ₱16,000 which the province of Negros Occidental owes to the insular government, with the condition that the province appropriate from its general funds a like sum for the construction of bridges, said sum to be disbursed for the purpose mentioned in two annual installments of ₱8,000 each.

PUBLIC ORDER.

This province is enjoying continued tranquillity.

Since July, 1906, the public order has been disturbed in the pueblos of Kabankalan and Himamaylan by the babaylanes. On the night of February 12 of this year, toward 10 o'clock, 10 of these fanatics, followers of the notorious Papa Isio, unexpectedly entered the barrio of Suay, and, once there, recruited men and set fire to 24 huts of bamboo and nipa and to the public school. Two hours later they retreated toward the hills, taking with them the men whom they had recruited in the barrio, numbering about twenty. The fanatics carried edged weapons, a serviceable rifle, an unserviceable shotgun, and probably also two unserviceable rifles.

They remained for approximately three hours at a place in the hills called Hilamnan, where spears of caña bojo (bamboo) were prepared and distributed to the men recruited at Suay.

At about 3 o'clock in the morning of the day following (February 13) they marched to the barrio of Kabankalan, where the band, consisting of about thirty-five persons, arrived between 5 and 6 o'clock in the morning. Here the band was joined by some eight persons of the barrio of Kabankalan, who were recruited the same as those of Suay.

The band, consisting of some forty-five persons, then marched toward the plaza of Kabankalan and the barracks of the constabulary.

The constabulary, of whom there were nine, upon perceiving the presence of these babaylanes or pulahans, divided into two sections, a corporal and three privates going out to meet the pulahans, and the others remaining in the barracks. The section first mentioned, perceiving the attitude of the pulahans, fired upon them with their rifles, to which the pulahans replied with the only serviceable rifle in their possession, wounding the corporal.

Then five of the maddest fanatics, dressed in red, engaged in a hand-to-hand fight with the constabulary corporal and the three privates, the former being killed by a gunshot and two bolo wounds and two of the privates receiving bolo wounds. This caused such a panic among the inhabitants of the barrio of Kabankalan and the five constabulary men in the barracks that they all fled from the barrio, leaving the babaylanes in possession and at full liberty. These set fire to the best dwellings and to warehouses, schools, and shops, the damage caused being estimated at ₱100,000.

Two pulahans were killed and one wounded in the fray.

Since the disturbance related the babaylanes have not made further raids and have been constantly pursued by the constabulary, municipal police, and volunteers.

The occurrences at Suay and Kabankalan were due to the same motives as raids of a similar nature which the babaylanes have made from time to time during past years—to fanaticism and the mania of destruction.

POLITICS.

The proximity of the elections for delegates and of the provincial and municipal elections has again stirred up the factional strife, which had almost ceased, and the several parties are preparing for the electoral struggle.

The party strife, which almost always degenerates into personalities, is becoming more and more accentuated as the elections mentioned approach. Many charges against municipal officers, filed recently with the provincial governor, the provincial board, and the court of first instance, are the results of this factional strife, the principal purpose of the accuser being to render the accused powerless and destroy his prestige, in order to secure influence and prestige for himself and carry off the victory during the coming election.

It being my belief that the same state of affairs still obtains and is perhaps more pronounced than ever, I shall repeat what I said in my report of last year :

"In this province it can be clearly seen that the man at the top, instead of being supported in his efforts to achieve the general welfare, is pulled down by those below him in such manner that those who do the pulling are wont to conceal their actions as to bring the penalty for them to bear upon those whose actions are open and above board and who generally are innocent of any wrongdoing.

"I have many times endeavored, as governor of the province, to put a stop to these contentions, either by attempting to bring the different factions together or by granting them equal participation in the administration where private citizens are permitted to intervene; but my attempts have not brought forth the desired result and my action has been taken as an evidence of weakness and cowardice."

It is my opinion that in order to palliate these difficulties to a certain extent and to prevent the people from engaging with so much frequency in electoral struggles, losing their time and spending their money, the Commission should pass an act increasing the terms of elective officers to three years.

Respectfully submitted.

MANUEL LOPEZ,

Governor of the Province of Negros Occidental.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF ORIENTAL NEGROS.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF ORIENTAL NEGROS,
Dumaguete, July 1, 1907.

SIR: I have the honor to forward my annual report for the fiscal year ended June 30, 1907.

Comparing the general conditions of the province during this year with those of the fiscal year 1906, I can truly assert that fortunately there has been no change in the generally favorable conditions, for, except the slight alarm or fear in some of the northern municipalities, occasioned by the incidents which occurred in Cabancalan (Occidental Negros), it is evident that absolute peace and tranquillity has reigned and still reigns at this moment in all the municipalities of this province.

The financial condition of our provincial treasury has been no less satisfactory and, therefore, also that of our municipal funds, though not in all the municipalities.

In general terms, the condition is satisfactory, as will be seen further on, although some data which I am obliged to report in all honor and truth, are, unfortunately, eloquent proof of some evils, which hinder prosperity and wealth from advancing as they would, were it not for calamities difficult to avoid and still more difficult to solve.

ECONOMY AND FINANCE.

I can assert that the financial condition, both of the province and of the municipalities, is more prosperous and flattering, and because of this they are enabled better to fulfill their respective obligations and at the same time to undertake public works and improvements which before were only projected.

During the year some extraordinary expenses were incurred, such as the purchase of a building for the provincial government offices, located in the central portion of Dumaguete, for ₱7,300.

There has also been made available ₱7,000 for the purchase of a building for the provincial jail, which, aside from being located most appropriately, has excellent sanitary arrangements for the prisoners.

In addition to the sums already mentioned, ₱19,752.82 were expended for the construction of a provincial school building in Dumaguete.

Beside these extraordinary expenses, work was done and improvements made on our provincial roads, repairs of importance were made on some of the bridges, and some of them, the most important, are now being constructed in the northern part of this province. At the present time it is not possible to fix the exact amount expended, and to be expended, for this most essential matter of roads and bridges.

Arduous and constant labor has been carried on for some years in the positive improvement of our roads and bridges.

The sums appropriated and those which may be made available for this most essential work are very small if the almost constant repairs, which the frequent rains compel, are considered.

It is, therefore, of urgent necessity that the appropriation for roads and bridges be increased if it is desired that the work already done, and to be done, on our roads and bridges be of avail.

Finally, notwithstanding the extraordinary expenses above set forth, the financial condition of the provincial treasury is satisfactory, as is shown by the statement hereto attached.

PUBLIC INSTRUCTION.

Eloquently satisfactory data herewith demonstrate how the love of knowledge and enlightenment, the true and only road to the happiness of a people, has been awakened in our children.

It is gratifying to be able to state that the public schools in the municipality of Luzuriaga, which were closed in the month of August, 1905, have been reopened to our children.

As compared with the fiscal year 1906, the number of municipal teachers has increased, the number now being 128.

The number of American teachers at the end of the school year was 15, but owing to departures for the United States and to transfers, this has been reduced to 10, leaving the province very inadequately provided and retarding greatly the progress of the schools.

To remedy this defect I suggest that in the future it be provided that this province be furnished with its quota of teachers at the beginning of the school year, thereby obviating the necessity of leaving one-half of the school districts in a lamentable state of disorganization during some months, and many of the Filipino teachers without the proper instruction.

The number of students enrolled and the average attendance of the same in the public schools has progressed in an entirely satisfactory manner.*

The number of public schools has also increased from 64 in the fiscal year 1906 to 80.

The provincial school in Dumaguete has now its own building, recently finished, and for the construction of which the sum of ₱28,000 was appropriated; the new location is excellent for instruction on account of its centrality and sanitary conditions.

The following are suggested for the benefit of public instruction:

(a) The establishment of an industrial school, especially with the object of instructing the teachers of the primary classes, so that they may in turn introduce this work into their schools.

(b) The enactment by the coming Philippine Assembly and the Philippine Commission of a law authorizing the municipal councils to enact ordinances obliging all children within certain ages to attend the public schools of the municipality, during not less than thirty weeks each year.

Such a law would assure the regular attendance of the pupils and obviate the present necessity of the teachers to devote part of their time in getting pupils to enter the schools, and thereby enable the teachers to consecrate more energy to the productive education of the students.

Of course this law—petitioned for on more than one occasion—would be contrary to the Philippine bill, but the condition of our inhabitants requires a careful consideration in order to solve the problem of securing the development and

* A table showing this has been omitted, and is on file in the Bureau of Insular Affairs, War Department.

advancement of public instruction necessary to nourish the intelligence of those who will be called in the future to be our business men and rulers.

The well-known and worthy Silliman Institute, established at Dumaguete, cooperates very effectively in educational work. I do not believe it necessary to repeat what has already been stated in former reports concerning this school, except to say that each school year there are noted greater improvements and progress in the constantly increasing number of students enrolled.

Silliman Institute has a well-constructed and commodious dormitory for boys, used each school year by an increasing number of students.

In view of this, I believe it very proper at this time to recommend the establishment of a dormitory for girls, in the capital of this province, as it would be not only in the interests of public instruction, but of benefit to the moral and social education of the girls.

INDUSTRY AND FACTORIES.

Industry.—As has been very properly stated in former reports, this province being so essentially agricultural, owes its chief wealth to the cultivation of the soil, the sphere of manufacturing or altering raw materials being very limited, the chief industry worthy of mention being the weaving of sacks, mats, and nipa.

According to the data gathered, the sack industry is increasing, as during the year it is estimated that 4,616,200 sacks valued at about ₱100,000 were made.

These sacks are used in the exportation of sugar, but the greater part are exported to the provinces of Cebu and Iloilo, which are constantly making demands for them.

The number of mats made, estimated at 10,276, are nearly all for local consumption, very few being exported to other provinces.

As to nipa, the data furnished by the different municipalities of this province give a total of 46,485,607 pieces.

Factories.—Manufacturing is one of the branches of wealth unknown here, soap, however, being made by some Chinese merchants of Dumaguete.

The production of soap during the fiscal year just past is estimated at 370 quintals, more or less. Said quantity is only sufficient for the consumption of this province and no part thereof is for exportation to other provinces. All the soap manufactured is of the common kind.

There is also, in the municipality of Tanjay, a small still for the distilling of vino de nipa, but on a very small scale.

NATURAL RESOURCES—FORESTAL, MINERAL.

As principal forest resources, timber and rattan are worthy of mention, being the only ones exploited to any extent.

The island of Siquijor, and the municipalities of Guijulugan, Tolon, Tanjay, and Bais are the most favored with forest resources, although in the municipalities of Bais and Tanjay the principal forest resources are rattans, timber being of small importance; the contrary is true of the municipality of Tolon.

During the past year about 2,000,000 rattans were cut, the larger part being exported to the markets of Cebu, Iloilo, and Bohol.

It is estimated that the amount of timber cut or taken out was some 16,420 cubic meters, for use solely for buildings of this province, there being no record of any of it being exported to other provinces.

NONCHRISTIAN OR PAGAN TRIBES.

As civilization progresses in our municipalities, the number of hill men who are, as a rule, peaceable and roam about our mountains in small tribes, diminishes.

It is certain that, owing to civilization, these non-Christian tribes are slowly disappearing, at least in this province, many of the hill men little by little taking up civil and political duties.

Especially in the municipalities of Bais, Tayasan, and Guijulugan, active work is being carried on to attract these hill people to a civilized life, and there are many who now have commercial relations with the residents of the barrios nearest the mountains, and many who are tenants on farms located in the municipalities.

On my trip to the municipality of Tayasan in the month of June last, a petition signed by more than 500 hill men was presented to me, asking that they be permitted to organize a barrio in the sitio of Anibong.

At the same time they also petitioned that a tract of government land be granted, to be cultivated by them, and offering part of the returns therefrom for improvements of the barrio and the construction of schoolhouses.

To cooperate in this labor of civilization, voluntary police composed entirely of these tribesmen have been organized in some of the barrios in the northern part of this province who, with praiseworthy enthusiasm and resolution, enlist and fulfill strictly the mission with which they are charged, performing their duties with great contentment and security, by reason of the inducement or stimulus of the privilege of using firearms, which is granted them. They are highly flattered and feel profoundly grateful, because they consider the act of giving them firearms a proof of confidence on the part of the government, since there has been, up to the present time, a certain fear among the tribesmen because of their belief that the possession of all kinds of arms is prohibited to them and that every agent of the authorities has the right to confiscate all arms found in their possession.

It is unquestionable that the number of tribesmen in the interior of the mountains has notably decreased, and this must be attributed principally to civilization, which without doubt is progressing and constantly advancing among the inhabitants.

According to recently acquired data and information, it is estimated that there are from 13,000 to 18,000 hill men scattered throughout this province, made up of tribes composed of several families, and it is estimated that from 2,000 to 3,000 hill men have changed their residence and are now living in barrios near the centers of population.

PUBLIC HEALTH AND SANITATION.

The public health of this province has been highly satisfactory.

The epidemic of smallpox which made considerable havoc in some of the municipalities during the first quarter of 1906, has now completely disappeared, and only a few cases have been registered of varioloid or what is known as viruelas locas.

With the exception of what has just been stated, I can state, in general terms, that the health conditions were excellent, and the same conditions continue, since no epidemic or disease persistently prevailed.

The following table shows by municipalities the total number of births and deaths occurring during the period from July 1, 1906, to June 30, 1907.^a

This table is evident proof that health conditions have notably improved, since the total number of deaths was 2,719, as compared with 4,218 during the fiscal year 1906.

This decrease in mortality is due to the disappearance of the smallpox epidemic, to which the vaccination work carried on by the sanitary authorities effectively contributed.

As to the recent reform in the department of public health, authorizing the municipalities to organize sanitary districts composed of two, three, or more municipalities, it is to be hoped that they will take advantage thereof, hasten to organize sanitary districts, and aid in improving the local public health conditions and the public health conditions in general.

AGRICULTURE AND COMMERCE.

At the commencement of this report I referred to some evils which beset our agriculture, the principal and almost the only source of public wealth in this province.

These evils are the locusts which devastate our crops; rinderpest which continually decimates, more and more, our draft animals; and, to make things even worse, diseases among the domestic fowl, a thing unknown heretofore, at least in this province.

In order to judge of the havoc wrought by the locusts, and which still continues, to the crops and plantations, I append a table showing a total, more or less approximate, of 42,080 cavans collected of that destructive insect during the fiscal year.^a

^a Omitted, and filed in the Bureau of Insular Affairs, War Department.

The municipalities which suffered most from the locusts are Aynquitan, Tanjay, Tolon, Bais, and Dauln, where such plague constantly threatens to overcome all the efforts and sacrifices that are being made to remedy the present state of prostration, unfortunately existing in our agriculture for some years past.

These data are not very complete, owing to the difficulty of ascertaining exact figures, but they are sufficiently eloquent to show the present state of agriculture and the consequent losses experienced.

At present, in nearly every municipality they are working to exterminate them, but the efforts and sacrifices made are not sufficient to check the vast numbers of that insect, which each day, and with greater frequency than formerly, infest the fields and plantations.

It is to be noted also that in some municipalities the residents do not take the interest which they ought in the extermination of the locusts and their young, owing to the fact that many, when engaging in such work, are obliged to abandon their private matters, rendering it impossible for them to attend to their own necessities and those of their respective families. Therefore, a law providing payment of a certain sum for each cavan of locusts or their young would be very desirable and commendable.

To remedy the lack of draft animals there is no other solution than the substitution of machinery, which is difficult to acquire on account of its high price and the scarcity of capital. The problem of agricultural work is difficult and almost impossible of solution, and in consequence many of our agriculturists are continually anxiously desiring, as an escape from ruin, the prompt establishment and operation of an agricultural bank, which by a moderate interest will free them from the penury in which the majority are now plunged.

Another of the evils which obstructs the favorable development of agriculture in this region is without doubt the difficult and faulty roads and means of transportation, for notwithstanding the sums already expended thereon, and those which are now being expended on roads and bridges, some of them are not in a condition to afford transportation for agricultural products and articles of commerce between the different municipalities.

The poor roads cause the agricultural products and the articles of commerce to be sold in the municipalities where produced at a price very much lower than could be obtained in other municipalities in the province.

The principal agricultural and commercial products are sugar, abaca, copra, maize, tobacco, and cotton, the prices of which, as compared with those of the fiscal year 1906, show a depreciation that, in turn, proves that our agricultural wealth is rapidly diminishing and is on the road to produce a general state of disastrous consequences.^a

POLITICAL CONDITIONS.

Though the political conditions in this province during the fiscal year 1906 were satisfactory, they are even more so at the present time, owing to the attainment of certain reforms.

Apart from the most complete tranquillity and peace noted in all the municipalities, it is very gratifying to consider here the benefits and advantages secured in the political conditions.

The reforms referred to are:

First, the reorganization of the provincial boards, giving membership therein to a Filipino, by reason of which the provincial public administration must improve, as fortunately it has improved, owing to the fact that the affairs are now considered and determined with greater knowledge of their character, by virtue of act No. 1583, which was received with unanimous approbation by not only our municipalities but all of our inhabitants.

Second, by virtue of this reform, which went into effect February 1, 1907, both the provincial board and the respective municipal councils and their officers have succeeded in performing their duties in greater harmony with the laws, as in this way they have greater opportunity and better facilities for disposing of the numerous inquiries which are daily presented upon doubtful points of the law. This reform also redounds to the benefit of the administration of justice.

^a A table showing amount of each product raised has been omitted and is on file in the Bureau of Insular Affairs, War Department.

Third, another of the reforms benefitting the political conditions has been, and now is, the creation of a constabulary post independent of that of Bacolod (Occidental Negros) as it was formerly, as I am now assisted in a very prompt and effective way in maintaining peace and public order.

Something has also been done, and continues to be done, in the organization and discipline of our municipal police, in which the headquarters of the third constabulary district have effectively cooperated with me, giving to the municipal police better armaments, and recommending to the respective municipal presidents an excellent selection of the personnel thereof.

I have striven very hard, and have not desisted, in my earnest effort to banish completely the religious differences which prevail here and which have now, to our good fortune and that of all, ceased to be as bitter as they were a year ago.

I do not know whether this can be attributed to my constant efforts to make the inhabitants comprehend that religious differences should not create division and dissensions among the individuals of different faiths, or whether the tranquillity and calm which is now observed in the religious struggles is only apparent and temporary, and due to the reappearance of the political parties, which have been lawfully organized in nearly every part of the province.

At the present time all of the inhabitants are occupied with the present election contest, in order to elect their delegates to the coming Philippine Assembly, and without doubt, owing to this constant preoccupation and natural desire, they have passed over the questions of a religious character.

It may therefore be said that the religious struggles have been succeeded by the struggles of the political parties, and that although the latter are carried on in an orderly manner and with mutual respect, yet some of the political notices, prepared, doubtless under the excitement of the election, have contained phrases or sentiments not much in harmony with what the law permits or sanctions but, as a rule, these political contests are conducted with great order, mutual respect, and harmony.

I have said that the religious struggles have been succeeded by the political, but I must here advert to the important litigation that the Roman Catholic Apostolic Church is waging against some of the municipalities, which, as defendants, are at this time making titanic efforts to raise funds for the purpose of maintaining their rights. These they believe are legitimate, indisputable, and supported by the testimony of the oldest inhabitants of the municipalities, who testify that the lands and buildings under discussion, and to which the Roman Church now claims to hold an absolute title, are the property of our respective municipalities.

It is true that our municipalities have funds, but they are absolutely necessary to fulfill their respective obligations, and not sufficient to allow them to incur extraordinary expenses, such as are being caused on account of the fees of the attorneys who represent them in the litigation and the defense of their legitimate rights.

I do not desire to close this report without first calling attention to the good and harmonious relations now existing between the provincial officers and the provincial board, as well as between the officers of the constabulary and the government and the people, all of which, together with what I have above stated, place this province in an enviable political condition.

Respectfully submitted.

HERMENEGILDO VILLANUEVA,
Governor of the Province of Oriental Negros.

The GOVERNOR-GENERAL.

Statement of receipts and disbursements for the fiscal year ended June 30, 1907.

RECEIPTS.

	School building fund acts, Nos. 1018 and 1276 (Philippine currency).	Provincial funds.					Miscellaneous—non-Christian inhabitants (Philippine currency).	Total.		
		General.		Road and bridge (Philippine currency).	Congressional relief.			Municipal (Philippine currency).	Philippine currency.	Mexican and Spanish currency.
		Philippine currency.	Mexican and Spanish currency.		Road and bridge.	School building.				
Balance on hand June 30, 1906.....	26,000.00	29,883.74		6,744.66		4,404.52	8,394.86	9,667.48	1,679.86	86,775.12
Registry of property.....		152.25						7.00		152.25
Cost land tax sales.....		60								7.60
Land tax.....		10,584.18		5,297.68				19,798.80		35,680.66
Cart tax.....				38.06				38.06		76.10
Cedula tax.....		24,143.00						24,143.00		48,286.00
Internal-revenue refund, act No. 1189.....		18,725.13								50,509.35
Sales of supplies.....		2,327.91								2,327.91
Refunds premium on bonds.....		350.39								350.39
Repayments of loans.....		13,831.13								13,831.13
Reimbursements overage canceled payment.....		4,083.69								4,083.69
Reimbursement Insular fund, act No. 1435.....		7,789.12		4,123.62				16,544.47		28,557.21
Municipal refunds.....								175.47		176.47
Official Gazette.....		168.00								168.00
Cost criminal cases.....		48.00						51.50		99.50
Receipts from jail.....		3.10								3.10
Reimbursement of lepers.....		260.62								260.62
Reimbursement transportation of sales.....		25.00								25.00
Reimbursement internal-revenue tax, act No. 1189.....								7,822.00		7,822.00
Municipal tax.....								18,383.88		18,383.88
Opium tax.....								610.00		610.00
Opium certificates, act No. 1461.....		1,698.85	2,208.82							1,698.85
Exchange currencies.....										
Value of cement transfer from Congressional relief to school building fund.....		25.65								25.65
Appropriation by municipal council.....	1,500.00									1,500.00
Internal revenue, Insular.....								9,601.81		9,601.81
Documentary.....								591.90		591.90
Opium fund, act No. 1461.....								4,782.38		4,782.38
Forestry.....								723.28		723.28
Total.....	27,500.00	114,100.36	2,208.82	16,204.01	4,404.52	8,394.86	122,097.66	19,602.58		312,303.99
										2,208.82

EXPENDITURES.

Disbursement salaries, supplies, rent, maintenance of prisoners, repair, and construction of property	21,252.82	76,968.76	.....	2,887.82	744.81	1,888.90	.....	.....	102,787.61	.....
Municipal transfer and miscellaneous expenditures and transfers .....	.....	.....	.....	.....	.....	.....	118,105.04	15,699.37	188,804.41	.....
Paid to Insular treasurer and public in exchange currencies .....	.....	1,698.91	.....	.....	.....	.....	.....	.....	1,698.91	2,208.82
Amount of tax refund .....	.....	3.00	.....	.....	.....	.....	3.00	.....	6.00	.....
Amount of supplies transferred to general fund .....	.....	.....	.....	.....	.....	25.00	.....	.....	25.00	.....
Total	21,252.82	77,670.67	2,208.82	2,887.82	744.81	1,908.90	118,108.04	15,699.37	288,271.96	2,208.82

SUMMARY.

Receipts	27,540.00	114,100.86	.....	16,204.01	4,404.52	8,394.86	122,097.66	19,602.68	312,303.99	2,208.82
Expenditures and transfers	21,252.82	77,670.67	2,208.82	2,887.82	744.81	1,906.90	118,108.04	15,699.37	288,271.96	2,208.82
Balance June 30, 1907	6,247.18	36,428.69	.....	13,316.69	3,659.71	6,485.96	3,989.62	3,903.21	74,032.06	.....

REPORT OF THE GOVERNOR OF PALAWAN.

OFFICE OF THE GOVERNOR, PROVINCE OF PALAWAN,
Puerto Princesa, P. I., July 15, 1907.

SIR: In compliance with section 6 of act No. 1396, I have the honor to submit the following report of conditions in the Province of Palawan for the fiscal year ended June 30, 1907.

AGRICULTURE.

A satisfactory increase in the amount of land cultivated over previous years can be reported. The rice crop has been the largest since American occupation. As a result of this there is no scarcity of palay in these months just previous to the coming harvest and the price to the poor people who are forced to purchase palay for food is less than in former years.

The recent high price paid for copra has induced the owners of cocoanut trees to convert their cocoanuts into copra instead of tuba. The result has been that Palawan has shipped more copra this year than ever before. During the year about 100,000 cocoanut plants have been set out.

Many of the farmers of Palawan are desirous of planting more abaca, but so far we have been unable to secure sufficient seed or young plants from other parts of the Philippines.

Cattle and carabao continue to be a profitable export. These animals are usually shipped to the Iloilo market to replenish the losses of Panay and Negros.

There has been no rinderpest in Palawan.

It is to be regretted that the many thousands of acres of rich level land in Palawan are lying idle for lack of inhabitants to occupy and cultivate them. A great advantage to the country would accrue if sufficient inducements could be offered to secure occupants and cultivators of this land.

PUBLIC WORKS.

The public works tax provided for in act No. 1396 has enabled me to push the construction of school and municipal buildings, bridges, etc., that could not be built in former years because of lack of labor and funds.

A provincial secondary school building in Cuyo is about ready for occupancy. This building, in materials and labor, is costing about ₱10,000, of which ₱4,000 comes from the Congressional relief fund, and the remainder from the above-mentioned labor tax.

I have started the building of a model bungalow in Cuyo, which will be utilized for the teaching of domestic science.

There have been expended ₱1,000 in supplies and labor from the public works tax in repairing an old school building in Cuyo, which will be used for industrial work.

This labor tax has also enabled me to build and repair 15 barrio school buildings, as well as to extend piers, open and widen trails, and build bridges. Several hundred school desks have been built in the provincial workshop.

A new hard-wood wharf, 300 feet long, has been completed at Puerto Princesa. There have been expended ₱5,000 in materials and labor in repairing and furnishing provincial buildings.

The auxiliary sailboat, built for this province last year, has proved a success in every way. With it, more frequent visits have been made to isolated parts of the province at a comparatively small cost for crew and maintenance.

NATURAL RESOURCES.

Timber and secondary forest products continue to be the largest exports. Large quantities of railroad ties and telegraph poles are being cut in the northern part of the railroads of Panay and Negros. From central Palawan the timber is shipped in the log to the Manila market. Southern Palawan furnishes much almaciga and bejuco, which is mostly shipped via Balabac to Singapore.

EDUCATION.

For the first time since the establishment of English schools in Palawan, it has become possible to begin opening some outside the principal towns. A number of young teachers, educated in the schools of Cuyo and Puerto Princesa, are now available and are being employed to teach in the barrio schools.

Within a few months schools will be opened in all the more important barrios and villages. It can be understood how difficult it is to secure teachers for these isolated barrios, when it is known that some of the largest barrios are from 40 to 100 miles distant from the municipal headquarters.

There are well equipped industrial schools at Cuyo and Puerto Princesa. Little has been done, as yet, in industrial work, because of the difficulty in securing teachers competent to carry on this important work.

Agricultural instruction (practical) is given in Cuyo and Puerto Princesa by American teachers. I believe more stress should be laid on this work. This is an agricultural country and better methods of farming are more necessary to the majority of school children than history, grammar, etc.

FINANCE.

The townships are, as before, all self-supporting, and with the help of the public works labor tax are able to carry on necessary local improvements.

The provincial revenue (local), internal-revenue refunds, and miscellaneous, amounting approximately to ₱6,000, has been slightly greater than in previous years. This revenue, in addition to the ₱18,070, received by appropriation from insular funds for general provincial expenses, has been adequate for all necessary expenses.

Because of the good crops, ample employment among timber cutters, and absence of cattle diseases, conditions have been fairly prosperous among the inhabitants during this fiscal year. The little suffering that might be encountered can be traced to the lack of industry, or ignorance on the part of the sufferers.

POLICE.

A decided improvement is to be seen in the police of Cuyo and Coron that have been turned over to the constabulary for organization and discipline. I expect soon to request that the police of the other towns be also turned over to the constabulary. The inspectors of constabulary have better opportunity and more time to devote to the municipal police than I have.

CRIME.

There have been no serious crimes before the courts during the year.

The provincial prisoners are well housed and fed. They are employed in the recently built and equipped provincial workshop, in the building of school and office furnishings, and the repair of provincial buildings.

Frequent cases of the so-called "private crimes," as incorporated in the Spanish penal code, occur.

Laws that would make these acts crimes against the public, and compelling the fiscal to prosecute the perpetrators of same, would be a great benefit.

Bastardy is so common that measures should be taken to compel the father of a bastard child to marry the mother and support the child or go to prison.

During the past year the Iwahig penal colony has made rapid steps to the front. The organization and discipline in the colony have been vastly improved. The colonists are working more faithfully than under former management and show a more contented spirit.

Steps should be taken to bring to Iwahig the families of the good conduct men. The success of the agricultural work at Iwahig will furnish a splendid object lesson to the farmers, in showing them what can be accomplished by careful cultivation.

NONCHRISTIAN TRIBES.

Conditions among the Mohammedan and pagan tribes are practically the same as last year. The rice crop was good among the Tagbanuas and Palawanes. All the different tribes have been peacefully following their ordinary vocations of raising palay and gathering almaciga and bejuco.

A start was made in the organization of the Moros of southern Palawan which promises satisfactory results.

Recently fleets of Moro vintas have been coming to Palawan from the Tawi Tawi and Samales groups of islands, and from the islands around Siasi, for the purpose of fishing and piracy. Several acts of piracy have already been committed by these fleets. The collector of customs at Balabac is assisting in the

driving of these pirates out of Palawan waters by patrolling the localities frequented by them with the customs cutter stationed at Balabac.

Southern Palawan formerly was a slave gathering field for these "Samals," as they are called here, and the mere rumor that Samals are coming is enough to drive an entire village to the hills.

POLITICAL CONDITIONS.

I feel compelled to speak here of some of the wrongs and abuses growing out of the conditions of peonage, in which many of the poor and ignorant live, and to respectfully recommend legislation to alleviate these conditions.

Great injury is done to ignorant people through securing their acceptance to contracts or agreements, which they sign or agree to, verbally, and thus consider themselves obliged to fulfill, although the debtor, through ignorance of what he is doing or fear of the creditor, contracts to return double, treble, or more times, the value of what he has received.

A common practice is to advance foodstuffs or cloth during time of scarcity of palay previous to the harvest and demand the return of double the quantity after the harvest. If these are not then paid they are again doubled after the next harvest or are given a money value when price of food articles are at their highest, and in this manner the debt proceeds to increase from year to year.

I have found many poor ignorant people serving masters for debt the source and amount of which they were unable to tell; some serving to satisfy the debts of parents and even grandparents.

Owing to the fact that the debtor usually is unable to read or write, he keeps no record of the articles received, and the result is that frequently he finds himself charged with those he never received.

These additions are usually mixed in with articles secured a year or two past, the creditor trusting to the forgetfulness of the debtor.

Another common practice is for the creditor, who is being served by a debtor, to sell the debt to a third party in case the creditor has no further use for the services of the debtor, and to compel the debtor to go to the house of the purchaser of the debt and continue service in payment thereof.

I believe there should be laws enacted compelling the making and signing of all contracts, wherein any one of the parties interested is unable to speak, read and write English or Spanish, in the presence of some regularly authorized government official, whose position would be a reasonable guaranty of his honesty, who would be required to satisfy himself that no usurious rate of interest enters into the contract, and that a just and equitable wage is allowed in case one party contracts to serve another. The minimum wage allowance and maximum interest that can be collected should be established by law.

All such contracts should be examined and audited each year until settled in the presence of both parties to the contract, a written account should be prepared of debits and credits accruing for services, etc., and the balance due should be certified to in writing by the auditing official and certified copies of this account corrected to date given both debtor and creditor.

It should be unlawful to transfer to a third party any debt wherein the debtor has contracted to satisfy any part of the debt by labor.

No one should be required to satisfy the debt of a deceased parent or other relative, even if the person is legally liable for the payment of the debts of such relative, unless the creditor can show a properly certified audit of the account made within a year of the death of the deceased relative.

Furthermore, it should be a misdemeanor for a parent or other relative to place a child under 15 or 16 years of age in the hands of a creditor to satisfy a debt of the parent or relative by personal service.

If measures would be enforced compelling every man, who is not regularly employed at a wage, nor has an income sufficient to support himself and family, to cultivate and plant a certain area, the minimum to be fixed by the various provincial boards, according to the amount of public land available, the land owned by the individual, and the amount of land one man can properly cultivate, the condition of the poor people would in time be greatly bettered.

After, for nearly seven years, closely observing the condition of the poor and ignorant natives of these islands, and I have been so located that I have come in close contact with them, I can clearly see that this condition of peonage and the matter of debt is the curse of these people, who constitute the vast majority of the Filipinos.

No great advancement can be brought about among them until the government enforces just laws regulating debt and personal service.

The people should be compelled to work, but for their own benefit and profit, and they should not be permitted to expend their total force, which, owing to climatic conditions, is necessarily small, for the sole benefit of the masters.

Very little interest has been shown in the present political campaign and about only 270 voters have registered to vote on July 30 for representative to the Assembly.

HEALTH.

Health conditions have been as good as could be expected in a province where there are no physicians. The physician at the Iwahig colony has given valuable assistance to the sick coming into Puerto Princessa. Authority has been received to place the sick who need hospital attendance in the hospital at Iwahig.

Respectfully submitted.

EDW. Y. MILLER,
Governor of the Province of Palawan.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF PAMPANGA.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF PAMPANGA,
San Fernando, June 30, 1907.

SIR: I have the honor, in compliance with the provisions of act No. 1044, to submit my annual report for the fiscal year ended June 30, 1907.

AGRICULTURE.

During the year now drawing to its close there has been little or no improvement in the state of prostration of our agriculture, which is of several years' standing. The principal crops, sugar and rice, were a failure this year, the same as last year's crops; not because of any fault on the part of the agriculturists, but on account of meteorological conditions, this being the third year that we have had the same experience—an excessive and protracted drought during the months when some rain was necessary for the development and preservation of the crops.

This general prostration of agriculture—so far as this province is concerned, at least—has been particularly hard on sugar growers. It was due, in addition to the causes mentioned in previous reports, the lack of cash, laborers and draft cattle, and the more or less primitive methods of growing and manufacturing its products, to the present high cost of producing the same, and to the fact that often the producer, after going to this expense, is unable to find a buyer at a reasonable price, compensating him for the expense of production and enabling him to continue in business.

The sugar growers having established their plantations expressly for the production of sugar, they would find it exceedingly difficult to change to some other crop, more profitable to them, because the land chosen by them being high, is suitable for growing sugar cane, but not rice, which needs lowland, and to start anew and try crops other than those of which we have spoken, would entail a material loss of time, and consequently of money, which they unfortunately do not possess.

Among the modern agricultural machinery introduced are 4 steam plows, 5 steam thrashers for rice, and about 35 rotary disk plows for animal traction. All this machinery is of American manufacture and is giving satisfactory results.

In a few localities there has been a repetition of the excessive mortality among horses, carabao, and neat cattle, but of a more benign character, the damage wrought being much smaller than that registered during previous years.

We are confident that it is possible to remedy this situation by: (a) The sugar growers endeavoring by all possible means to reduce the cost of producing

sugar to a considerable extent; (b) The establishment of agricultural mortgage banks; (c) The reduction of the Dingley tariff duties on Philippine sugar entering the United States.

COMMERCE.

The greater number of the commercial transactions concern the purchase and sale of its agricultural products, and for this reason the commercial movement has been of much less importance this year than last. To the transactions aforementioned must be added the importation of articles of first necessity and of common use—as for instance clothing, purchased by the merchants at Manila and resold throughout the province. The importation of articles not of first necessity and of fancy goods is decreasing from day to day, not because of a lack of consumers, but of the lack of money resulting from poor crops, and especially from decline in the prices of sugar, the principal product.

Other business transactions pertain to the products of industries on a small scale, which are of such small importance that we refrain from mentioning them.

ECONOMICS.

The contents of the preceding two chapters, headed "Agriculture" and "Commerce," necessarily enter one way or the other into the discussion of the economical condition, which was not very brilliant at the end of the year 1906, but has somewhat improved recently, especially to the benefit of the needy class, which is always the first to suffer in times of want. This change for the better is largely due to the opportune beginning of the work on the right of way for the two branch lines of the Manila-Dagupan Railroad, from San Fernando to Florida Blanca, and from Dau to Magalang. It is also due, in part, to the public works undertaken by the province in connection with the construction and repair of roads, bridges, and culverts. All this work, especially the railroad work, gives employment and sure wages to thousands of persons, which is a great boon to them, and enables them to defray their most necessary living expenses.

Notwithstanding this economic crisis, the province has been and is making all possible efforts to collect delinquent taxes, owing for the past years, prior to the suspension for two years of the collection of the land tax, which efforts generally give satisfactory results, because the present economic crisis affects mostly the needy classes, but has less effect upon the owners of the rural property subject to taxation.

INDUSTRY.

Among the principal industrial establishments there are at present the following: Seven distilleries of alcohol and native wines; 9 cigar factories (cigars made by hand); 8 cigarette factories; 6 cigarette factories (cigarettes made by machine); 7 rice-hulling mills; 17 establishments for the manufacture and repair of all sorts of vehicles, such as carriages, calesas, quiles, carromatas, and carts.

Many pueblos have industries on a small scale, such as the making of shoes and hats, tailoring, and weaving, all the work being done by hand.

The inhabitants of the country bordering on the Rio Grande, especially the women, are engaged in the manufacture of hats from the leaves of the buri palm, which are coming into general use among the poorer classes, because of their firmness, light weight, and cheapness.

FINANCES.

The financial situation of this province, as a result of the transactions of the fiscal year ended June 30, 1907, seems to be relatively satisfactory, as a perusal of the following tables will show:

Statement of revenues for the fiscal year 1907.

Sources.	General fund.	Road and bridge fund.	Municipal.	Miscellaneous.	Total.
Registry of property.....	P414.12				P414.12
Sales, supplies.....	11,163.19				11,163.19
Cost, land-tax sales.....	396.85				396.85
Court's fees.....	135.24				135.24
Miscellaneous.....	3,194.09				3,194.09
Cart taxes.....	1,584.96		P1,584.94		3,169.90
Land taxes.....	5,144.83	P2,572.21	9,104.47		16,821.51
Cedulas.....	25,641.00		25,641.00		51,282.00
Refund, internal revenue.....	19,973.25		29,512.82	P147.02	49,633.09
Licenses, act No. 1189.....			3,287.50		3,287.50
Refund, land tax.....	47,214.81	23,607.36	85,375.17		156,197.34
Fisheries.....			1,618.80		1,618.80
Cattle certificates.....			3,301.00		3,301.00
Rents and profits.....			20,520.20		20,520.20
Licenses.....			8,467.54		8,467.54
Fines.....			3,098.83		3,098.83
Opium certificates.....			415.00		415.00
Sales, stray animals.....			88.50		88.50
Refund to school fund, Arayat and Mabalat.....			8.90		8.90
Refund to school fund, Mexico.....			55.00		55.00
Refund to school fund, Bacolor.....			13.33		13.33
Burial permits.....			238.30		238.30
Cemetery.....				2,506.65	2,506.65
Total.....	114,862.34	26,179.57	192,826.30	2,653.67	336,521.88

Statement of expenditures for the fiscal year 1907.

Purpose.	General fund.	School fund.	Road and bridge fund.	Municipal fund.	Total.
Salaries, officials.....	P14,241.42				P14,241.42
Salaries, employees.....	27,906.67				27,906.67
Repair and construction of building.....	3,011.12	P9,342.43			12,353.55
Traveling expenses.....	3,167.76				3,167.76
Rent of buildings.....	1,945.00	1,210.16			3,155.16
Office supplies.....	4,700.28	6.65			4,706.91
Permanent equipment.....	7,434.85	1,409.28	P2,574.84		11,418.97
Court fees.....	784.00				784.00
Sheriff fees.....	521.17				521.17
Feeding prisoners.....	4,752.44				4,752.44
Bonds.....	943.10				943.10
Cost, tax sales.....	20.00				20.00
Postage.....	1,513.80				1,513.80
Miscellaneous.....	4,058.35	830.27	23,455.74		33,374.36
Transfers to municipality.....				P204,959.16	204,959.16
Total.....	75,086.94	12,828.79	31,030.58	204,959.16	323,905.47

PUBLIC INSTRUCTION.

The following school buildings were repaired and constructed during the school year:

Reconstruction and completion of the work on the former provincial school of arts and trades at Bacolor, at the approximate cost of P13,000; general repair of the municipal school for the capital, San Fernando, at a cost of P3,500; construction of an intermediate school building at Arayat, at a cost of P8,500, this sum having been expended, without the work being completed, and the construction of 18 schoolhouses in the barrios.

Number of American teachers, 27; insular native teachers, 12, and municipal teachers, 207.

The average daily attendance of the public schools by children of both sexes is as follows: ^a

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

The average daily attendance of the provincial schools by pupils of both sexes is as follows:

San Fernando high school.....	223
Bacolor arts and trades school.....	113
<hr/>	
General total:	
Primary.....	9, 014
Intermediate.....	234
High school.....	223
Arts and trades school.....	113
	<hr/>
	9, 584

The great progress achieved through the present system of instruction is evident and is recognized by all; hence it will not be necessary to repeat here what has been said on this subject in previous reports. I only wish to say that it is to be desired that the present force of teachers, especially of Americans, while it can not be increased, as weighty reasons prevent this, be at least not reduced. There have been nine American teachers less this year.

PUBLIC IMPROVEMENTS.

The following improvements have been made during the year: Roads constructed, 8.78 miles; roads repaired, 1.27 miles; roads slightly repaired, for their preservation and maintenance, 22.85; bridges constructed, 26; and bridges repaired, 7. For all of these improvements, including the work of embanking the river road in its entire length from Apalit to Arayat, the examinations and surveys made, the erection of monuments showing the municipal and provincial boundary lines, and supplies and material used for said work, the sum of ₱37,204.07 has been expended.*

POLITICAL CONDITIONS.

Complete tranquillity has prevailed, which shows that the people are learning and are becoming accustomed to the enjoyment of the benefits granted to them by the present system of civil government wisely implanted in these islands. Cattle stealing has decreased considerably, compared with what it used to be.

In view of the approaching election of delegates to the first Philippine Assembly, one of the political parties at present militating in this country, the opposition party known as Partido Independista Inmediatista, taking advantage of the inaction of the other party, the administrative party known formerly as Partido Federal, and now as Partido Nacional Progresista, started in this province an active campaign of propaganda of its radical theories and aspirations, the principal leaders, headed by Doctor Gomez, showing great zeal in preaching to the masses the idea of immediate independence, as the panacea for all the ills of which this country is suffering.

In view of this propaganda, of fatal results for the present situation of this country, the members of the other party, the Progresistas, began to work with great energy and to gather together all the sound forces and most prominent elements of the province, for the purpose of preventing, by their united action, the doctrines of the Partido Inmediatista, which are irrational under the present circumstances, taking root. In this work they were aided by the board of directors of the Partido Progresista, which had conceived the happy idea of sending to this province a few of its members, under the leadership of the active, sincere, and enlightened Dr. T. H. Pardo de Tavera, who has, with the faith and self-denial of the true missionary, gone to all sorts of sacrifices, traveling through nearly all the pueblos of Pampanga, to spread in public meetings and private conferences not only the altruistic purposes of the American Government in these islands and its decided efforts to aid us in securing, within a short time, our complete independence on a democratic basis; but also the efficiency and excellence of the means of attaining the political status, embodied in the platform of the Partido Nacional Progresista.

* Statistics as to prisoners and charges against them have been omitted and filed in the Bureau of Insular Affairs, War Department.

Thanks to the enthusiasm, ardent faith, and irrefutable arguments of Dr. P. de Tavera and his companions, success accompanied their campaign against the principles and proceedings of the radicals, and for the doctrines of the Partido Nacional Progresista, and the principal ends were achieved: The sensible, cultured and most influential people of the province of Pampanga were convinced, their good will was won for the present administration, and they were relieved of the evil influence of the malcontents and demagogues.

PUBLIC HEALTH AND HYGIENE.

The condition of the public health has been excellent, with the exception of a few fatal cases of cholera which occurred during the months of July, August, September, October, and November, 1906. There has also been considerable mortality among the horses, carabao, neat cattle, and other domestic animals.

The following data show the exact condition, so far as the public health is concerned: Number of births, 10,363; number of deaths from sundry diseases, 7,903, and from cholera, 790—a total of 8,773 deaths. There were vaccinated 109,585 persons, 46,071 with positive results, and 35,751 with negative. Number of cattle which died from diseases: Horses, 13 of glanders, and 10 of surra; carabao, 573 of rinderpest; neat cattle, 29 of rinderpest.

Nine artesian wells have contributed considerably to the improvement of the public health. These wells were sunk with machinery belonging to the bureau of public works at Manila, and it is much to be regretted that this machine could not be continued boring wells in other municipalities where they were needed, because by order of the bureau above mentioned they were taken out of the province to do similar work elsewhere. In view of this fact the province, which is firm in its purpose to have such wells in all the municipalities where they are needed, if possible, and to endeavor to reduce the cost of the same, is now cherishing the idea of purchasing on its own account the machinery and apparatus necessary for boring wells.

It has been observed that in the municipalities having artesian wells, there has been a decrease in the number of cases of typhoid fever, infectious fevers in general, dysentery and diarrhea, and if they have not disappeared completely, it is because one well is not sufficient to furnish good water to the inhabitants of barrios distant from the town proper.

Respectfully submitted.

M. ARNEDO,

Governor of the Province of Pampanga.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF PANGASINAN.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF PANGASINAN,

Lingayen, P. I., July 30, 1907.

SIR: The provincial governor of Pangasinan has the honor in compliance with act No. 1044 and the circular of the executive secretary of May 8 last, to submit his annual report for the fiscal year ended June 30, 1907.

GENERAL CONDITION.

Generally speaking, the province enjoys relative prosperity, and is progressing and developing in political, economic, and social respects.

Although various religious faiths exist in this province, namely, the Roman Catholic, the Aglipayan, and the Protestant creeds, and though there were several political parties, namely, the Nacional Progresista, the Inmediatista, the Urgentista and the Union Nacionalista, now reduced to two, the Nacional Progresista and the Union Nacionalista, peace, order, and tranquillity have not been disturbed at any time, in spite of the intolerance of certain ministers of religion and leaders of political parties.

It should be the endeavor of every provincial governor to devise means for extending and securing to all the inhabitants of his province happiness, prosperity, and the enjoyment of the benefits of the political as well as the social institutions, and this being so, I had to employ voluntary labor and contribu-

tions, for the reason that the existing municipal and provincial funds were insufficient to defray the many expenses required for the attainment of those ends. I refer particularly to the expenses connected with the construction of provincial and municipal schools and buildings in each barrio or district, the organization of a rural police force in each barrio, to aid the municipal police in the maintenance of order and peace, and to guard the security of persons and property, and other things redounding to the benefit of the community.

The province may be estimated to have a superficial area of 4,000 square kilometers. The 41 municipalities of which it is composed are spread over that area, and it is no exaggeration to estimate that there are in this province approximately 800 miles of wagon roads, and 500 bridges and culverts, more or less. The extensive territory of the province is inhabited by approximately 439,000 people, who are scattered, part in small communities, at great distances from the center of population of each municipality, and part along the highways which connect the several municipalities. It would therefore be very difficult, and in some cases even impossible, to make any institution available to a large part of the population.

AGRICULTURE.

The suggestions constantly made by me, both in conventions and by means of circulars, in regard to agriculture, and particularly as to the planting of coconuts and maguey, are producing positive results, and the expectation of future prosperity has awakened love of work and industry in the inhabitants.

It is estimated that the last harvests of rice, tobacco, mangos, and sugar show an increase of from 20 to 25 per cent over those of the preceding year. The planting of maguey and coconuts has increased throughout the province, and particularly in the municipalities transferred to it from Zambales, to such an extent that it is difficult to obtain seed plants at even double the current price. In the municipality of Bolinao alone, 1,000,000 plants have recently been set out, and on my last visit of inspection to these and to other pueblos annexed from Zambales, I viewed with some astonishment the progress that had been made in the setting out of maguey and coconut plants. The planting is still continued with much enthusiasm.

The suspension for two years of the land tax, the free use of carts with tires prohibited by act No. 774, the reduction of the tax on carts, and the improvement of the roads, have greatly contributed to alleviate the condition of the agriculturists.

Although the sugar crop has been excellent, its producers had to lament the small demand and the low prices paid.

The great mortality among the draft animals continues, and their visible decrease is due perhaps to the small number of such animals now in this province. The theft of live stock is very common, and the laws enacted for the protection of this class of property, and the penalties provided for putting a stop to this great evil which deeply affects agriculture, seem ineffective.

I repeat that the news of the establishment of an agricultural bank is the dream of the agriculturists.

INDUSTRY, COMMERCE, MANUFACTURES.

No change worthy of mention has occurred since my last annual report.

It is extremely difficult at present to obtain data with which to determine more or less approximately the importance of the industries, commerce, and manufactures. Ordinarily as in other provinces the producers on a large or small scale are themselves the manufacturers, thus for example, the producer of the sugar cane converts it into sugar, basi, or vino, the producer of indigo converts it into dye, and the nipa grower converts his tuba into vino or vinegar. Every family manufactures and sells mats, hats, pouches, sacks, etc.

POLITICAL, SOCIAL, AND RELIGIOUS CONDITIONS.

This province was composed of 32 municipalities; when, upon recommendation of the provincial board and by virtue of act No. 1556, nine former municipalities—Aguilar, Alava, Balungao, Natividad, Santa Maria, San Manuel, Santa Barbara, San Jacinto, and Urbistondo—which had been annexed to others, were segregated and reconstituted on January 1, 1907.

By resolution of the provincial board of May 22, 1907, two petitions were forwarded to the executive secretary, one from the inhabitants of San Isidro and the other from those of Mapandan, which pueblos are now annexed to the municipalities of Sual and Mangaldan, respectively, concerning their reorganization. These petitions are now awaiting the decision of the Commission.

I have observed that in this province at least, the fusion of one municipality with another, instead of resulting beneficially, has, on the contrary, produced bad effects, because the pueblos annexed are completely neglected, their public squares are converted into a wilderness, their buildings are in a state of ruin, their roads wholly impassable, and their inhabitants indifferent to the municipal interests. These reasons impelled the provincial board to propose the reorganization of the municipalities above mentioned, and it is possible that in the future it may propose the reorganization of others and the constitution of certain barrios into municipalities or townships, according to their resources and population. With these organizations, although small, the desideratum of making the public institutions, as well as the diffusion of teaching and education, effective over the greatest extent of territory and available to the greatest number of the people, would undoubtedly be attained.

Boundary disputes have arisen in several of the municipalities; some of them date from the Spanish domination and are still pending decision, partly because of the deficiency of the records, and partly because during the present fiscal year the provincial board has given special attention to other matters more important to the government. The attention of the provincial board has also been absorbed by various investigations arising from contested elections and denunciations of the acts of municipal officials.

In my visits of inspection I found it necessary to remain from twenty-four to forty-eight hours in some of the municipalities for the purpose of giving public lectures in the towns and the barrios, which were attended by the members of the council and other municipal officials, with the object of explaining to the inhabitants, in the dialect of each locality, the rights and duties of citizenship. In the offices of the municipal presidents and secretaries, with very few exceptions, I have noticed certain defects in the dispatch of business, the handling of the papers and civil records, and in other respects, and in order to remedy them, I have given suitable instructions to insure a strict compliance with the laws.

As a result of my efforts with the municipal officials and my continuous public lectures in the municipalities and barrios, I have the satisfaction of stating that public spirit has been awakened, which is demonstrated by the roads, bridges, and culverts, the schoolhouses and municipal buildings in the barrios, and the organization of rural police, all brought about by voluntary labor and contributions. As models I can cite Malasiqui and Binalonan, municipalities of the third class which, with less income than the majority of those of the same class, have consummated the following improvements:

Description.

- | | | |
|-----------|---|--|
| Malasiqui | { | A. Municipal public square, lighted by kerosene lamps, with two handstands. |
| | | B. Municipal government building. |
| | | C. Windmill over a well, with a water tank, which supplies the municipal building and the public baths. |
| | | D. Public baths. |
| Binalonan | { | E. Municipal government building. This municipality has under project another building for an intermediate school, the plans of which are being revised by the consulting architect. |

During the months of September, October, and November, 1906, active political agitation was carried on in some of the municipalities by delegates from the Manila headquarters of the Inmediatista, Unionista, and Urgentista political parties, who had come for the purpose of forming local committees.

In the months of April and May last, some of the directors of the Partido Nacional Progresista traveled through the municipalities organizing local committees and are still engaged in this work.

Both parties have their committees in many of the municipalities, but fortunately no disorders have occurred, although some of their leaders at times abused the right of free speech.

The character of the inhabitants in general is eminently peaceful and conservative, and I can state without hesitation that this political agitation will not continue beyond the date of the elections.

Gambling and cockpits are sources of crimes, the ruin of many families, and never-failing sources of revenue for certain persons belonging to the wealthy classes, who boast of being the directors of the policy of the municipalities. These evils also deprive agriculture and industry of a large part of the laborers so necessary to them. The measures adopted for their restriction being of no avail, and the laws enacted for their prosecution and punishment having remained dead letters, it is hoped that a special law will be immediately enacted to put an end to gambling and to restrict cockpits, eliminating the three days of cockfighting on the occasion of the feast of the patron saint of each municipality, as the fiestas in the several municipalities are arranged to follow each other.

The following prisoners were confined in the provincial jail on June 30, 1907.^a

The convicted prisoners are employed on the public works and provincial roads; in the daily cleaning of the provincial government building, and in the workshop under the supervision of the provincial treasurer.

The detained and sentenced prisoners are kept in distinct apartments, there being two other apartments—one for women and the other for minors under 18 years of age. The jail also has a sick ward and a dispensary, furnished with current medicines and appliances and instruments of surgery necessary for first aid.

The sick are attended by the president of the municipal board of health of Lingayen, a licensed physician, assisted by the warden, who has a practical knowledge of medicine.^b

The following improvements have been effected in the provincial jail:

(a) The substitution of the wooden floors of the jail or living apartments of the prisoners by cement laid over a foundation of concrete one foot thick.

(b) The substitution of the wooden doors of the jail by iron gratings, and of the principal interior door by a double door of iron grating.

(c) New iron gratings for the windows of the jail.

(d) The setting apart of six cells, with doors of iron gratings, for the chastisement of refractory prisoners, and for the safe-keeping of prisoners sentenced to capital punishment during their stay in the jail.

(e) A bathroom, with the proper showers, drains, etc.

The jail is provided with acetylene lights and with water pipes for its interior use.

The three religious denominations—the Roman Catholic, Filipino Independent, and Methodist Episcopal—continue apparently in fraternal and friendly relations. All their adherents behave as peaceful citizens should, respecting each other's religious beliefs, and do not give cause for the intervention of the authorities or their agents.

ECONOMIC CONDITION.

The following table shows the receipts and expenditures of the provincial treasury for the fiscal year 1907:

	Philippine.	Local.
On hand July 1, 1906.....	₱80,907.43	₱1,567.58
Receipts during the year.....	275,547.56	-----
Expenses	323,663.05	-----
Balance on hand June 30, 1907.....	32,791.94	107.40

It is not possible for me to give the same information in regard to the receipts and expenditures of the municipalities. The municipal expenditures are not known to the office of the provincial treasurer, since the monthly accounts are rendered directly to the district auditor by the municipal treasurers.

The sum of ₱323,663.05 appearing above as expenses includes the sums expended for public works of a municipal character, various supplies sold to the municipalities, and a loan of ₱3,000 to the municipality of Binalonan, which were still unrefunded on July 30, 1907. To the balance on hand, ₱32,791.94, we

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

^b Personnel of the provincial jail has been omitted and is on file in the Bureau of Insular Affairs, War Department.

must add approximately ₱15,000 for supplies on hand in the provincial stores under the custody of the treasurer.

The provincial board has expended approximately ₱150,000 for the construction of bridges, culverts, and roads; a steam roller, a steam engine for raising water, and improvements of the jail and provincial government building, in which last works no other materials were employed than iron, cement, and stone.

The system of constructing the bridges and culverts with lumber of any kind explains why little or no progress has been made in this branch, notwithstanding the fabulous sums expended. The provincial treasury is condemned under this system to construct and reconstruct every three or four years and to repair every year. It has been observed, with regard to wooden bridges and culverts, that in the course of two or three years some are ruined by decay, others are swept away by the current during the floods, and still others are destroyed by fire. For these reasons the provincial board has decided not to reconstruct bridges or culverts of any material other than iron, cement, and stone.

Repairs have been commenced on the provincial government building, the larger part of which has been greatly damaged by the white ants. A portion of the wooden ceiling has been replaced by sheets of Wunderlich stamped steel, and the wooden floor stringers of the principal room by iron T-beams.

For the purpose of protecting the provincial property in case of fire, and to insure more cleanliness in the provincial buildings and the provincial jail, the windmill used for the pumping of water was substituted by an 8-horsepower steam engine.

In the provincial workshop, which is under the supervision of the provincial treasurer, another 8-horsepower engine has been set up, suitable for running a machine for crushing gravel and the rock taken from the quarries of San Isidro, and for operating a small saw. In this workshop the iron gratings for the doors and windows of the provincial jail were made, also the prisoners' beds, two cascos or lighters for transporting the rock from the quarries of San Isidro and other materials by the river, and two wooden ferries for crossing the river from Mangaldan to San Jacinto at Angalacan, and between Manaoag and Binalonan.

A wharf has been built on the river in the rear of the provincial government building. This wharf is 110 feet long and 14 feet wide, is built of timber, and is provided with a railway for loading and unloading the rock coming from the quarries of San Isidro, which is crushed and used for the public works.

The province has in project the reconstruction of three large steel bridges at Calmay, Pantal, and Vino, in the municipality of Dagupan, and the construction at Lingayen of a building for the industrial school and the provincial high school, and as there are not sufficient funds, the provincial board resolved, on May 6, 1907, to petition the Philippine Commission, through the Governor-General, for a loan of ₱165,000 from the Philippine postal savings bank. In the hope of securing this loan, the provincial board has already instructed the district engineer to prepare the plans, estimates, and specifications for the three bridges mentioned, after examining the beds of the Calmay, Pantal, and Bay-awas rivers, and has directed the division superintendent of schools to furnish plans, estimates, and specifications for the building for the industrial school and the provincial high school. I trust that this work can be begun during the year 1907, and that the government of this province will be able to carry into execution a large part of the most important of the many improvements which it is bound to make to respond to the constantly increasing demands which the improvement and advancement desired by the inhabitants of this province impose upon it.

ROADS.

As I stated in the beginning of this report there are in this province some 800 miles of roads and about 500 bridges and culverts. The larger part of these roads has not been repaired since the past régime, and there are municipalities in which a part of the roads has become water courses, the reconstruction whereof into roads would require 2 or 2½ meter fills.

The 500 bridges and culverts were constructed of wood, and some of bamboo, with the exception of 20 or 30 culverts in the whole province, which are of brick and were erected during the past régime.

From what has been said, anyone who has an idea of the cost of this kind of work and of the revenues of this province will easily understand that a general repair of the roads, though it involve only their grading and filling with

earth, and though the total income of this province were set aside exclusively for this purpose, could not be accomplished within ten years.

In view of this circumstance, and of the imperative need of supplying this province with a good system of roads in order to facilitate communication, I was obliged to appeal to the voluntary labor of the inhabitants, there being no other means of attaining the end mentioned.

On my visits of inspection of the municipalities and barrios, I gave popular lectures to enlighten the masses in this respect, and to make them comprehend the beneficial effects of this work. My efforts in this direction, which began during the first months of my administration, have given favorable results, in spite of the stupid attacks of which this idea has been the object on the part of some self-styled champions of liberty, who believe they have discovered an opportunity to humbug the people and obtain popularity and power.

The majority of the inhabitants, save a few deceivers and deceived, voluntarily and willingly perform work on the roads. They not only metal them with earth, but cover them with a thick layer of hornmigon, after having put in large stones as a base or foundation. They have constructed bridges and culverts, some of lumber and others of bamboo and lumber, and have built school-houses and municipal buildings in the barrios, some of lumber, with a nipa roof, and others of bamboo and lumber, with a nipa or cogon roof.

Speaking of the work on the roads, bridges, and canals which is being done by the provincial government, the municipalities, and the people, I believe, in view of the preceding data, that we may hope that, if the work continues with the same enthusiasm, the difficult problem of establishing facility of communication and transportation by a system of roads, bridges, and culverts, permanent and durable, will be completely solved at the end of five or six years.

In regard to roads, the part of the province which formerly belonged to Zambales has been the object of our special attention, its population being very small for its area.

The distances between the several municipalities of this territory being very great, and the ground very rough, the benefit obtainable from the reconstruction and maintenance of the roads, bridges, and culverts would certainly not correspond to the great expense involved.

This part of the province comprises the following municipalities: Alaminos, Anda, Bolinao, Bani, San Isidro, Agno, and Infanta, the first four bordering on a navigable lagoon communicating with the bay of Lingayen, and the last two communicating with the said lagoon by way of the China Sea.

If regular communication by sea could be established from Dagupan to Infanta, or to Bolinao, by a few small steamers, a rapid and regular means of official and commercial communication would be secured between those municipalities, and the commercial center of the province, Dagupan, and with the provincial capital.

It would also result in an increase in the immigration of Ilocanos, of which that region is much in need, for the exploitation of its agricultural wealth, and would also promote commerce to a large degree. Lastly, the cost of the establishment and maintenance of this route would be much less than that of roads, bridges, and culverts.

For the reasons stated I desire to strongly recommend that the Philippine Commission authorize the provincial board of Pangasinan to establish a maritime route between Dagupan and Lingayen, and the municipalities of Anda, Bolinao, Agno, Infanta, Bani, Alaminos, and Sual, without prejudice to obliging the province to transfer said maritime route by sale, at any time, to any person or society who may desire to purchase it, so that private interests may not be prejudiced.

EDUCATION.

All effort made to diffuse public instruction and education have been insignificant if it is true that it is desired to place the people in condition to enjoy the benefits of a truly democratic government, or to enable them to carry out the principle of a government of the people, by the people, and for the people. For this reason it has always been my endeavor in the public and private lectures in the municipalities and barrios, addressed to the municipal officials and inhabitants, irrespective of social status, to impress upon the people the sacred duty of lending their assistance and cooperation to the laudable desire of the government to diffuse education throughout these islands. As a result of this continual labor I can cite to the report of the division superintendent of schools of this province for the school year 1906-1907, in which

appear very satisfactory data, with the exception only of the municipality of Mangatarem, where said superintendent was obliged to order the closing of the municipal schools on account of the very poor attendance. In view of this exceptional case the provincial board decided, at my request, to make an investigation of the conduct of the officers of that municipality.

The system of instruction and education adopted by the government seems to be strongly opposed by the "Centro Catolico," a pamphlet distributed in the municipalities of this province, a translation of which, marked Exhibit No. 4, is attached to prove our assertion.^a A copy of this pamphlet, with a translation thereof, was sent to W. Morgan Shuster, secretary of public instruction, on March 4, 1907.

The following table shows the municipal schools constructed in the barrios by voluntary labor:

Municipality.	Number of schools.	Municipality.	Number of schools.
Agno.....	1	Pozorrubio.....	2
Aguilar.....	1	Rosales.....	2
Anda.....	5	Salasa.....	10
Asingan.....	7	San Carlos.....	24
Alcala.....	6	San Fabian.....	7
Alamnos.....	1	San Jacinto.....	2
Bani.....	4	San Manuel.....	5
Bayambang.....	7	San Nicolas.....	9
Binalonan.....	8	San Quintin.....	5
Binalmaley.....	10	Sta. Barbara.....	6
Balungao.....	3	Sual.....	4
Bautista.....	4	Tayug.....	8
Bollnag.....	4	Urbistondo.....	1
Dagupan.....	2	Urdaneta.....	3
Infanta.....	4	Umingan.....	7
Lingsayen.....	5	Villasis.....	10
Manaoag.....	12		
Mangaldan.....	2	Total.....	192
Natividad.....	1		

Public instruction is divided into primary, intermediate, and high schools; during the school year 1906-1907 the following students attended these 3 schools: ^b

Enrolled during the school year 1906-1907.....	39,646
Monthly attendance.....	29,094
Average attendance.....	25,520
Percentage of attendance.....	93

The receipts and disbursements of school funds during the year 1906-1907 were:

RECEIPTS.

Balance on hand July 1, 1906.....	P57,790.63
Land tax and refund, insular treasury.....	50,337.94
Cash donation.....	1,392.00
Internal revenue.....	19,499.32
Appropriation from general fund.....	17,678.50
Total.....	146,696.39

DISBURSEMENTS.

Salaries of teachers.....	P62,726.87
Construction and repair of schools.....	4,125.82
School supplies.....	1,569.69
Rent and incidental expenses.....	3,484.99
Total.....	71,907.37
Balance.....	74,789.02

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

^b Tables showing number of American and Filipino teachers and enrollment and attendance of pupils have been omitted and filed in the Bureau of Insular Affairs, War Department.

In order to construct a building for a high school, industrial school, and dormitory for girls, I started a popular subscription. Nearly every municipality and a large part of the inhabitants of this province responded to the idea, but on account of executive order No. 13, series of 1907, I had to direct the suspension of these contributions.

PUBLIC ORDER.

Peace and order are maintained by constabulary, municipal, and rural police.

As we said in the beginning of this report, the peace and tranquillity of this province have never been disturbed, although in the month of August, 1906, the municipal president of Alaminos discovered the existence of an unlawful society, founded by Gregorio Cacho, a native of the municipality of Anda, who is responsible for the disturbances which occurred in the latter in the month of March, 1906. This Cacho and other members were captured by the municipal presidents of Alaminos and Sual, with the documents of the organization, and were placed at the disposition of the courts. Cacho is now serving the sentence imposed upon him; the others have been acquitted.

Exhibit No. 5 shows the number of rural and municipal police and the arms with which the latter are provided.^a

The rural police is organized in 28 municipalities and has 2,893 members. They give efficient service in cooperation with the municipal police and the constabulary, whom they often serve as guides, and are supported and uniformed by the residents of their respective barrios by means of voluntary contributions, either in money or in kind.

NONCHRISTIAN TRIBE SETTLEMENTS.

The provincial government has also made great efforts to awaken a love for a higher degree of civilization in the non-Christian tribes which inhabit the various rancherias. After having induced them to build their roads, school-houses, and municipal buildings, and prepared them to enjoy the benefits of the township government act, No. 1397, two townships were organized, with the approval of the secretary of the interior, one, with a president and five councilors, and the other with a president, vice-president and four councilors. Five settlements—Lulas, Talancafor, Camantiles, Felicidad, and Cauayan—still remain unorganized because of their great distance from the organized townships.

PUBLIC HEALTH AND HYGIENE.

The public health could not be better, though there are certain defects in the sanitary service. The province, which is composed of 41 municipalities, has only 22 presidents of municipal boards of health, and the district health officer has not yet reorganized the municipal districts prescribed by act No. 1613, as it seems that he is traveling through the municipalities making vaccinations.

The following table shows the number of births and deaths in this province from July, 1906, to March, 1907:

Births	17, 872
Deaths	9, 904
Gain	7, 878

The preceding figures show an increase of population of 1.79 per cent. The majority of the deaths took place among the children, and I am of the opinion that this excessive mortality of children merits the attention of the bureau of health.

I again state that the high mortality of animals continues. So far the measures adopted by the government have proved inadequate, on account of the lack of veterinarians, wherefore it is my opinion that each provincial capital should have a veterinarian, who should give his exclusive attention to the various causes of diseases which produce the death of animals, and to the establishment of a method for the keeping and care of the animals.

NATURAL RESOURCES.

In the mountains situated within the jurisdictional limits of this province, there is an immense wealth in the forests, consisting of a variety of woods for all kinds of construction, besides nitos, rattan, anajao ablang, and many other plants.

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

During the fiscal year 1907, 15 mining claims were registered, making a total of 80 claims registered since the establishment of civil government.^a

Very respectfully,

ISABELO ARTACHO,
Governor of the Province of Pangasinan.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF RIZAL.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF RIZAL,
Pasig, P. I., June 30, 1907.

SIR: I have the honor to submit herewith, in compliance with the provisions of act No. 1044, my report on conditions in this province during the fiscal year ended June 30, 1907:

The province of Rizal, created by act No. 137 of the Philippine Commission, has at the present writing over 270,000 inhabitants. The last census of the Philippine Islands does not give it more than 247,000 souls; but it must be remembered that when this census was taken the great majority of its population had taken refuge, some in Manila, and many in the adjoining provinces, fleeing from the persecutions of the brigands which then infested the pueblos and the mountains of this province. After the numerous captures and surrenders had reestablished peace and tranquillity, the inhabitants returned to their homes, without fear and apprehension, to engage again in their habitual occupation.

AGRICULTURE.

Rizal is essentially an agricultural province, and while it is true that its agriculture has, up to the present writing, remained stationary, this is not due to a lack of willingness on the part of the inhabitants, but to the absence of capital wherewith to defray the expenses which an improvement of the agricultural production would necessarily entail. It is a well-known fact that the rinderpest has wrought great havoc among the labor cattle, and the few that remain are insufficient for the most necessary work. It is therefore not strange that there are large tracts of land still lying fallow, but it is to be hoped that the establishment of the proposed agricultural bank will result in bettering the production until it exceeds the ordinary consumption.

Among the great improvements which will doubtless redound to the benefit of agriculture are the railroads and electric car lines, which will soon traverse this province from one end to the other and will constitute means of transportation which will benefit not only the persons engaged in industry, but also the merchants and all whose business involves financial speculations.

One of the great problems which it is the duty of the insular government to solve speedily is that of the many estates in this province, which obstruct, or at least paralyze, the progressive development of agriculture, now at a standstill. I make this statement for the reason that the terms of the contracts of lease of land belonging to these estates, instead of resulting in the cultivation thereof, frighten the tenants away, and end by converting the estates mentioned into immense wastes, without production or producer.

The attention of the honorable the Governor-General is respectfully invited to my report on these estates, dated April 27 last.

INDUSTRY AND COMMERCE.

Speaking of industry and commerce, I wish to state that inasmuch as agriculture is their principal basis, and as it is at present in a very unsatisfactory condition, it goes without saying that they are in the same state of paralyzation.

^a Statistics as to agricultural production; different industries, commerce, and manufactures established; voluntary work done on roads, bridges, and schoolhouses; a tirade against the system of education, published by the "Centro Catolico," the number of municipal and rural police, have been omitted and filed in the Bureau of Insular Affairs, War Department.

POLITICAL SITUATION.

During the last three years Rizal has enjoyed the reputation of being one of the most peaceful provinces of Luzon. The inhabitants follow their habitual occupations, and this proof of constant industry has a good effect upon the inhabitants.

In November or December, 1906, it came to my knowledge that Señor Pascual H. Poblete, of Manila, was attempting to implant in several of the pueblos the society known as "K. K. K." In view of the fact that the Philippine bill provides that no law shall be passed abridging the freedom of speech or of the press, or the right of the people peaceably to assemble, etc., I did not object or attempt to oppose the meetings held for the organization of the new society, but restricted my action to watching and observing very closely both the members and the leaders of the association, and for this purpose I was wont to attend all their meetings in person. The "K. K. K." kept all the plans for their meetings very secret, but to their great disappointment I learned of them, and when they least expected I appeared among them, as if my purpose was to attend all their meetings. The Katipunans ("K. K. K.") people finally became tired, lost their patience, and removed the scene of their activity to the provinces of Laguna, Tayabas, Batangas, and Cavite, and to Bulacan also, I believe, according to their minutes, written in Tagalog, a copy of which I sent in due time to the executive secretary.

The "K. K. K." society has been reorganized for the sole purpose of deceiving the unsophisticated, either with a view to separating them from what little money they have, or in order to keep them yoked to the chariot of the pecuniary ambitions of Don Pascual H. Poblete.

In my humble judgment "K. K. K.," properly interpreted, stands for "kuartos, kuartos, kuartos," which means "money, money, money," this being, in all probability, the real object of the founder in working for the reorganization of this well-known society.

Crime has considerably decreased during the last year.^a

FINANCIAL SITUATION.

The following statement shows that as a result of well-managed economies gradually introduced into the several departments of this government the province, though not altogether prosperous, is nevertheless able to defray all its current expenses with ease, without necessity of resorting to other means. The subordinate personnel has been reduced as much as possible, only the most useful and necessary having been retained. The carriages, carts, horses, oxen, and other property used in the government service have also been disposed of, because of their being unnecessary and of little practical utility.

Financial report for the fiscal year ended June 30, 1907.

	Philippine currency.
RECEIPTS.	
Balance on hand on July 1, 1906.....	P39,333.43
Register of deeds.....	1,123.91
Cart tax.....	139.37
Land tax, 1902-1905.....	16,144.29
Refund by insular treasury for land tax, acts Nos. 1455 and 1579.....	35,596.61
Cedulas.....	17,829.00
Refund by insular treasury of internal-revenue taxes.....	13,472.03
Premium, municipal bonds.....	209.98
Sale of supplies to municipalities.....	2,179.24
Loan from insular government, act No. 1637.....	75,000.00
Donation of insular funds for Taytay-Antipolo road.....	5,000.00
First payment on the provincial building known as Tribunal de Mestizos, sold to the municipality of Pasig.....	1,500.00
Refund for construction of temporary bridges over the Mariquina River.....	1,500.00
Sundry receipts.....	2,698.84
Total.....	211,731.72

^aA comparative table of crimes has been omitted and is on file in the Bureau of Insular Affairs, War Department.

Financial report for the fiscal year ended June 30, 1907—Continued.

	Philippine currency.
DISBURSEMENTS.	
Salaries of officers.....	P14,037.55
Salaries of employees.....	21,378.26
Repair of buildings and grading of provincial land.....	1,645.37
Construction and maintenance of the provincial school.....	2,786.52
Travel expenses.....	2,356.69
Rent of buildings.....	1,568.90
Office furniture and material.....	8,520.00
Court fees.....	4,144.00
Sheriff fees.....	366.48
Maintenance of prisoners.....	4,696.98
Premiums on bonds.....	823.83
Paid for construction of temporary bridges over the Marikina River.....	1,500.00
Postage.....	560.00
Repair and maintenance of roads and bridges.....	27,619.19
Sundry expenses.....	1,282.58
Balance on hand on June 30, 1907.....	118,464.77
Total.....	211,731.72

PUBLIC HEALTH.

The public health has been excellent. There has not been a single case of suspicious disease, and though it is true that last March several prisoners in the provincial jail suffered from acute diarrhea, in consequence of the excessive heat then prevailing, this was checked by the adoption of the measures which hygiene requires in such cases.

To prevent evil results, I gave directions for the construction, on the bank of the Pasig River at San Pedro Macati and San Felipe Neri, of large wells for potable water, with bases of porous stone, in view of the fact that the soldiers at Fort McKinley have made this river a dumping place for their kitchen refuse, which contaminates the water and is liable to cause serious diseases.

There are about 300 lepers—men, women, and children—and it is desired, in the interest of the public health, that they be removed to the Cullon leper colony.

PUBLIC INSTRUCTION.

Primary instruction, the basis of all human knowledge, is making great strides, and is becoming more and more popular among the studious youth. All the public schools are attended daily by large numbers of pupils, the boys mingling with the girls, and it is a joy to see them. In nearly all the centrally located barrios of the pueblos schoolhouses have been built, but notwithstanding their large dimensions they are often found too small for the numerous attendance, and the teachers are unable to attend to all with the effectiveness and industry desired.

In addition to the primary, we have at Pasig the high, the provincial, and the industrial schools. A domestic science school, where girls will be given the preparatory education of great necessity to their sex, is also to be built. Several schools of art and trades are now being constructed on the grounds of the former factory "La Princesa" at Malabon. Unless luck is against me, a practical school of agriculture will soon be established at Montalban, at the expense of the Insular treasury. I am taking steps for the acquisition of the necessary land, as I am very anxious to secure it at a reasonable price. It is to be hoped that the proposed school will be of great benefit to this essentially agricultural province, because it must be understood that in order to properly cultivate the fields it is necessary to first cultivate one's intelligence, hence my great desire to have such a school within the territory of this province.

The suspension of the collection of the land tax has practically tied my hands. I should like to suggest to the municipalities of this province the necessity of providing the municipal schools with a large number of teachers, as the number of pupils increases from day to day, but I see that I shall not see my desires realized until later.

In accordance with the suggestion of the superintendent, Mr. Montavon, who returned temporarily to America, we have organized weekly school meet-

ings in the several pueblos and barrios, at which the principal subjects of discussion are usually intrusted to the most advanced pupils, who are thus given an opportunity for gradually developing their young intellects in proportion to the knowledge acquired. By this method the child gradually acquires not only practice in speaking in public, but also the skill and facility necessary for exercising his intellectual powers.

Having described the progress and zeal of the youth of Pasig and Malabon as to assiduous and constant school attendance, I recollect certain resolutions which several municipalities have addressed to the provincial board, through me, requesting the approval of penalties for parents who refuse to send their children to the public schools.

I understand, of course, that in order to overcome these difficulties the Philippine Commission ought to be asked to pass a law declaring attendance in the public schools obligatory for boys and girls for a determined period, as in England, the United States of America, Germany, France, Switzerland, Belgium, Spain, Japan, and many other civilized countries where school attendance is obligatory for children between the ages of 7 and 14, 15, or 16 years, and in other countries, where it is also obligatory, though for shorter periods.

However, what would be the result of declaring the attendance of the public schools compulsory for boys and girls? The following would happen: In order to attend with any care to the instruction of so many pupils, we would be compelled to triplicate the number of teachers now employed, to provide and furnish a larger number of schoolhouses, to give large orders for the necessary books, pens, pencils, and other supplies, and to create and provide new revenues for the promotion and development of public instruction, which would doubtless add to the already excessive burden of the taxpayer, who would be sure to protest energetically against such costly administration.

At present we have 16 American teachers, as follows: Six at the provincial school at Pasig, 5 at the intermediate school at Malabon, 1 at the intermediate school at Pasay, and 4 supervising teachers of school districts. It is hoped that we shall soon have another supervising teacher, to be placed in charge of the school district of Pasay and Paranaque, which position is still vacant. We have also 9 insular teachers, as follows: One at the intermediate school at Malabon, 1 at the intermediate school at Morong, 1 at the intermediate school at Caloocan, and the 6 others as principal teachers at the schools of Marikina, Montalvan, Muntinlupa, Morong, Binangonan, and Paranaque. It is believed that in a few days we shall have another insular teacher for the central school at Pililla.

Aside from the provincial school at Pasig, Rizal has four intermediate schools in the pueblos of Malabon, Pasay, Caloocan, and Morong.

In the provincial school of Pasig the three grades of the intermediate course and the first year of the secondary course are taught. In this school there is a special class in carpentering. The attendance last June was in the intermediate classes 125 boys and 28 girls, and in the secondary classes 9 boys and 3 girls, a total of 165.

In the intermediate school at Malabon, the three grades of the intermediate course are taught, there being also a special class in pisciculture. Last June this school was attended by 112 boys and 30 girls.

In the intermediate school at Pasay the fifth grade of the intermediate course is taught, the school being attended by 34 boys and 16 girls.

In the intermediate school at Morong only the fifth grade is taught, the same as at Pasay. This school is attended by 17 boys and 8 girls.

What has been said of the two schools last mentioned can also be said of the intermediate school at Caloocan; but no information regarding the attendance is available, the report of the principal not having been received.

We have at present in the entire province 74 primary schools in the charge of municipal teachers, and 6 in the charge of insular teachers. These schools are distributed among the several municipalities, which are divided into 5 school districts, to wit: First district, comprising the schools of the municipalities of Pasig, Taguig, San Felipe Neri, and San Pedro Macati, excepting the school at Culiculi; second district, those of the municipalities of Antipolo, Taytay, Marikina, and San Mateo; third district, those of Binangonan, Morong, Tanay, and Pililla; fourth district, those of Pasay and Paranaque, and that of Culiculi, in the municipality of San Pedro Macati; and fifth district those of Malabon, Caloocan, and Navotas.

A supervising teacher is in charge of each district; his duty is to inspect all the primary schools and to see that all the instructions of the department of education are complied with.^a

SCHOOL BUILDINGS.

Few of the school buildings belonging to the municipalities are in a good condition, the majority of them requiring renovation or at least considerable repairs. As to provincial and intermediate school buildings, special mention must be made of the provincial school at Pasig, the intermediate school at Malabon, and the intermediate school at Morong. Owing to the donations received from the Congressional relief fund, either in rice or in money, it has been possible to erect school buildings of great importance and necessity at some places, but these, or at least many of them, are so deficient in capacity or construction that a few of them have required special repairs, as for instance those of Marikina, Paranaque, Taytay, and Taguig.

The educational office takes considerable interest in having the municipalities build schoolhouses of their own, with the proper conditions as to hygiene and capacity, and with suitable grounds for the recreation of the children and the cultivation of plants.

During this year the municipalities have appropriated the sum of ₱3,274 for rent of schoolhouses.

Pasig has appropriated ₱6,000, San Felipe Neri ₱4,000, and other municipalities hundreds of pesos for the construction of schoolhouses; but they have encountered great obstacles, some being unable to find a suitable place, some failing to secure the land necessary by donation or purchase, and others meeting with difficulties in connection with disputed titles. For these reasons the buildings have not yet passed the stage of projects.

SCHOOL FUNDS.

The financial condition of nearly all the pueblos is very poor, the land tax and internal revenues being insufficient to enable them to have good schools and the necessary number of municipal teachers, and for this reason nearly all the municipalities making great efforts have donated money, which they have transferred from their general funds to the school funds, the donations made in this manner amounting to the respectable sum of ₱11,959.27. There are municipalities which have an extensive territory and a large population, but are extremely poor, so far as finances are concerned. This is the case with Binangonan and Taguig. In view of their topographical conditions, these municipalities require a larger number of schools than those now existing, but it is impossible to build more, for lack of the funds necessary for their maintenance. The barrios of these municipalities are so far distant from each other that unless schools are constructed in each of them, the education of the youth will never prosper. Another consequence of this insufficiency of the funds is that there can not be any uniformity in the salaries assigned to the municipal teachers, because the same conditions as those above mentioned prevail in Pililla, Teresa, Bosoboso, Jalajala, and many other municipalities, where the salaries of the teachers range from 20 to 25 pesos per month, and the advanced teachers, as a result of the progress made by them, request to be transferred to better positions whenever an opportunity offers itself, as for instance at Malabon, Pasig, Navotas, Calocan, and Pasay.

PROGRESS MADE IN THE PUBLIC SCHOOLS.

During the fiscal year 1907 the office of education issued 293 certificates to pupils, who successfully completed the primary course prescribed by the department of education. These pupils were distributed among the several municipalities as follows: Antipolo 5, Binangonan 5, Malabon, Navotas, and Calocan 34, Marikina 29, Morong 35, Paranaque 12, Pasay 59, Pasig and Taguig 41, San Felipe Neri 19, San Mateo 13, San Pedro Macati 5, Tanay and Pililla 23, and Taytay 11.

^a Much statistical data as to number of schools in each municipality, number of teachers and attendance of scholars has been omitted and is on file in the Bureau of Insular Affairs, War Department.

There have been issued 77 certificates to pupils who have completed the intermediate course—13 of these to pupils of the provincial school at Pasig, 11 to pupils of the intermediate school at Malabon, and 53 to teachers of the several municipalities who took the ordinary examinations after having attended the normal school of teachers.

In addition to those who secured these certificates, the following pupils passed the ordinary examinations held at the provincial school of Pasig last March: Fourth grade 37, fifth grade 19, and first year 5. At the Malabon school: Fourth grade 17, fifth grade 6. At the intermediate school at Pasay: Fourth grade 2. At the intermediate school at Caloocan: Fourth grade 4; and at the intermediate school at Morong: Fourth grade 11.

At the Malabon school: Fourth grade 17, fifth grade 6. At the intermediate school at Pasay: Fourth grade 2. At the intermediate school at Caloocan: Fourth grade 4; and at the intermediate school at Morong: Fourth grade 11.

NORMAL SCHOOL.

At the end of the school year, of 1906-7, a normal school of teachers was opened at Pasig, in which 192 teachers and aspirants of this province matriculated. The course lasted from February 18 to March 22, and during the last few days the ordinary examinations were held, with the following result: Forty-one pupils passed the fourth grade examination, 21 the fifth grade, 37 the sixth grade, and 29 the special class on methods.

I have the honor, in accordance with the recommendation of the division superintendent of schools of this province, to submit herewith a sketch of the work which is to be done in this school division during the present year.

The revised course of studies, extending the primary course to four years, has now been adopted for all the primary schools. This has been done on account of the great variety of industrial work which will be taught in the following classes: Elementary agriculture. Carpentering and cabinetmaking. Elementary pottery. Elementary masonry. Weaving and manufactures. Care and ornamentation of schoolhouses and planting of trees on the school grounds. Manual labor and sundry industries.

It is the intention to take up one or more of the studies above mentioned and to introduce them in the municipal schools during this school year, provided circumstances and conditions permit of it.

A plan is on foot to reduce the number of rented schoolhouses, replacing them with good and adequate buildings owned by the municipalities. For this purpose it is proposed to secure suitable land for the construction of schoolhouses, it being my fervent desire to have beautiful schoolhouses built on land purchased by the municipalities, toward which end I will direct all my efforts during the present year.

PUBLIC WORKS.

In view of the small sum of money available, it was endeavored to undertake only small constructions and repairs. The sum of ₱5,541.05, appropriated from insular funds, was used for building a wagon road from the city limits of Manila to a point at Pasay. This wagon road is metalled with broken stone for a distance of 0.981 miles, its width being 18 feet in the suburbs of Manila and 12 feet at the entrance of Pasay. The projected road goes as far as the limits of Cavite, and covers a distance of 5.55 miles. Of wagon road, 7.46 miles were repaired, the work consisting of grading and filling, at a cost of ₱6,549.60, of which ₱5,000 were appropriated by the Philippine Commission for the improvement of the Taytay-Antipolo wagon road. This wagon road has a total length of 6.5 miles and cost ₱2,423.99. The hardest work consisted in the construction of bridges, which were built on concrete bases, very solid, and will not require repairs for an indefinite period.

There have been constructed on reenforced concrete bases 24 three-foot, 9 six-foot, 6 four-foot bridges, and 1 five-foot bridge, at a total cost of ₱10,156.39. A solid bridge, with a base of reenforced concrete, in quadrangular shape, has been constructed on the Tanay-Pililla road, at a cost of ₱1,641.83. The most extensive work done so far in the line of bridge construction is that in connection with the construction of an iron bridge across the Ampid River. This bridge has three arches, with a total length of 90 feet, and has a reenforced concrete basis in its entire length. It can easily bear a weight of 100 pounds to the square foot and has all the requirements of an ordinary bridge. This bridge

was constructed by contract let to B. W. Cadwallader & Co., its total cost being ₱7,831.40.

The provincial school has just been completed. Plans and specifications have been prepared for the construction of a provincial building, with reenforced concrete foundations, the cost of which is estimated at from ₱90,000 to ₱100,000. The work of grading the provincial land is making rapid progress. It has been done by contract for some time past, and the cost up to the present date amounts to ₱2,277.47.

During the fiscal year Rizal has expended ₱30,000.41 for public works.

MUNICIPAL IMPROVEMENTS.

One of the most important improvements introduced in the municipalities of Malabon and Caloocan is the introduction of electric lighting.

Malabon will soon undertake the construction of two beautiful markets, with a building set aside for a public slaughterhouse.

At Pasig electric lighting is soon to be established in the town proper and adjacent barrios, and soon the new market, with reenforced concrete foundations, built under the direction of the district engineer, will be opened to the public. This market has cost ₱15,000.

Respectfully submitted.

A. DANCEL,
Governor of the Province of Rizal.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF ROMBLON.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF ROMBLON,
Romblon, July 13, 1907.

SIR: I have the honor, in compliance with the provisions of act No. 1014, to submit herewith my report on conditions in this province during the fiscal year ended June 30, 1907.

AGRICULTURE, INDUSTRY, AND COMMERCE.

Agriculture.—During the last months of the year the inhabitants have been engaged in sowing their hill rice and in preparing the land for transplanting their irrigation rice, which will be completed during the present month.

For the last five or six years agriculture has suffered much from droughts, locusts, and the worms commonly known as tagostos. This year the rain did not commence to fall until the present month and there has been very little of it. The work of transplanting the rice has to be finished at the present time, and as it is necessary, in order that the rice produce properly, to prepare the land several months in advance, the lack of water makes the work very difficult. In some parts this deficiency is remedied by irrigation, but springs and rivers do not exist in all parts of the province. The people of several barrios have, therefore, conceived the idea of changing the time for planting the rice from May, June, and July, to October and November, during which latter months there is no lack of water; but this has not yet been put into practice, on account of the lack of proper seeds.

The enemies of the rice (locusts and worms) began to appear in May of this year in the pueblos of Odlongan and Looc, and on Simara Island. Immediately upon receiving the news of their appearance, the provincial board issued the necessary orders to the municipal presidents for the adoption of the best measures for the extermination of those pests, compelling the inhabitants of the barrios invaded to assist in the work, as required by act No. 817.

A comparison of the agricultural products with those of last year shows an increase of 40 per cent. The production of the present year has been: Copra 24,864 piculs, abaca 8,407 piculs, and tobacco 2,157 piculs. These are the products which were exported to Manila.

There has been a great increase in the planting of cocoanuts and abaca, many of the persons who made application for homesteads and secured the necessary permit having cleared their land and planted the same.

On December 15, 1906, 2,000 Hawaiian maguey plants, sent by the director of agriculture for distribution, were received at the capital of Romblon. The total number of plants received so far is 6,000, which have done well, according to my information, and many agriculturists are asking for them.

Industry.—There has not been any change in this respect; and all that I have said on the subject in my report for the preceding fiscal year holds good for the present.

Commerce.—The condition of commerce naturally depends on that of agriculture, and the data given above will therefore enable us to judge of the commercial conditions. The principal articles of commerce are copra, abaca, and tobacco, which several Spanish, Chinese, and Filipino merchants export to Manila; and paddy and rice, which are imported from Manila and other provinces.

During the year the following prices were paid for the products above mentioned: Copra, from ₱9 to ₱11.75 per picul. Abaca, from ₱25 to ₱27 per picul. Tobacco, from ₱5 to ₱8 per quintal. Paddy, from ₱2 to ₱2.75 per cavan. Rice, from ₱5 to ₱6 per picul.

The consumption of rice brought into this province from Manila during the year amounts to 27,657 piculs.

FINANCIAL AND ECONOMIC CONDITIONS.

The following is a copy of the report submitted to this board on April 28 last by provincial treasurer H. H. Ewing:

"Gentlemen: In answer to your request for a report on the financial conditions of the province, I have the honor to submit the following statement and estimate of collections and expenses that pertain to the general funds of Romblon:

Taxes.	Collected 1906.	Estimated 1907.
Land tax 1905.....	₱622.10	₱50.00
Industrial 1905.....	11.25	
Internal-revenue cedula.....	7,194.00	7,194.00
Cedulas act No. 82.....	1,155.00	250.00
Internal-revenue refund.....	5,906.76	5,906.76
Registry of property.....	2.50	50.00
Refund act No. 1455.....	4,004.99	
Refund act No. 1579.....		2,000.00
Internal-revenue refund for month of December, 1906.....		1,181.25
Total.....	18,896.60	16,632.01
Expenses.	Expended 1906.	Estimated 1907.
Salary officers and employees.....	₱10,771.25	₱11,050.00
Travel and per diem.....	1,434.86	1,500.00
Sheriff's fees.....	135.52	135.00
Postage.....	273.00	275.00
Official Gazette.....	25.61	24.00
Supplies (including printing and binding).....	2,224.76	2,200.00
Feeding prisoners.....	1,540.75	1,500.00
Court fees.....	576.00	600.00
Labor.....	111.90	250.00
Provincial bonds.....	406.66	278.78
Freight.....	657.63	100.00
Total.....	18,157.74	17,912.78

STATEMENT OF ACCOUNT 1906.

On hand January 1, 1906.....	₱2,219.24
Collections 1906.....	18,896.60
Refunds from sales to municipalities, premium on bonds, exchange of currency, advances act No. 336, etc.....	2,063.83
Total.....	23,179.67
Total gross expenditures.....	18,157.74
Balance on hand January 1, 1907.....	5,021.93
Estimated resources.....	16,632.01
Total available for year 1907.....	21,653.94

"It is thought that the estimates made are sufficiently conservative. That of collections can and will be made and that of expenditures can be adhered to, with probable exceptions for supplies and labor. Nevertheless they are considered liberal, when it is taken into consideration that over ₱2,000 of the amounts expended for supplies, feeding prisoners, exchange of currency, postage, etc., were refunded to the general fund during the year. Five hundred and fifty pesos of the item for freight were paid for use of coast-guard cutter during year of 1905.

"The balance on hand at end of year 1906 showed a saving of ₱2,573.37, this not including ₱229.32, value of local currency on hand January 1, 1906, and not shown on statement.

"It would then seem that the province will have a margin of more than ₱3,000 upon which to depend for the coming year, due to a large extent to the refund of internal revenue for the month of December, 1906, which was not returned to us until January of this year.

"I would respectfully call your attention to the fact that the province has been called upon to pay an old debt of some ₱2,500 to the bureau of justice. This for criminal cases tried in our courts prior to December, 1905. This will cut our margin down and means strict adherence to the estimate.

"It will not be possible to get relief from greater provincial collections. Registry of property may be increased slightly, as also may the insular refunds, but that is hoping for a great deal. It will be difficult to duplicate last year's cedula collection.

"It would be difficult for this office to point out a way to further economize unless in the items of salary and travel expense. Regarding these two items, I would say that this office has been running for the past eight months with one deputy and one clerk less than was formerly thought necessary, and only the necessary collection trips are made; therefore it will be impossible to economize to any greater extent in the provincial treasury.

"The writer, during the visit of the Governor-General, recommended that the 1907 land tax should not be collected, and stated at that time that the province could get along with what the insular government could give us in the way of a refund. At that time no knowledge was had of any old overdue debts and should others be presented the province will have to look elsewhere for a remedy.

"I would respectfully call your attention to act No. 1622, by which it becomes necessary for the province to pay over to the insular auditor on the 1st day of July, 1907, the sum of ₱1,000. This will be possible, but may delay November and December payments. But they can be taken care of later if the 1908 land tax is collected.

"It is therefore my opinion now, as formerly, that judging from a purely financial standpoint there is no need of our uniting with Capiz."

This report was sent by the provincial board to the Governor-General on April 25 last, by virtue of a communication received from him dated March 25 last, dealing with the project of consolidating this province with Capiz.

PUBLIC WORKS.

The public works carried on at the expense of the province during the year were of little importance, and it is hardly worth while to mention them, as they consisted solely in changes and repairs in the provincial government building, and in repairs and work on the boat used in the service of the province. The changes in the government building were made for the purpose of accommodating in it the offices of the municipality of Romblon, the municipal building having been ceded as provisional barracks to the constabulary of this province, without compensation, by agreement between the provincial board and the council of the municipality. For these changes and repairs the province has spent the insignificant sum of ₱397.64 out of its general funds.

The roads and bridges on the islands of Tablas and Sibuyan are in bad shape, and for this reason the provincial board, anxious to construct bridges where they are needed the most, and to repair and maintain the roads at the expense of the funds set aside for this purpose, requested the director of public works on February 11, 1907, to send a civil engineer to inspect or examine this work and give his opinion about it. This engineer began to work about March 5, but only covered the island of Tablas, for the reason that he had no time to visit Sibuyan also. Having received his opinion and his estimates for the work mentioned, the provincial board decided to postpone the execution of the same, as the road and bridge funds on hand in the provincial treasury

amounted to only ₱7,231.15, and the estimates were for larger sums, and because in the opinion of the engineer the bridges are not of very great necessity for the present.

In several of the municipalities improvements have been made out of municipal funds. At Romblon the following improvements have been made during the year: Reconstruction of one of the wooden wharves, ₱527.60; extension of the public market, ₱99.90; construction of a public slaughterhouse, ₱40; repair and improvement of the reservoir of the public water system, ₱172, and other repair work of minor importance.

In the municipalities of Badajoz and San Fernando, roads and bridges have been repaired and put in order. Many of these bridges are of little duration; but serve in a way for two or three years. This work is performed by the *servicio personal* (personal labor system) or *servicio popular*, as they call it, which was established three or four years ago.

The president of San Fernando, in his report rendered at close of 1906, mentions the following improvements: Construction of a new municipal jail, of stone, in the lower story of the town hall; repair of a stone bridge; construction of the stone walls of the lower story of the schoolhouse, and repair work of minor importance.

PUBLIC INSTRUCTION.

The interests and financial condition of the schools have improved considerably during the year. The inauguration of the provincial high school, which was honored by the presence of the Governor-General and the other members of the Commission, marked a new era in the educational progress of this province. The work of constructing this school commenced in November, 1905, and was completed in October, 1906.

The receipts of the municipalities for school purposes aggregate ₱8,400, and the expenditures ₱6,806. The municipal and provincial officers and the general public have taken great interest in the school work, and have all cooperated with the division superintendent for the betterment of the interests of the schools.

To prove the interest taken in the school work, attention is invited to the fact that the majority of the children attending school in the pueblos are able to carry on a conversation in English quite well.

In order to construct the high school, the province contracted a debt of ₱8,000 with the insular government, of which it has already paid one installment of ₱2,000. On February 5 of the present year, the provincial board passed a resolution, praying that the indebtedness of this province to the insular government, amounting to ₱6,000, be transferred to the credit of the provincial school funds of Romblon and set aside for the construction of certain buildings, including one for domestic science and a girl's dormitory. As a result of this resolution, the Philippine Commission passed act No. 1622, providing for the cancellation of the indebtedness of several provinces, among them that of ₱6,000 of this province, on condition that the provincial government provide and pay a like sum in installments, into the provincial school fund. The first installment being due on June 30, 1907, the provincial board resolved, on the 25th of said month, that the sum of ₱1,000 be transferred from the general funds to the provincial school funds, on account of the sum of ₱6,000 above mentioned.

COMMUNICATIONS.

In view of the geographical situation of this province, communication is rather difficult between the several islands of which it is composed, the only means available being barotos, paraos, and other small vessels, which can be had only occasionally. These circumstances often cause delay in the public service and in the dispatch of the business of the provincial and municipal offices. In order to remedy these difficulties to some extent, the municipalities of the island of Tablas have established a mail service as follows: Once a week the mail is sent from the municipality of Looc to that of Odiongan, thence to the barrios of Despujol, Calatrava, and Carmen, as far as Badajoz, and thence to the provincial capital. The mail for the island of Tablas uses the same route. On the island of Sibuyan the mail is sent from Cajidiocan to San Fernando or Magallanes, and from these two places to the provincial capital; but it occasionally happens that at the three pueblos last mentioned the mail is detained to wait for an opportunity to send it to the provincial capital. The provincial government has a very good boat, which is also used for the mail service.

PUBLIC HEALTH.

Generally speaking, the public health has been excellent. There has not been any epidemic disease. A comparison of the number of births with that of deaths shows a considerable increase of population.

In the course of this year a considerable number of lepers was gathered by the sanitary authorities, to be taken to the Cullon leper colony. This is a wise measure, for which the province is very grateful to the government, which has thus delivered it from a terrible plague.

At the present time it is very difficult to give immediate attention to sanitary matters, particularly to special cases, because on April 17, 1907, Dr. Candido Mora, the district health officer, whose official residence is at Romblon, was transferred to serve in the Cullon leper colony, and since then there has not been a physician in the province. It is true that the district health officer stationed at Capiz has been in charge of sanitary matters in this province since then, but, as I have said, in urgent cases it would be impossible for him to come and apply the necessary remedy in time.

POLITICAL CONDITIONS—PUBLIC ORDER.

Tranquillity is a fact, and good order has always been maintained in all the pueblos of this province, and although there are dissensions on religious questions and disputes over certain property known as church property, yet there has not been any disturbance up to the present date. Cases concerning such disputes in Romblon, Odlongan, Looc, and other pueblos of this province are now pending before the supreme court, and others which have arisen lately will doubtless take the same course.

ELECTIONS.

The last elections for councilors, held in December, 1906, have been held with due regularity, in accordance with the provisions of the Municipal Code, and while there were protests in the municipalities of Looc and Cajidlocan, they were of little importance, and all the elections were approved by the provincial board.

The important question which arose at the end of this fiscal year is that of the fusion of this province with Capiz.

It seems that this matter has been discussed for some time past; but recently, in view of a communication of the Governor-General of March 25, 1907, the provincial board stated, under date of April 25, 1907, that judging by the financial conditions of this province, its fusion with Capiz was not yet a necessity.

The convention of presidents held on May 6, 1907, also presented a petition to the insular government, praying that the proposed fusion be not effected, and stating their reasons. Judging by telegrams received from Manila, it seems that the fusion has already been directed. Matters were at this stage in this province when the fiscal year expired. There is general dissatisfaction in the pueblos on account of this fusion, but it is to be hoped that the people will finally see the purpose for which this measure has been adopted.

Respectfully submitted.

BONIFACIO MARRON,
Governor of the Province of Romblon.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF SAMAR.

OFFICE OF THE GOVERNOR, PROVINCE OF SAMAR,
Catbalogan, P. I., June 20, 1907.

SIR: I have the honor to submit the following report upon the affairs of this province, from July 1, 1906, to date:

GENERAL CONDITIONS.

Conditions have continued to improve during the past year. Nearly all of the Pulahan leaders have been killed or captured, and law and order has been thoroughly established in all of the municipalities with the exception of the

mountain district between Borongan on the east coast and Basey on the west coast, where Otoy, the only Pulahan chief of any importance, is still out with a small following.

In addition to the settlement governments heretofore established at San José and Matugino, one has been established in Magtaon Valley, known as Concord, and another in Hinobangan, where the people who have heretofore lived in the mountains leading a wild life have been brought under the influence of the government. Lands have been set aside for them, towns laid out, and officials appointed, in accordance with the settlement government act, which has proven very satisfactory, and the people appear to be happy and contented. All of these settlement governments are self-sustaining and prosperous, except Concord, formerly known as Magtaon, where, owing to the hard campaign, all food-stuffs have been destroyed. The provincial government is aiding the people until they can raise their first crop, which will be in the near future. Constabulary posts have been established at Concord, a school and church built, and every effort has been made to reclaim these people to civilization, and I feel entirely satisfied with the results obtained.

During the past year the United States military forces, under command of Col. Fred A. Smith, have rendered very valuable aid in establishing law and order, and, due very largely to the efforts of Colonel Smith and the officers under him, the use of the military as peace officers will not be necessary in the future. The constabulary and the police of the province will be able to maintain law and order. The military have established permanent posts, and I believe that their mere presence will prevent the necessity of having to use them. The civil government is under many obligations to Colonel Smith for the results obtained. He is a very tactful officer, understands the people, sympathizes with them, and has the good will and the gratitude of the people of Samar.

The army has rendered excellent service, and at all times has given the civil authorities its loyal support. I have consulted with Colonel Smith on all important matters, and have received his advice and assistance, which has been invaluable, and I feel that whatever success I have achieved in establishing law and order in the province is due very largely to his good advice and loyal support. It would be unjust to commend any particular officer of the army who served in Samar during the past year, as they all rendered magnificent service and gave to the civil authorities their loyal and enthusiastic support.

Business has been resumed throughout the province and an era of prosperity prevails. Crops have been good and the people have recovered from the effects of the recent bagulos and losses caused by the Pulahan uprising of 1904 and 1905. The north and east coasts have been connected with the outer world by telegraph lines. Roads have been built and trails opened up, and while there is still room for improvement, we have better means of communication than we heretofore had.

POLITICAL CONDITIONS.

In the municipal elections in December last for councillors in all of the 32 towns, there were only 2 contests, and in the 7 newly-created municipalities, where all of the municipal officials were elected, there was but 1 contest as the law had not been complied with in registering the votes. There were no disturbances of any kind and the elections were held in a very orderly manner.

At the assembly of presidentes held at Cathalogan last October, a resolution was passed requesting the provincial governor to organize a company of volunteers, to be paid by subscriptions of the people, to show that the people themselves were willing to bear their share of establishing law and order. The results, as will be shown under the head of "Constabulary and volunteers," were good.

There have been no religious disturbances of any kind. All of the people being members of the Roman Catholic Church, they have been visited by the Right Reverend Thomas A. Hendrick, Bishop of Cebu, who exercises great influence over the people of the Island of Samar, and whose influence has always been exercised in the interest of good government. In fact, I believe that the influence of Bishop Hendrick has done much to bring about the good results that have been obtained in this province, and, with two or three missionaries in the interior working under his direction, the results obtained will be permanent.

FINANCIAL CONDITIONS.

The financial condition has improved, and the province will not only be self-sustaining, but will be able to spend some money in public improvements.

A large and substantial pier is now being constructed at the town of Catbalogan, which will allow all of the coastwise boats touching there to go alongside and discharge and receive cargo. This will be a great convenience, especially to merchants and shippers.

The provincial treasurer's report shows a balance of ₱22,390.17 in the provincial general fund; of ₱4,289.79 in road and bridge fund and of ₱12,500 in municipal deposits, beside special deposits. This, of course, is a small balance, but it shows that the province will be able to pay all expenses without any assistance from the insular government.

Considerable money has been spent during the past two years on roads and trails, such expenditures being absolutely necessary in order to aid in the movements of the troops and constabulary. It is believed that at the end of the next fiscal year the province will have sufficient funds on hand to erect a substantial provincial building, which is very much needed.

The principal expense has been for transportation, but with the contract steamers running to the west and east coasts, and the coast guard cutter on the route from Iloilo to Legaspi touching at all ports on the north coast, the provincial work can be done with a small launch, which will be necessary in order to visit the small island municipalities and upriver points that can not be reached by coast guard or large interisland boats. This launch can be run very economically.

AGRICULTURAL CONDITIONS.

Samar is essentially an agricultural province. In the northern part the sole source of revenue is hemp, and in the southern portion, copra. Rice, corn, and camotes are raised only for local consumption. The exportation of hemp and copra has been larger this year than at any time since American occupation. The province has recovered entirely from the effects of the recent baguios; the hemp that was destroyed has been replanted and houses rebuilt. The price of hemp and copra has been good, resulting in the farmers being fairly prosperous throughout the province. The locusts have done some damage in three or four of the municipalities, but as they do not attack hemp and copra, the damage has been slight. The seeds distributed by the bureau of agriculture have been very highly appreciated and more are needed.

COMMERCE AND TRANSPORTATION.

Commerce has increased during the past year and transportation facilities have been greatly improved. Interisland boats touch at all important towns. Freight and passenger rates have been reduced and business simplified. The run established by the bureau of navigation between Iloilo and Legaspi, touches at Catbalogan, Calbayog, Allen, Catarman, and Laoang on the north coast, and has been of great assistance to the merchants and residents of these places, as heretofore, except the towns of Calbayog and Laoang, they had not been reached more than two or three times a year.

The Tabacalera Company, Warner, Barnes & Co., Oria Hermanos, Ynchausti & Co., and other firms, do the greater part of the business in the island, but the Chinese control the retail business, and are becoming strong competitors in the wholesale trade. This is extremely unfortunate, but can not be avoided. It would be much better, of course, if, especially, the retail business were in the hands of the Filipino people. I have done all I could to encourage the Filipinos to enter into commercial business, and a few have established stores and are doing very well, but it is very hard to compete with the Chinese, as they are economical and careful business people.

ROADS AND BRIDGES.

The Wright-Taft road has been finished to Concord (formerly known as Magtaon), where a settlement government has been established, telegraph office opened, and a constabulary post built. This is about halfway between the east and west coasts, and will be of great help in developing the country. The road has been surveyed from a place known as Camp Curry and 4 miles north of Concord to Taft on the east coast; but, owing to lack of funds, work has

been discontinued. I hope the insular government will be able during the coming year to appropriate sufficient funds to complete this work.

A trail has been built from Loquillocan, on the Wright-Taft road, to San José, a distance of about 17 miles. This trail is being kept and maintained by the people living along the line of the road. Considerable road work has been done on the east coast by the presidentes of the different municipalities, especially by the presidente of Borongan, Mr. James M. McGuire, and the presidente of Dolores, Mr. Angel C. Crisologo, two excellent officials, who take great interest in the roads and other public works.

I think if a road law were passed leaving the work in the hands of the presidente of each municipality, under the supervision of the provincial governor, that better results would be obtained than under the proposed law and be much more satisfactory to the people. Of course, the district engineer should be consulted and his plans followed out as far as practicable.

TELEGRAPH AND TELEPHONES.

During the past year the telegraph line from Wright via Camp Curry and Concord has been completed to Taft on the east coast, connecting at Taft with the military line which connects all the towns on the east coast except Llorente. I hope the bureau of posts will complete the line from Borongan to Llorente, thus connecting all the towns on the east coast with the outer world.

The presidente of Borongan has raised money by subscription and put in a telephone line connecting all the important barrios of his municipality with the tribunal. This has been of great assistance, especially during the recent pulahan troubles.

I recommend that the telegraph line on the east coast be extended from Borongan to Llorente, thence to Gululan on the southwest coast. There is a good road between these municipalities, and it would be easy to complete the line. Gululan being the largest municipality in the province, considerable revenue would be derived by establishing a telegraph office there. This would put us in communication with all of the important towns in the province except Balangiga and the island towns, and would facilitate the transaction of public business. If the bureau of posts desired it, short-term prisoners could be furnished by the province to do the work.

POST-OFFICES AND MAILS.

Post-offices have been established in all of the important municipalities, and a very good service has been given and is being improved from time to time.

EDUCATION.

Schools were opened in June last with an attendance of 5,542 pupils. As schools opened in the municipalities and the work extended into the barrios, the attendance gradually increased until, at the close of the school year, it reached 13,630. This number could have been increased to 25,000, but the lack of suitably prepared teachers, as well as of supplies and buildings, rendered it inadvisable to increase the attendance. At the commencement of the school year there were 23 American teachers assigned to this province, 15 of whom were assigned to supervising, 7 to intermediate, and 1 to secondary work. This number was augmented from time to time by the appointment of temporary teachers, until the number reached 29 at the close of the school year. Six insular Filipino teachers, 104 municipal Filipino teachers, and 22 apprentices, were teaching at the commencement of the school year. This number was increased to 9 insular and 171 municipal teachers and 124 apprentices at the end of the school year.

The following expenditures were made by the different municipalities during the past year:

Salaries	₱15,154.59
Equipment	1,802.10
Construction	1,144.24
Repairs	1,183.30
Transportation	192.07
Rent	391.42
Total	19,867.72

The fact that no sessions of the land court have been held in this province for some time has delayed the securing of registration of title to the site selected for a school by the people of Catbalogan. The erection of the shops will be undertaken immediately upon the registration of the title. The superintendent, Mr. Hoover, believes it would be preferable to erect the main building and the frame of the trade school, leaving the finishing work to be done upon the latter building by the boys themselves, as they do not expect a place for a shop, but parents do demand, and rightfully, that their children, especially daughters, have pleasant surroundings in the class room. This they certainly have not in the building used at present.

Unless the present system of education is to be radically changed and a system of purely manual training be introduced in its stead, we can not neglect the training of teachers to carry on the work; and among these teachers must be girls. Mr. Hoover and the teachers under him have worked hard to build up the schools of Samar and, in my opinion, have been very successful. The teachers are popular with the people and have set them an example of which we as Americans are very proud. Mr. Hoover has succeeded in getting schoolhouses built in nearly every municipality with very little funds, owing to his tact in getting along with people and the popularity of himself and the teachers under him, and I hope that Mr. Hoover's services will be appreciated in a substantial manner, so that he may be induced to remain with the province of Samar for at least another year.

PUBLIC HEALTH AND SANITATION.

The public health for the past year has been very good. We had one epidemic of cholera in the Catubig Valley on the north coast, but the prompt action of the board of health under the supervision of Dr. Gilbert I. Cullen soon stamped out the disease.

MUNICIPAL GOVERNMENTS.

The municipal governments are in fairly good condition. A strict compliance with the law has been required as to the eligibility of the officials, and the personnel of the officials elected by the people has been good. Reports are made promptly, and where municipal ordinances have been found to be illegal, the municipal councils have always repealed them at the suggestion of the fiscal or myself who have visited nearly all of the municipalities jointly, met in assembly with the municipal councillors and assisted them with our advice. As a result, good ordinances are being passed and fairly well enforced. Gambling has been prohibited in all municipalities and the law is generally enforced. Cockfighting has been authorized by municipal ordinance in 27 out of the 82 municipalities, and, while I think it advisable to discourage cockfighting, I do not think it practicable to attempt to stop it at the present time. The people must be given some other source of amusement before they will abandon cockfighting. As long as they fight chickens, I think it advisable that it be done legally in the municipalities where we have police supervision over them, but in barrios without police supervision and in the hills it should be suppressed.

I have, however, informed municipal officials that the matter is entirely in their hands, and that no efforts would be made by this office to coerce them in the matter of cockfighting.

Only three officials were suspended during the past year, two of whom were reinstated. Several councilmen have resigned and some have been expelled by the council for failure to attend sessions and to perform other work required of them.

The municipalities have spent considerable money during the past year in the construction of new municipal buildings and schoolhouses, especially Borongan, where a large and substantial tribunal is being erected.

This class of public improvements has been temporarily suspended, owing to a ruling of the insular auditor that where the expenditure exceeds ₱250, title will have to be secured in the land court before the same can be authorized. This is seriously embarrassing the different municipalities, as it will be impossible to secure title to all of the municipal property for some time. In the meantime improvements of old buildings and the erection of new ones will have to be discontinued.

PULAHANISM.

What is known as "Pulahanism" has almost ceased to exist in this province. Otoy, assisted by Angeles and a few others, is in the mountains between Borongan and Basey with some fifty or sixty followers. They have been so closely pressed by the military, constabulary, and volunteers that they have not made an attack on any of the towns or force since November, 1906. Since my last report, Papa Pablo, the religious head of the Pulahanes, Pedro de la Cruz, the fighting leader, Lucente Picardel, and several other leaders have been killed, and Sibiran Alnaugo, alias Duc Duc, and Pedro de la Peña, Lucas Pusa, and many other leaders, have been captured by the Government forces and sentenced to death or long terms of imprisonment.

With the establishment of the settlement governments heretofore referred to the maintaining of military posts in the places that have been agreed upon, and an active, vigilant constabulary force, I feel satisfied that outbreaks such as have occurred in the past will be impossible in the future.

The people known as Pulahanes are nearly all ignorant, superstitious persons, and are easily influenced for good or for evil. It is therefore necessary that they be closely watched and brought under our influence, to the end that within a few years they may no longer have the desire to lead a wild and lawless life. They are not naturally bad people, and I know that they can be reclaimed to civilization if brought under the influences mentioned above. Missionaries are badly needed for these people. They are all naturally religious and a good priest could exercise more influence over them than any one else.

JAIL AND PRISONERS.

The provincial jail has been improved, is now in good sanitary condition, and has been made more secure by improvements during the last year. There has not been a single case of beriberi originating in the jail during the year, and the sick report has been very small. There are about 60 prisoners at the time of making this report. The satisfactory condition of the provincial jail, so far as sanitation is concerned, is due very largely to the efforts of Doctor Cullen, district health officer, who has given his personal attention to the same.

POLICE AND VOLUNTEERS.

The police have done excellent work. They have captured several outlaws, maintained law and order in many of the places alone, and have not lost a single firearm of any description. Their number has been reduced from time to time, and their pay increased, and I feel satisfied that in the towns of Catbalogan, Calbayog, Catarman, Laoang, Borongan, Gululan, Zumarraga, etc., the police force will compare favorably with the police of any municipality in the Philippine Islands. I have frequently moved the police, especially those of Calbayog, from one point to another, in pursuit of Pulahanes and other outlaws. The efficiency of this force is due very largely to Lieut. W. A. Burbank, Philippines Constabulary, who was detailed by the director of constabulary to assist the provincial governor in the organization and supervision of the police. At the meeting of the presidentes held last October, a resolution was passed requesting the provincial governor to organize 200 volunteers to be armed with rifles and as many to be armed with bolos as might be found necessary. The matter was submitted to the governor-general while in Catbalogan, and he approved of the plan. As a result, a volunteer force was organized composed entirely of Filipino residents. Lieut. Juan Sulse of the constabulary was appointed chief of volunteers, with Claro Guevara as assistant chief. Two companies of 100 armed men each, with Eugenio Daza as captain of one company, to operate on the east coast in the vicinity of Borongan, and one company under Captain Aboukay to operate on the west coast in the vicinity of Catbalogan and Wright. The subordinate officers and the enlisted men of the volunteers were very carefully selected by Chief Sulse, Captains Aboukay and Daza. To Captain Aboukay was assigned the task of running down and capturing the fighting leader of the Pulahanes—Pedro de la Cruz. After being in the field about one month, Captain Aboukay, with 60 volunteers under his personal command, found and took the camp of Pedro de la Cruz, killed him and about 26 members of his band, captured 6 guns, and practically destroyed the entire band. The remaining members who escaped were captured by the

constabulary and volunteers. A few weeks later Major Murphy, with Lieutenant Sulse and Lieutenant Mason, aide to Colonel Smith, with about 40 constabulary and volunteers, found and attacked the camp of Papa Pablo, killing him and several members of his band and capturing their arms. The volunteers under Captain Daza attacked the Pulahanes under Angeles south of Borongan last November and, in a running fight on the sea, sunk a boat containing several Pulahanes, who lost 3 rifles in the sea, 1 of which was recovered by the volunteers. They continued to operate with the military, under command of Majors Johnson and Hutton, and later, Major Howland, the present commanding officer at Borongan. Captain Daza is still in the field with Major Howland trying to capture Otoy, the remaining Pulahan chief.

Too much credit can not be given Chief of Volunteers Sulse and the volunteer officers and men under him, especially Captain Aboukay, for their magnificent work.

Before turning over the office to my successor, Major Murphy, all of the arms issued to the volunteers were called in and not a single rifle was missing. This is certainly very creditable to the officers and men of the volunteers, and shows not only their loyalty but the care they exercised in preserving the arms entrusted to them.

CONSTABULARY.

The constabulary of this province has rendered excellent service during the past year under the leadership of Maj. J. B. Murphy as senior inspector. A very high state of discipline is maintained and not a single complaint has been made against this organization during the year. On the contrary, presidentes, municipal officials, and others have praised the constabulary in their reports and have requested that they be stationed in their towns.

Major Murphy is a very active and energetic officer. He is very popular with the people of this province, and the officers under him have given him and myself loyal support. I desire to especially mention Lieut. Juan Sulse, chief of volunteers, a native of the province of Samar, as an exceptionally efficient and popular officer. Lieut. W. A. Burbank, chief of police, has familiarized himself with conditions in the province, and is efficient and popular. Lieut. Graham S. Mactavish who, although recently appointed to the constabulary, has been a resident of Samar for several years and has filled several important positions in the civil government. These, and other officers of the constabulary, have entered into their work with the proper spirit and are making the work of the provincial officers much easier by their energy and tact.

ADMINISTRATION.

There have been some changes during the past year in the administration, the office of provincial secretary having been abolished. In my opinion the change has worked very satisfactorily. The chief clerk who was appointed has proved very satisfactory to the board. The appointment of the third member of the board, Mr. Vicente Jazmines, has been very acceptable to the people. The members of the provincial board have worked together in perfect harmony, there never having been the slightest dissention among them.

RECOMMENDATIONS.

LAND TAX.

In view of the fact that few, if any, of the people have perfect titles to their lands, the boundaries being imperfectly described, and the fact that there are practically no carabao or stock to work the fields with, I recommend that the land tax be suspended for the year 1908. This would make three years, if the tax is suspended, which would be carrying out the promise made by the Secretary of War and the Governor-General that the land tax would probably be suspended for a period of three years, and that when the tax should be collected in the future the law would be modified.

ROADS AND BRIDGES.

I recommend that action on the proposed road law be deferred until the meeting of the Philippine Assembly, when the representatives, fresh from the people, will undoubtedly be able to pass a law that will result in improvement to roads and be satisfactory to the people.

I recommend that an appropriation be made to extend the Wright-Taft road from its present terminus at Camp Curry into the interior of Samar to a point near Taft on the east coast, where it will have water connection.

INTERNAL-REVENUE AND TAXATION.

I recommend that the internal-revenue law be simplified, so that the cost of collection be reduced. The principles of the internal-revenue law are right, so far as they relate to taxation on liquors and tobacco, but it should be simplified with a view to economizing.

I also recommend that the forestry tax be entirely suspended, except for commercial purposes, and that when the value of the timber cut is less than ₱100, it be not considered for "commercial purposes." In many cases a poor man goes into the interior and brings back a few bejucos (rattans) and sells a few bundles of wood in order to make a living. This has been construed as for "commercial purposes." The revenue derived is very small and it works a great hardship on the masses of the people.

I also recommend that the circular sent out by the internal-revenue bureau, requiring parties who desire to cut timber other than of the first group for building their own homes to give bond, be rescinded. I do not think the act suspending the operation of this law for five years contemplated that a bond should be given. If this was in force, it would put the province to a very large expense, and the only result accomplished would be the annoyance of the people. In provinces like Samar, where the majority of the people are very ignorant, this circular should be rescinded.

IN CONCLUSION.

In leaving the province of Samar, I feel confident that under the administration of Maj. J. B. Murphy, my successor, conditions will continue to improve, and that by the end of next December Pulahanism will have entirely disappeared, and that Samar will be a law-abiding and prosperous province.

Thanking the Governor-General and the members of the Commission for the confidence they have reposed in me and the support they have given my administration, I remain,

Very respectfully,

GEORGE CURRY,

Governor of the Province of Samar.

To the EXECUTIVE SECRETARY,
Manila, P. I.

REPORT OF THE GOVERNOR OF SORSOGON.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF SORSOGON,
Sorsogon, P. I., July 27, 1907.

SIR: I have the honor, in compliance with the law, to submit herewith my report for the fiscal year ended June 30, 1907.

AGRICULTURE.

Since times immemorial, when Sorsogon still belonged to the province of Albay, this has been an essentially agricultural province, and now the inhabitants are more than ever enthusiastic agriculturists, as it seems that they understand better than before that agriculture is a real and sure source of wealth, which endures, even though the calamities befalling it are as persistent as those which the province of Sorsogon has had to suffer. To prove the truth of this fact we have the district of Masbate. The inhabitants of Masbate did not think of agriculture in the times of their prosperity, but only of cattle raising, and the municipalities which did not do anything in the line of agriculture in those days are now suffering untold hardships. The people of the pueblos of the subprovince mentioned, with the exception of those of San Jacinto and San Fernando, on Ticao Island, and Uson, Cataingan, Mobo and Milagros, on Masbate, have only in recent times begun, or rather learned, to break and till their vast fields and make them produce, because since the rinderpest and the

glanders annihilated their cattle, the inhabitants of those pueblos have engaged rather in the hazardous life of the fisherman than in the more substantial pursuit of agriculture.

It will therefore be understood that the inhabitants of Masbate are compelled to work six times as hard as those of Sorsogon in order to maintain life, and that it is necessary, for this reason, that Masbate be converted into an agricultural province, and that experiments should be made to ascertain which crops are the most suitable for them, in view of their present situation. I am of the opinion that they should be furnished with large quantities of maguey plants, in view of the fact that the locusts seem to have found Masbate and Burlas very agreeable places of abode, as these islands swarm at all times of the year with hoppers, which do not spare anything they encounter, and that the maguey plant is safe from the attacks of these insects. Beside, supposing the cattle increase again, the maguey plant has the advantage of not being agreeable food to quadrupeds.

Sorsogon has extensive plantations of abaca, and a great deal of enthusiasm is shown for cocoanuts and maguey; but as it is still suffering from the effects of the hurricane of the year 1905, which wrought great havoc, not only among the abaca plantations, but also among the cocoanut groves, there are not sufficient maguey or cocoanut seeds for making extensive plantations of these important plants, which would bring the pueblos increased prosperity in the years to come.

Masbate also suffers from a scarcity of cocoanuts for planting. In view of the present lack of cattle, it would be of great advantage to plant cocoanut trees there, as the cocoanut does very well in the soil of Masbate, which, though at present apparently arid, will, I hope, become more fertile a few years hence, as the rainfall will increase and the soil will acquire the constant humidity which it needs so much.

The original province of Sorsogon is essentially an abaca-growing province; its abaca has always had a good reputation in the foreign markets, and has therefore commanded better prices than that of other provinces. At present the prices have fallen considerably, and if they continue as they are the poor planters will have to wait two or three years to recover the losses suffered by the hurricane of 1905 and the drought of 1904, notwithstanding the relatively good condition of their plantations, and in order to pay the interest on the money that the commercial houses have advanced to the landowners, which doubtless constitutes an incumbrance on the plantations in which the capital was invested, they will be compelled to exhaust the plants, which means the ruin of the entire province.

In view of this precarious state of affairs it is of imperative necessity that an agricultural bank be established soon, to the end of saving from ruin the only source of wealth of this province, its agriculture, which requires more than ever a decided and real protection.

COMMERCE.

The true barometer of the prosperity or penury of a pueblo is doubtless its commercial movement, it being a well-known fact that the greater the amount of products exported the greater is the amount of money in circulation, the more prosperous feel the people, and the better can the public exchequer afford to defray expenses of all sorts requested by the people.

In order that a pueblo may reach great prosperity, it is doubtless necessary that its agriculture be well attended to and its production constant, that its means of communication be in good condition, to render the transportation of its products to the markets both easy and economical, and that means of transportation be available. In these respects the pueblos of Sorsogon feel to a great extent the results of the horrible mortality among their live stock, from rinderpest, glanders, and surra in 1903, of the drought of 1904, and of the hurricane of 1905. The landowners as well as the merchants have been compelled to go to great expense in order to procure animals for tilling the fields or transporting their products from the plantations to the markets, or from the private warehouses to the large godowns, for the reason that all cattle imported into this province is sold at fabulous prices, and that in view of the great scarcity of money there are few landowners who can afford to buy cattle for their own use. Generally speaking, the merchants have made large profits in dealing in cattle; but there have also been great losses, because in some cases 95 per cent or all of the cattle have died after having been in their possession a week or two.

There are pueblos at the present moment which, notwithstanding the relative improvement in the production of their plantations, have been compelled to store their agricultural products in barrios or visitas distant from the towns, where it would be relatively easy to dispose of them. In these cases, if the owner sees fit to sell his product, he comes to an understanding with the merchant, who agrees to receive the same at the warehouse of the vendor and to take it to his warehouse himself, using his own animals. Conditions being such in this province, is it to be expected that there will be much prosperity in the pueblos after the price of the abaca, at present its sole positive source of wealth, has gone down so much? There are pueblos where there has been rinderpest and glanders, which lose ₱10,000 per month in freights alone. What must have been the loss of the landowners who, aside from the income which they derived from their plantations, had lost their animals which saved them transportation expenses, and how can it be possible for the pueblos to prosper, though there be commerce?

The provincial government, being acquainted with all these circumstances, has, whenever it was possible to do so, given preferential attention to the construction of bridges and the repair of roads, in order to furnish facilities to commerce. At the present time commerce is almost at a standstill, because, as I understand, the merchants are placing their funds in Manila, because of their fears, which are perhaps well founded, of unforeseen events that might affect their interests.

I really do not know whether the present commercial stringency is due to rumors of war, and whether there is any probability of such a contingency; but the fact remains, the province is passing through a crisis such as it has never experienced before, which is due to the extraordinary decrease in the prices of abaca, on account of which the poor landowners are scarcely able to cover their needs, the cost of the articles of prime necessity being very high at present. I am unable to give precise information as to the truth of the reports received by me from several points in this province, to the effect that the three or four commercial houses, which have branches in nearly all the pueblos of Sorsogon, have come to an agreement to establish uniform schedules of prices for abaca, according to quality, and for rice, according to the place of production. If these reports are true, then the products mentioned are completely monopolized, and unless a new firm comes in and acts independently from the others, so as to break up the combination mentioned, I am sure this province will never be able to recover from its state of prostration. The only salvation from this state of slavery, if I may use this expression, which I can see, is that the other crops which the agriculturists have begun to plant in the last few years will produce as much or more than the abaca. On my visits to the pueblos I recommend to the inhabitants, in addition to my standing recommendation, that they take advantage of the privilege granted to them by the insular government to apply for a parcel of public land as a homestead, to make extensive plantations of coconuts, cacao, and maguey, in order that they may have a variety of products which the capitalists are bound to seek in due time, seeing that abaca has been introduced in many parts of the archipelago, and is therefore not an exclusive product of this region. We have a pueblo in this province which is worthy of all attention and support. The president of this pueblo tells me that the branches of the three commercial houses existing in Sorsogon have decreased the price of abaca and increased the price of rice to such an extent that the proceeds from the crops harvested on the plantations are not sufficient to cover the indispensable expenses of their maintenance. This is an essentially abaca-growing pueblo, and as it has no rice lands, the inhabitants are compelled to secure their rice through the commercial houses, which charge such prices as they see fit.

The municipal president mentioned came to my office on behalf of the pueblo, in order to inform me that the large property owners of Pilar have agreed to put their abaca together and export it directly to Manila, where they will appoint an agent to take charge of it, and to invest the proceeds in rice, in order to break the monopoly established in their pueblo by the commercial houses and save the people from destitution, which will be their fate if the present state of affairs is not remedied.

The municipality of Pilar is an important producer of abaca, and as matters now stand in that pueblo, the insular government is losing more in taxes than the province and the municipality, as the internal-revenue receipts can not be large. In accordance with the wishes of the people of Pilar, as stated by their president in my office, I therefore respectfully suggest to the honorable

the governor-general that the coast-guard cutter which makes fortnightly trips from Manila to Atimonan and calls at Burias, call also at the port of Pilar, to load abaca and to bring rice from Manila to said port, against the payment of the proper freight charges. I make this request in view of the fact that the circular of the director of navigation informs me that cargo and passengers are taken. I understand that in doing so the government will derive double gains and will give prosperity to the poor inhabitants of the pueblo mentioned, who will shower blessings upon your administration if your protection will aid them in delivering themselves from their present state of semi-slavery.

ECONOMIC CONDITION.

In view of the thousand calamities which have overwhelmed the province and of the large expenditures which the pueblos have had to make for fighting the locusts which invaded their fields the middle of last year, and for improving their public buildings, some of which were seriously damaged and others completely wrecked by the hurricane of 1905, I deem it my duty to relate the work executed at the expense of the municipal funds in the several pueblos, in order to give an idea of the management of affairs in each for the good of the inhabitants.

The balances of all the municipalities for the fiscal year are shown in "Exhibit A."^a

The municipalities which succeeded in reducing expenses endeavored to invest their savings in important improvements, in order to embellish their pueblos, these improvements being not only of urgent necessity, but tending also to improve the looks of the towns.

The municipality of Bacon, the beautiful schoolhouse and town hall of which were destroyed by the typhoon of 1905, found it necessary to give preferential attention to the reconstruction and improvement of the municipal school, so that the education of the youth might not be neglected, and removed the municipal offices to the ground floor of the building mentioned, after making a few repairs to render it more adequate for office purposes. The construction of a town hall and a market, which are of great necessity to the pueblo, was abandoned, in order not to neglect public instruction. A large portion of the general funds of the municipality was appropriated for school purposes to pay the poor teachers, who had worked so hard to instruct the children living distant from the central school, and whose salaries had not been paid because of the lack of school funds. This prevented their becoming discouraged, and stimulated them in the continuance of their arduous labor of teaching the youth.

The municipality of Prieto-Diaz, the schoolhouse whereof—a building with a frontage of over 36 yards—was wrecked by the typhoon of the year 1905, spent a large portion of its general funds for the repair of this edifice, and the municipal president generously offered his entire salary for one-half of the present year, solely that the education of the children of his pueblo be not interrupted, and this after fixing up, or rather constructing, a pretty schoolhouse in the barrio of Calaw, where he has his residence.

The municipality of Gubat, which was the first in the province to construct a schoolhouse according to modern standards, had the same misfortune as the other pueblos, as the typhoon caused serious damage not only to the beautiful school building, but also to the town hall. The present municipal council, all the members of which were animated by the desire not to have the education of their children suffer the least interruption, however, repaired the schoolhouse immediately, postponing until the present season the repairs urgently required by the town hall, which unfortunately are very considerable, the building being more like a palace than a house.

In the municipality of Barcelona the terrible force of the typhoon of the year 1905 completely destroyed the new town hall and the schoolhouse. At present, however, thanks to the great efforts made by the municipality, with the co-operation of the people, the offices of the municipality are located in the reconstructed town hall, and besides repairing the old schoolhouse, now being used by the children of the pueblo, the enthusiastic inhabitants of Barcelona, on the initiative of the present municipal council, presided over by Señor Domingo Espigol, have begun to construct a new one, adapted to the needs of the pueblo and built on modern lines, which will soon be finished. The whole building is

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

of masonry and will have a roof of galvanized iron, donated by the insular government.

The municipality of Bulusan, which lost all its public buildings through the insurrection of 1901 and the typhoon of 1905, is constructing a large schoolhouse, which will cover the needs of the pueblo. This work is being done by dint of great economies and of active cooperation on the part of the inhabitants, on motion of the present municipal council, presided over by Señor Benito Gamit, whose children are very anxious to become educated. The building is 27 meters long, 17 meters deep, and 6 meters high, and is constructed of masonry; it will be roofed with galvanized iron, donated by the insular government. The parish priest of Bulusan, seeing the dreadful ravages caused in this province by the brigands, whose leaders, in order to secure their desires, made use of the fanaticism imported from Samar, and understanding that the municipality would not have sufficient funds to defray the expenses of the construction of the school if compelled to get an outsider to superintend the work, spontaneously offered his services to direct the work without any compensation whatsoever, prompted solely by his great desire to see the youth of his pueblo educated and instructed, it being his conviction that an educated and enlightened man would never be guilty of such madness as was committed in the year 1902, the first year of his ministry in this pueblo. The municipality of Irosin, the only inland pueblo, was intimately related to the pueblo of Bulan before the rinderpest annihilated all the cattle of the province. Bulan being a port, all the products of Irosin were exported through it, and thousands of sacks of rice were imported through it for consumption by the inhabitants of Irosin. This important communication being interrupted, both pueblos lost at least ₱10,000 per month in connection with the transportation of rice and abaca, and the pueblo of Irosin, being deprived of all the advantages mentioned, and anxious to prevent its dying from inanition, found it of indispensable necessity to repair a portion of the road connecting it with Juban, in order to take advantage of a river for exporting its products to Juban or Casiguran, two ports through which it now obtains the rice needed. For this purpose they have been obliged to construct four important drains, which have already cost them a considerable sum, and at present they are still engaged in the work of metalling the road mentioned.

Aside from the work of which I have spoken, the people of Irosin are making great improvements on the town hall, which is spacious enough to allow of a large part of it being ceded for educational purposes, pending the construction of a schoolhouse. This is the only way in which they are able to economize for the purpose of collecting funds for the construction of a schoolhouse, of the importance whereof they are not unaware.

The pueblo of Bulan also has a municipal council, the members whereof are enthusiastic admirers of its intellectual and material progress. The majority of these members hold only provisional appointments, as they were selected to substitute officers elected the year before last, who were either suspended or removed from office for serious irregularities in the performance of their duties. After repairing the serious damage caused by the typhoon to its beautiful schoolhouse, the municipality of Bulan began, in the last month of the last fiscal year, to build three iron bridges. Of these, two are already completed, and the third has been left for the coming year, because what little funds remain are to be used for the market, the construction whereof is of imperative necessity, owing to its importance and the large revenue it will bring to the municipal treasury, if the persons exhibiting their products there are well protected and the place well arranged. This important work is being carried on with the greatest activity by Messrs. Hermogenes Gollaba, acting president, Mariano Morato, acting vice-president, and Sixto Gocoyo, late municipal president and now councillor, with whom the other officers cooperate, doubtless stimulated by the glory and satisfaction of being able to say that within their short terms of office they have made improvements of great importance, which, in addition to embellishing the town, give it increased prosperity and life.

This municipality and that of Irosin were in former times a splendid help to each other, in view of the port of the former and the large production of abaca of the latter. This explains why it is the great desire of the municipality of Bulan to have its bridges and principal wagon road toward Irosin well attended to, in order to facilitate the exportation and importation of products, and to build good and safe bridges over the large rivers which have to be crossed so as to avoid losses on the part of the parties interested.

The great importance of its commerce is the weighty reason why the provincial board, being acquainted with the circumstances, has given three steel bridges to that part of the province. Bulan, realizing what great advantage it derives from having its bridges in good condition, did not hesitate in 1905 to set aside from its funds the sum of ₱4,000, to be added to the large expenditures made by the province and to aid in bringing all the road work within its territory to a successful conclusion. However, it was found necessary to make the abutments of the bridges very solid and far apart, in order to avoid damage to them by the trees carried away by the great floods, and Señor Sixto Gocoyo was compelled to suspend the work, because of the treasury being without funds.

The municipality of Juban made extensive repairs on its town hall, a part of which is being used as a school, there being no funds available for the construction of a new schoolhouse. It has also built a market, and expects to secure a good income from the same, which will enable it to attend to other urgent improvements.

The municipality of Casiguran has reconstructed its town hall, of which it has ceded a large part for school purposes, because of the lack of a schoolhouse. Having secured a suitable piece of land for this purpose, it is now constructing a good market.

The municipality of Magallanes, anxious to introduce greater economy, has built a town hall in which its offices are now located, the house formerly occupied by the latter having been set aside for school purposes, pending the construction of the new schoolhouse in project.

The municipality of Donsol has, like the other pueblos, made great efforts to construct a schoolhouse in accordance with the needs of the pueblo. This building has uprights and a floor of good lumber, the latter a meter above the ground, is located in a very healthy place, and has good accommodations for the pupils and for the safety of the school material.

The president, Señor Justo Clemente, and the municipal council, are anxious to provide this building with a galvanized-iron roof and with walls of good lumber, but the donations received for this building, amounting to over ₱1,000, having been expended, and the lack of funds prevented them from taking further action.

The following improvements have been made in the subprovince of Masbate by the several municipalities: San Fernando has begun work on the construction of a good schoolhouse, which is to be extended and converted into an intermediate school; Masbate has extended the grounds of its municipal school, and made a few improvements in the building. Mobo, Uson, and Dimas-Alang have made improvements according to their ability, to wit: Mobo and Dimas-Alang have reconstructed their schoolhouses which were wrecked by the typhoon; Uson has improved its schoolhouse, and Dimas-Alang has also built a new town hall at the site where the new población has been established.

The municipalities of Cataingan, Placer, Milagros, and Pulandutá have done the same thing, Cataingan and Milagros distinguishing themselves by the great comforts which they have provided for the boys and girls who attend their schools. Great credit is to be given for this work to Mr. Babst, municipal president of Cataingan, and to Don Camilo Ubalde, parish priest of Milagros, who has even contributed his own money to further instruction in his pueblo. This can be confirmed by Mr. Moore, the principal of the Masbate high school, who has related this fact to me.

The municipality of San Pascual, on the island of Burias, has built a school adequate for the needs of the pueblo.

FINANCES.

Though the present financial condition of the province is truly deplorable, I have deemed it well to include a statement (Exhibit B) showing all of its transactions, in order to make known the supreme effort which has been made to save it from certain ruin.

The provincial government has made untold efforts and has introduced all the economies which were reasonable for the purpose of reducing the expenses overwhelming its exhausted treasury; but notwithstanding all of these efforts it has not been successful, because the commerce is at present in an exceedingly poor condition, and, moreover, the internal revenue act came upon us before we had been able to recover from the losses which the provincial treasury had sustained on account of its irregular management during the year preceding the inauguration of this law.

PUBLIC INSTRUCTION.

If the province has a treasure which attracts the attention of natives and strangers, and which it has been accumulating since peace was completely re-established throughout its territory, this treasure is doubtless that of the opportunities for education, for which the youth of the province is striving with such great enthusiasm and perseverance. It is a source of satisfaction to see the boys and girls joyfully repair to the schools to receive instruction from their generous teachers, who communicate to them knowledge, that imperishable wealth which has always been one of the most important factors in giving our pueblos inestimable well-being and in winning them the admiration of everybody.

This enthusiasm for education extends to everybody, to such a degree that as we have stated in the chapter on "Economics," many of the pueblos have given preferential attention to it in the midst of the numerous hardships through which they have suffered, as a result of the calamities which have struck them in quick succession, and they have not shrunk at expenses or sacrifices in reconstructing the schoolhouses destroyed by the typhoon of the year 1905, or in building new schools adequate to the needs of their pueblos and in accordance with modern ideas.

Aside from the work done by the municipalities of the entire province in connection with public instruction in the towns proper, the municipalities of the original province of Sorsogon have endeavored to extend the same to the barrios also, furnishing them with teachers paid from the municipal funds. The inhabitants of the barrios have themselves also hired private instructors to teach the rudiments of writing, reading, and arithmetic.

All the municipalities, imbued with the importance of education, have not been satisfied with having within their limits municipal schools, and rural schools dependent upon the central schools, but have contributed, so far as it was in their power, with lumber or with money, toward the construction of the high school, where their children will be able to pursue the studies pertaining to secondary instruction with greater economy, as they will be able to remain within their own province and will not be compelled to go to Manila.

To our greatest grief the terrible fall in the price of our product—abaca—prevents us from continuing this important work, and we must wait until the times improve, and until my superiors have seen the work themselves, as I believe that it is lost time to describe it in letters and by photographic views in order to secure aid. I can truthfully say that two-thirds of the work is finished, and if it were not for the numerous obstacles which we encounter, and which seem to have conspired against us to frustrate our good purposes, we would not, in my opinion, be compelled to apply for the aid of the insular government, through the department of public instruction, because if the revenues of the province had not suffered such great losses, they would suffice to complete the work to the satisfaction of the people in general, and particularly of the department of public instruction, to which we have always dedicated our efforts and sacrifices, and to which we have always given the honor and the credit which it deserves for the eminent services which it is rendering this country.

The inhabitants of the province, not the wealthy classes alone, but particularly the poor, are all anxious to see this work realized. So great is the love of the people for education that they have all given evidence of it—the grown people by building schoolhouses and the children by their assiduous attendance at the schools. What is the cause of this radical change in the youth of to-day—why do the children of tender age leave home to go to school though it rain in torrents, or the heat be unbearable? Is it because to stay away from school makes them feel ill at ease, a feeling which even the games suitable to their age can not remove? No doubt the times have changed, and with them the ways of the people. The man who possesses knowledge and wisdom has at all times and places merited affection and consideration from everybody; but there was a time, which has already been relegated to history, when the intelligent among the Filipinos were regarded with more or less suspicion and dislike by many of the persons then ruling in this country, who, from the moment that they perceived an intelligent Filipino having opinions different from theirs, had all his actions watched, and if the suspect wished to live, he was compelled either to suffer ostracism or, if he could do so, go abroad and disappear completely from his native land.

Luckily this state of affairs is now a thing of the past, and everybody sees that the educated persons are now living tranquilly, without fear of being mo-

lested, and enjoying a relative well-being. Can the parents and the children who observe these things remain indifferent, knowing as they do that all the children have a right to live?

Owing to the reasons stated, the total matriculation of the schools of Sorsogon and Masbate for the school year 1906-7 amounts to 9,540, and these pupils have made remarkable progress in their studies.

This total is made up as follows:

Sorsogon:	
Pupils of primary schools.....	6, 076
Pupils of intermediate schools.....	198
Total	6, 274
Masbate:	
Pupils of primary schools.....	3, 095
Pupils of intermediate schools.....	181
Total	3, 276
Grand total.....	9, 550

In order to encourage the pupils to devote themselves not only to intellectual studies, but also to athletic training, which is a very wise idea, prizes have been established, consisting of handsome cups and medals, to gain which those of Sorsogon, Masbate, Albay, and Ambos Camarines, enter into competition.

Each year three days are set aside for these public competitions, which are held alternately in the capitals of the provinces mentioned.

It grieves me to state that during the three years that these provincial games or festivities have been established, the pupils of the original province of Sorsogon have always lost the two cups and six medals donated by Judge Trent, and other illustrious and enthusiastic friends of the education of the youth of the Bicol region, in order to encourage athletics. This is perhaps due to their not being accustomed to these exercises, or to insufficient practice, no adequate place being available for the purpose; but it must be said, though it may displease the three other Bicol provinces, that while their boys have defeated ours, so far as strength and skill are concerned, the boys of Sorsogon can proudly state that in the year 1906 they won half of the prizes offered by Judge Carson, and in the present year they won the best cup donated by him, which was awarded, upon competition before a competent tribunal, to the pupils who wrote the most brilliant essay. One of the features of this struggle, which is very remarkable and deserving of special mention, is that the competitors from Ambos Camarines and Albay had already completed the eighth grade, while those from Sorsogon had completed only the sixth. What glory for Division Superintendent Caulkins and the teachers who are cooperating with him with true zeal and interest in the high school of the Province of Sorsogon, and what satisfaction for the parents of the students, who saw that their sons had been studious, for their own good and to the honor and glory of their progenitors, who had spared neither expense nor sacrifice in order to give them an education!

This fact is a great glory for the department of public instruction, represented in this remote corner of the island of Luzon by Division Superintendent Caulkins, by Mr. Kirtland, the principal of the provincial high school, and by the teachers—Mr. and Mrs. Aumiller, Mrs. Kirtland and Miss Wright—who have won the affection of the whole province. It was a great consolation to the authorities, who are doing their utmost to better the condition of the pueblos and to bring the intellect and culture of the youth of their province to a high standard.

Notwithstanding the numerous obstacles which we encounter in the work of the construction of the high school now being built in the capital, I have faith that this work will sooner or later be carried to full completion, if not by myself by my successors, the special quality required in the face of this colossal undertaking being perseverance, as one must not allow the magnitude of the enterprise and the large amount of work still to be done in the interior of the edifice to discourage him.

In order to prevent accidents, provision has been made for the care of the material kept within and without the edifice, the provincial board having resolved, though the work is now suspended for lack of funds, to appoint a permanent guard to watch the building and the grounds, especially after school hours. However, the building being very large, and it being still impossible

to close all the outer doors, for the reason that the material is not all dry, a Chinaman succeeded in entering the building and made himself at home in one of the rooms, where the watchman found him smoking opium with the greatest contentment.

A large part of this building has been used since last year for the intermediate school, and for the high school which was opened this year. As to the latter, I greatly regret that some of the studies are, for good reasons, taught insufficiently and others are omitted altogether, as there are only three teachers who are able, however hard they may strive, to attend to the urgent needs of education now that the classes of the high school are open. Last school year there were five teachers for the intermediate school alone, which makes me think that this year we may with good reason ask for double that number. I wish to call the attention of the department of public instruction to this matter.

POLITICAL CONDITIONS.

To prove that deep peace prevails throughout this province, it is sufficient to consider the work performed by the municipalities, which will convince one that the inhabitants do not experience the apprehension and fear which is noticeable whenever the public order is disturbed. It is a well-known fact that in such critical times everything is at a standstill, and it is even difficult to acquire what is necessary to sustain life, for the reason that the people are deprived of full liberty of action, some of them being implicated, and the good people preferring to shut themselves up in their homes from fear of being confounded with the bad. In such times all interests are abandoned, the armed forces of the government impose themselves on the people, and the entire mechanism of the administration, in its executive and judicial branches, suffers greatly until order is restored.

Luckily this restlessness incidental to public disorder does not prevail, though it is true that there is not the same active life as in former years, when it was relatively easy to secure what is necessary to sustain life, and to pay the taxes established by the government. I have no reason to believe that the present sad condition of the province, which I attribute solely to the agonizing condition of its commerce, will give rise to public disorder. The abacá plantations, while not in a completely normal condition, have taken a new lease on life, and the owners are making use of them without wasting anything. This enables them to attend to their most pressing needs, though not with ease, in view of the low prices now prevailing in the Sorsogon market.

I have a certain fear, however, that the public order may be disturbed in Masbate, because the pueblos of that region, which are very poor, had planted a relatively large amount of rice and maize this year, when the locusts came and destroyed everything, even the cocoanut trees under one year of age. An attempt to disturb the public order occurred at Milagros, Masbate, last year. The leaders—several fanatics from Negros Occidental—succeeded in escaping from the active prosecution of the constabulary stationed on the island and of the police of the municipality mentioned, but their followers are still in prison, awaiting the final decision of the court.

NATURAL RESOURCES.

The topographical condition, which is volcanic, mountainous, and broken, shows that it must have natural wealth, which may mean large profits to the capitalists if properly exploited.

As to minerals, we have coal, marble, gypsum, and sulphur. The sulphur is found on the slopes of the Bulusan volcano, but I am informed that it is difficult of access, for the reason that the volcano is not completely extinct, and exhales, at the place where the sulphur is found, large quantities of asphyxiating vapors, which have given trouble to many hunters who have ventured to those heights.

There is also good timber of all the groups known; but in the Spanish times a great deal of timber of the best classes was exported, and the three large shipyards then existing in this province consumed a very large quantity of it, the result being that now good timber is found only in the interior of the mountains, and in order to obtain it one needs good apparatus for passing over the roughest parts. The physical laws are invariable, and affect the mineral as well as the vegetable, and for this reason the molave, tindalo, and narra,

etc., are like the diamond, both very hard and brittle. It being necessary to transport these timbers over great distances, and it being impossible to prevent their receiving frequent shocks in passing over the rough places in the mountains, the wood, on being sawed at the point of arrival, is often found to have cracks, which lessen its value. The result is that the concessionaire, in order to recover his immense expenses, is compelled to sell the good piece which he finds, if he finds any, at a fabulous price.

MANUFACTURES AND INDUSTRIES.

I regret to state that although textiles of all sorts, from the roughest cloth to the finest just and silk, are woven by the women, they are not exported, but used exclusively by the inhabitants. Aside from textiles made of abaca, pifia, and just, there is one of a special class, made from the fibers of the buri palm and commonly known here as sagudang.

Hats are made, on a small scale, from the leaves of the buri palm, and find ready sale, but are insufficient to fill the demand, as the manufacturer employs only a few men.

Bamboo furniture is manufactured, but I regret to state that it is very poor, so far as artistic taste is concerned, and does not find a ready market.

Briefly, the principal occupation of the people of the original province of Sorsogon is the cultivation of abaca. On the island of Ticao some abaca is grown, on the island of Buri-as the people now depend on fishing for their livelihood, and on the island of Masbate they have a little abaca and fishing.

PUBLIC HEALTH AND SANITATION.

We may say that during the entire fiscal year we have had the great fortune of not having any disease of an epidemic character, owing to the activity displayed by the district health officer, Dr. Julio Ruiz, who, ever zealous in his sacred duties, is scarcely to be seen in the provincial capital, as he is constantly traveling through the province, vaccinating the people or inspecting the sanitary conditions of the municipalities. The diseases which have caused the largest number of deaths are malaria, dysentery, pulmonary tuberculosis, infantile eclampsia, senile debility, and la grippe.*

NONCHRISTIAN TRIBES.

There are in this province over 100 persons who came here about three years ago from Rapu-rapu, Batang, and Cagraray, islands of the province of Albay, and asked me for protection.

I ceded to them some 50 hectares of land in the mountains of the municipality of Prieto-Diaz, so that they might till it and form a barrio there. Not having any means of subsistence there at the beginning, they only broke a few parcels of land, then they scattered over several pueblos to strip abaca. A few of them returned, but the whereabouts of the others are unknown. It does not surprise me to see these Aetas behave in this manner, as they have always liked a free life. Being like monarchs in the woods, they prefer to hunt wild pigs and deer in the mountain fastnesses, and it is only when they have brought down a good piece of game on their great expeditions that they think of their families, unless they are with them.

I know, however, that something has already been done at the place mentioned, as a few of the Aetas have already built their houses and planted their abaca, camote, and other alimentary crops, and have established their residence there.

RECOMMENDATIONS.

1. It is of urgent necessity that the lepers of this province be transferred to Cullon, in order to avoid all danger of contagion, because the pueblos, being poor, are unable to continue paying for the necessities of the lepers.

*A list of vaccinations in each municipality has been omitted, and is on file in the Bureau of Insular Affairs, War Department.

2. In order to make the collection of the taxes, direct as well as indirect, as effective as possible, it is recommended that the councilors be allowed for their services at least 4 per cent of all the taxes collected in their respective districts. I understand that the adoption of this system will be of double benefit to us:

(a.) It will be an additional guaranty for the maintenance of the public order, as the councilors will make a more efficient examination of the inhabitants of their respective districts, in order to ascertain whether they are vagrants or not, and whether they are persons of steady habits. (b.) If this zealous and strict vigilance is exercised by the councilor himself, the taxpayers will find it necessary to pay what they owe, as the councilor of their district, being interested in having the collections as large as possible, will do his best to have all the taxes paid up, even if it be for the sole reason that his percentage will be larger.

3. The installation of a complete telephone system in all the municipalities of the original province of Sorsogon is of imperative necessity. The service should not be gratuitous, but everybody finding it necessary to use the telephone should pay for it. The necessity and advantage of such a system for the commerce and for the more efficient and active administration of the province and the municipalities are already making themselves felt to a great extent.

I wish to state that the province has enjoyed peace for five years, and that I consider it but just that we should be given a telephone system, which will surely produce good revenues and never be a cause of complaint.

My motive for insisting upon this recommendation is that the telephone system will save the immense expense caused at present to the province and the municipalities by the communications sent by special messenger, who are generally resorted to in order to expedite the dispatch of inquiries, as to send them by mail would mean too much delay.

The telephone service now established in the three municipalities in the west of the province and in one in the east could not be worse than it is. I do not know to what to attribute this bad condition—whether the linemen do not do their duty or do not know their business, or whether the apparatus is completely useless.

You will not fail to perceive the great importance of the telephone system suggested, for commerce as well as for public order. For the present it is of urgent necessity that the Gubat line be extended to Casiguran, Juban, Irosin, and Bulan, which have much improved commercially. Barcelona, Bulusan, Santa Magdalena, and Matnog should be included in the system, for the benefit of public order, and if this can not be done, telegraph stations should be established at Bulan and Matnog.

Having submitted these points to your consideration, I respectfully pray your attention be given to this petition, in view of the fact that the pueblos are willing to pay for the entire service. It is desired not only for the benefit of public order and commerce, but by private citizens who desire news from their children studying at the provincial school, or have other matters to attend to, and it will mean a great saving for all and a good source of revenue to the government.

4. The coast-guard line from Manila to Atimonan having been discontinued, the island of Burias, belonging to this province, is again almost completely abandoned.

In the chapter of this report headed "Commerce," I have described the condition of the municipality of Pilar (Sorsogon), on Luzon Island, which, unless the government intervenes, will surely die of economic anemia, in view of the conduct of the merchants there. In order to infuse life into these two municipalities (Burias and Pilar), I earnestly pray that you direct their inclusion in the route served by the Compañía General de Tabacos de Filipinas, under contract with the government. I am certain that the government will gain by this, because the taxes will be increased by what the commerce will gain, the navigation company will profit by the freight, and life will be given to the pueblos mentioned, who are now at the brink of ruin—the former because it is almost cut off from communication with the outside world, and the latter on account of the commercial monopoly established in it.

5. It is my opinion that when a provincial treasurer manages the public funds of the province wherein he is stationed in such a brilliant manner that the treasury overflows with money and is free from all liabilities, for which achievement he deserves, of course, to be promoted, he should remain in the province where he is stationed and should have his salary increased according to his merits.

6. I recommend that insane persons who are paupers and have no one to support them in the pueblos, or who are a menace to public safety and have been arrested by the municipal authorities, be confined in the insane asylum under the direction of the bureau of health at Manila. The provincial and municipal governments of Sorsogon lack means and have no beneficent establishments within their territorial limits for the care of those unfortunate beings. Respectfully submitted.

B. MONREAL,
Governor of the Province of Sorsogon.

The GOVERNOR-GENERAL.

EXHIBIT A.

General balances of all the municipalities of the Province of Sorsogon for the fiscal year 1906-7.^a

EXHIBIT B.—ANNUAL BUDGET, 1907.

Province of Sorsogon.

REVENUES.

Source.	General fund.		Road and bridge fund.		School fund.	
	Last year actual.	Present year estimated.	Last year actual.	Present year estimated.	Last year actual.	Present year estimated.
Balance on hand July 1, 1906..	P10,766.99	P1,140.93	P7,496.09	P5,462.73	P11,083.97	.....
REVENUES.						
Registry of property.....	781.43	500.00	.....	.....	.....	.....
Registry of mining claims.....	247.20	270.00	.....	.....	.....	.....
Cart tax.....	.....	.....	1.50	.....	.....	.....
Land tax, 1906 and preceding years.....	4,941.09	4,000.00	2,728.82	2,000.00	.....	.....
Land tax, 1906.....	.....	6,006.46	.....	3,003.23	.....	.....
Land tax acts Nos. 1544 and 1579.....	15,747.41	6,107.61	9,243.88	2,925.16	.....	.....
Land tax, cedula.....	19,700.10	20,000.00	.....	20,000.00	.....	.....
Internal revenue, weights and measures.....	.....	1,000.00	.....	.....	.....	.....
Internal revenue, refunds from insular treasury.....	18,165.13	15,000.00	.....	.....	.....	.....
MISCELLANEOUS RECEIPTS.						
Repayment loans by municipalities.....	.....	70.00	.....	.....	.....	.....
Sales of supplies.....	18,834.23	.....	.....	.....	.....	.....
Bond premium.....	129.30	.....	.....	.....	.....	.....
Transportations.....	121.90	.....	.....	.....	.....	.....
Rents provincial building.....	240.00	.....	.....	.....	.....	P240.00
Rents provincial launch.....	42.25	100.00	.....	.....	.....	.....
Refund revenue.....	33.92	.....	.....	.....	.....	.....
Auditor's differences.....	430.70	.....	.....	.....	9.38	.....
Miscellaneous.....	1.87	.....	.....	.....	.....	.....
Refund bureau supplies.....	.....	.....	.....	.....	46.55	.....
Donations to school fund.....	.....	.....	.....	.....	2,013.05	2,000.00
High school act No. 1554.....	.....	.....	.....	.....	20,000.00	.....
Transfers of funds—General fund to school fund.....	.....	.....	.....	.....	2,671.81	2,760.00
Total.....	84,683.52	54,195.00	19,469.29	33,391.12	35,824.76	5,000.00

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

Province of Sorsogon—Continued.

EXPENDITURES.

Purpose.	General fund.		Road and bridge fund.		School fund.	
	Last year actual.	Present year estimated.	Last year actual.	Present year estimated.	Last year actual.	Present year estimated.
1. Salaries	P88,340.60	P36,840.00				
(a) Governor—office	7,849.28	7,600.00				
(b) Governor—jail guards	2,277.74	2,280.00				
(c) Treasurer—office	19,754.28	17,000.00				
(d) Treasurer—foremen, etc.	2,439.34	2,400.00				
(e) Third member provincial board	260.00	500.00				
(f) Fiscal's office	3,890.00	3,860.00				
(g) District health officer	810.00	1,840.00				
(h) District auditor's office	960.00	860.00				
(i) Miscellaneous	1,599.96	1,600.00				
2. Traveling expenses and per diems	2,879.16	2,650.00				
(a) Governor	857.98	1,000.00				
(b) Treasurer	696.75	300.00				
(c) Fiscal	27.00	50.00				
(d) Miscellaneous	1,298.43	1,300.00				
3. Sheriff fees	138.00	150.00				
4. Court fees						
5. Office supplies	13,265.45	1,000.00				
6. Postage—mail and telegrams	654.64	700.00				
7. Premiums—surety bonds	130.55	1,543.32				
8. Rental of buildings	1,560.00	1,200.00				
9. Maintenance of prisoners	3,019.33	3,000.00				
10. Permanent equipment	8,111.45		P12,969.61	P8,291.57		
11. Purchase of land for high school						P1,000.00
12. Alterations, repairs, and maintenance of buildings	201.03					
Maintenance of provincial launch	201.03	600.00				
13. Alterations, repairs, and maintenance of bridges						
14. Construction of buildings	10,861.26				P35,824.76	4,000.00
Construction of building	38.50				35,824.76	4,000.00
Construction of provincial launch	3,101.46					
Construction of boat-house	7,721.30					
15. Construction of bridges			926.84	3,276.24		
Sorsogon-Bacon road				1,000.00		
16. Construction and maintenance of roads				2,062.17		
Sorsogon-Bacon				1,000.00		
Sorsogon-Bulusan				1,000.00		
17. Miscellaneous	435.07		120.11			
Refunds over collection of taxes	281.70		109.87			
Various refunds	203.37		10.24			
Loans to municipalities		70.00				
Transfers of funds	3,956.05	2,760.00				
Amounts erroneously taken up in provincial account for internal-revenue refund	1,284.24					
To school fund	2,671.81	2,760.00				
Total	83,542.59	50,513.32	14,006.56	13,629.98	35,824.76	5,000.00

Province of Sorsogon—Continued.

SUMMARY.

	General fund.		Road and bridge fund.		School fund.	
	Last year, actual.	Present year, estimated.	Last year, actual.	Present year, estimated.	Last year, actual.	Present year, estimated.
Total estimated revenue.....	P84,693.52	P54,195.00	P19,469.29	P33,391.12	P35,824.76	P5,000.00
Total estimated expenses.....	83,542.59	50,513.32	14,006.56	13,629.96	35,824.76	5,000.00
Balance unappropriated.....	1,140.93	3,681.68	5,462.73	19,761.14	-----	-----

I certify that the foregoing is a true statement of all revenues and expenditures for the year 1907, as shown by my official records.

R. S. VAN VALKENBURGH,
Acting Provincial Treasurer.

I certify that the foregoing estimate of revenues and expenditures for the year 1908 was appropriated by the provincial board in session August 7, 1907, by resolution No. 59.

M. PACHECO,
Recorder of the Provincial Board.

Subprovince of Masbate.

REVENUES.

Source.	General fund.		Road and bridge fund.		School fund.	
	Last year, actual.	Present year, estimated.	Last year, actual.	Present year, estimated.	Last year, actual.	Present year, estimated.
Balance on hand July 1, 1906.....	P4,496.93	P1,306.86	P1,292.89	P4,305.40	-----	P8,002.50
REVENUES.						
Registry of property.....	-----	-----	-----	-----	-----	-----
Registry mining claims.....	576.80	630.00	-----	-----	-----	-----
Cart tax.....	-----	-----	3.50	-----	-----	-----
Land tax, 1905, and preceding years.....	918.07	-----	1,331.70	-----	-----	-----
Land tax 1906.....	-----	1,159.53	-----	1,159.53	-----	-----
Land tax acts Nos. 1544 and 1579.....	1,800.85	1,718.82	1,800.86	1,718.82	-----	-----
Land tax, cedula.....	3,847.50	4,000.00	-----	2,000.00	-----	-----
Internal revenue, weights and measures.....	-----	500.00	-----	-----	-----	-----
Internal revenue, refunds from insular treasury.....	3,343.63	3,000.00	-----	-----	-----	-----
MISCELLANEOUS RECEIPTS.						
Repayment of loans by municipalities.....	-----	-----	-----	-----	-----	-----
Provincial launch rents.....	25.25	50.00	-----	-----	-----	-----
Auditor's differences.....	214.02	-----	-----	-----	-----	-----
Miscellaneous.....	5.50	-----	-----	-----	-----	-----
High school act No. 1275.....	-----	-----	-----	-----	P8,000.00	-----
High school donation.....	-----	-----	-----	-----	2.50	-----
Transfers of funds—general to school.....	-----	-----	-----	-----	-----	1,000.00
Total.....	15,228.25	12,365.21	4,428.95	9,183.75	8,002.50	9,002.50

Subprovince of Masbate—Continued.

EXPENDITURES.

Purpose.	General fund.		Road and bridge fund.		School fund.	
	Last year, actual.	Present year, estimated.	Last year, actual.	Present year, estimated.	Last year, actual.	Present year, estimated.
1. Salaries	P5,348.08	P6,580.00				
(a) Governor—office	1,828.00	2,160.00				
(b) Governor—jail guards						
(c) Treasurer—office	3,520.08	3,500.00				
(d) Treasurer—foremen, etc.				P1,200.00		
(e) Third member provincial board						
(f) Fiscal's office						
(g) District health officer		920.00				
(h) District auditor's office						
(i) Miscellaneous						
2. Travel expenses and per diems	1,596.62	1,400.00				
(a) Governor	158.50	100.00				
(b) Treasurer	57.00	100.00				
(c) Fiscal	200.50	200.00				
(d) Miscellaneous	1,185.62	1,000.00				
3. Sheriff fees						
4. Court fees .....	.32					
5. Office supplies	1,368.81	500.00				
6. Postage—mail and telegrams	278.64	250.00				
7. Premiums, surety bonds	8.33	453.30				
8. Rental of buildings	187.50	480.00				
9. Maintenance of prisoners	1,191.63	1,200.00				
10. Permanent equipment	75.98					
11. Purchase of land						
12. Alterations, repairs, and maintenance of buildings	5.75					
Maintenance of launch	5.75	200.00				
13. Alterations, repairs, and maintenance of bridges						
14. Construction of buildings	3,196.11					
Subprovince launch	2,335.45					
Subprovince boathouse	860.66					
15. Construction of bridges—Dimasalang-Palanas road				1,000.00		
16. Construction and maintenance of roads				2,000.00		
Masbate-Milagros				500.00		
San Fernando-San Jacinto				1,000.00		
Masbate-Mobo				500.00		
17. Miscellaneous	678.62		P123.55			
Various	78.72					
Average collection of taxes	599.90		123.55			
Loans to municipalities						
Transfer of funds		1,000.00				
Total	18,921.39	12,063.80	123.55	4,200.00		

SUMMARY.

Total estimated revenue	P15,228.25	P12,365.21	P4,428.95	P9,183.75	P8,002.50	P9,002.50
Total estimated expenses	13,921.39	12,063.30	123.55	4,200.00		
Balance unappropriated	1,306.86	301.91	4,305.40	4,983.75	8,002.50	9,002.50

I certify that the foregoing is a true statement of all revenues and expenditures for the year 1907 as shown by my official records.

R. S. VAN VALKENBURGH,
Acting Provincial Treasurer.

I certify that the foregoing estimate of revenues and expenditures for the year 1908 was appropriated by the provincial board in session August 7, 1907, by resolution No. 58.

M. PACHECO,
Recorder of the Provincial Board.

EXHIBIT C.

Statement of the abaca and copra bought up by the commercial houses in the original province or Sorsogon, during the years since 1903, of the rice harvested during the year 1906-7, and of the rice imported into this province by the commercial houses mentioned.*

REPORT OF THE PROVINCIAL GOVERNOR OF SUBIGAO.

[Translation.]

OFFICE OF THE GOVERNOR, SUBIGAO PROVINCE,
Surigao, P. I., July 5, 1907.

SIR: I have the honor, in conformity with act No. 1044, to submit the following report for the fiscal year ended June 30, 1907.

AGRICULTURE.

Agriculture is the principal source of wealth and the soil is highly fertile and adapted to almost all kinds of plants, especially those cultivated in tropical countries. The principal products are abaca, cocoanuts, rice, maize, bananas, sugar cane, tobacco, cacao, and an infinite variety of nutritious tubers, such as camote, ube, gabi, and payao.

Abaca, which is cultivated throughout the province, and especially in the municipalities of Cabadbaran, Dapá, Hinatuan, Llanga, Placer, and Tandag, and in the valley of the Agusan River, in which are situated the municipalities of Buntuan and Talacogon, on account of the fertility of their lands, constitutes one of the most important products. This plant, owing to the high price its fiber commands in the markets, and the impossibility of cultivating all the rice lands because of the scarcity of draft animals, has acquired an extraordinary importance in these last years, and continues to acquire increased importance, judging from the enthusiasm and interest with which the inhabitants of this province strive to obtain abaca plantations, and with which those who already have plantations work to enlarge and improve the same. However, it has been observed that the desires of the people in this regard have, in the main, been frustrated by the requirements of the laws governing the acquisition of public lands. They believe that these laws are impracticable and difficult to comply with, or at least a hindrance to the realization of their purposes, for, if the people were permitted to plow and freely occupy the public lands, without having to comply with the requirements of the law, they would put their great wish into execution until satiated, occupying and plowing the lands for this purpose. Another factor which impedes agriculturists with capital from extending their abaca plantations and putting them in good condition is the lack of farm hands, as some of the planters have had to secure laborers from Iloilo, Bohol, and the island of Camiguin.

Mention must be made of the fact that on the plains of Gaung and Verdú, in the municipality of Butuan, there are large tracts of land covered with a so-called abaca silvestre, from which only the recently Christianized people who inhabit the barrios of Verdú and Milagro secure a finer and whiter kind of abaca fiber, which is in general favor in the markets. This kind of abaca has been planted a number of times on lands bordering on the banks of the Agusan River, near the plains of Gaung and Verdú, but it never prospered, owing perhaps to the climatological and topographical conditions of that section. It has also been discovered that this kind of abaca is growing in other parts of the province.

* Omitted and filed in the Bureau of Insular Affairs, War Department.

The process of cultivating abaca is very simple, and no scientific knowledge is required. When the land has been cleared of brush and trees, which are cut with bolos and axes and burned, the abaca is planted, a distance of from two to three varas being left between plants.

The method used to strip the abaca—that is, to extract its highly prized fiber—is very old, and it is believed that with a stripping machine that is simple and within the reach of all the industry would develop greatly.

In the year 1905 the abaca fiber was much improved by the measures adopted, though not legally, by the municipal councils, but the proprietors, seeing that the merchants paid the same, or only slightly different prices, for both the white and fine and the colored and coarse fibers, disregarded these measures, and again began stripping the abaca poorly, because this made the work lighter and increased the quantity of abaca secured. The knife used for stripping the hemp being serrated, the fiber of the same is easily lightly extracted, and having much pulp that ought to be rejected gives a larger volume.

From this point of view it is seen that the improvement of abaca will be accomplished only when the merchants or purchasers of this article offer reasonably different prices for the various classes of the same.

There remains to be said that in this province there is a very fine fiber obtained from the “sab-a” and “tinduc” species of banana plants, which is used only for the manufacture of the cloth called sinamay.

It is estimated that the crop of abaca for the year 1906 is larger than that for the year 1905, the increase being about 30 per cent. In the year 1905 the abaca crop amounted to 75,000, and that for the year 1906 to some 100,000 piculs.

In the municipalities they also cultivate the cocoanut, which produces copra and oil, and serves the inhabitants for their ordinary living purposes.

An increase in the cultivation of the cocoanut is to be noted, owing to the fact that the people are beginning to recognize that the cocoanut requires less capital and care than abaca, and at the same time yields greater profits.

The copra exported during the past year, 1906, amounted to some 12,000 piculs, and it is estimated that a like amount was used for domestic consumption.

There are cocoanut trees in this province some 100 years old, which still bear fruit.

Another product, not less important, is rice, which is produced throughout the province, a considerable quantity being harvested in Cantilan, Carrascal, Lanuza, Tandag, Tago, Gigaquit, Bacuag, Claver, Butuan, and Surigao.

The plows and other agricultural implements used for the cultivation and harvesting of rice are of a primitive kind. The indispensable draft animals of the agriculturists are carabaos, and a large number of them died during the recent epidemic of rinderpest, causing the abandonment of a very large extent of rice land.

The lands used in the cultivation of rice are not irrigated, but nearly all may be. The rice is planted in the months of December and January, and is harvested in April and May, except in Butuan, where two crops a year are produced by means of irrigation, and the same thing may be accomplished throughout the province.

The harvest of rice this year is sufficiently satisfactory, amounting approximately to an increase of 50 per cent over that of the preceding year. It is to be remembered, however, that this harvest being less than that of any in the preceding years, when there were yet sufficient draft animals to cultivate all the rice lands, a large part of which is abandoned at the present time, and covered with a growth of thick grass and shrubs, it has been necessary to import rice for the consumption of the inhabitants, though in smaller quantity than in other provinces.

Corn, sugar cane, tobacco, and cacao are planted on a small scale, and sugar, tobacco, and cacao are imported into this province.

The banana, camote, ube, gabi, payao, faecula of the lumbria, etc., constitute part of the food of the inhabitants, especially of the poor people.

COMMERCE.

The greater or less increase in the commerce results principally from the progress in agriculture, because of the lack of any important industry.

The principal products, the subject of mercantile transactions, are abaca, copra, and rice—the first two destined for exportation.

In the capital there are branches of the two commercial houses—La Compañía General de Tabacos and MacLeod & Co. Aldecoa y Cia. also had a commercial establishment here, but it was discontinued during the first months of the present year.

During the year there were registered 793 merchants, of whom 630 were Filipinos, 153 Chinamen, and 10 of various nationalities.

The foreign merchants have monopolized the commerce since the Filipinos are only engaged in retail business on a small scale, with the exception of the Filipino merchants of Hinatuan, Llanga, Marihatag, and Cabadbaran, who have almost as good stores as those of the Chinamen. The Chinamen are engaged in business in every municipality, barrio, and sitio of the province, except in the municipality of Cabadaran, contenting themselves with blocking the business there with stores in the barrios thereof.

Experience has demonstrated that business conducted by the natives, within the zone over which the Chinese exercise commercial action, never prospers, and in general, inevitably succumbs.

The amount of abaca exported during the period embraced by this report was some hundred thousand piculs, valued at ₱20 a picul, or a total of ₱2,000,000.

The exportation of copra during said period amounted to approximately 12,000 piculs.

The principal articles of merchandise imported are: Domestic and foreign fabrics, rice, jewelry, kerosene, liquors, groceries, and an infinite variety of others too numerous to mention here.

It is estimated that the rice imported from July 1, 1906, to June 30, 1907, amounted to 70,000 sacks, the value of which, if calculated at the rate of ₱6 per sack (the current price), would be ₱420,000.

There are no data to show the value of the merchandise imported.

There are steamers of the commercial houses above mentioned, some lorchas, and many boats, known as bancas and paraos, plying between the municipalities, for the transportation of merchandise. From March to November also the steamer *Buen Viaje* or on the *Hock-tay*, has carried on a similar business in the Pacific coast, purchasing abaca and selling various articles. A gentleman from Manila named Simeon Marfori, who generally makes his trips either on the steamer *Buen Viaje* or on the *Hock-tay*, has carried on a similar business in the same municipalities during that time.

To conclude this subject, it seems proper to observe that commerce has been fairly satisfactory, which is due to the notable increase in the production of abaca and copra, and to the high prices quoted in the markets for them.

FINANCE.

Balance on hand June 30, 1906:

General fund.....	₱6,346.05
Road and bridge fund.....	9,989.32
Non-Christian tribes fund.....	1,588.82
Relief fund.....	114.84
Receipts of the treasury from July 1, 1906, to June 30, 1907.....	45,145.88
Total.....	63,184.91
Expenses during the time mentioned.....	43,793.65

The funds of the provincial treasury were so small that prudence in the disposition of the same by the provincial board was necessary, and the expenditures were confined to the most urgent needs of the provincial government.

The provisions of act No. 1455, which suspended the land tax and provided that the provincial and municipal treasuries be reimbursed by the insular government, only to the extent of 50 per cent—that is, in a sum equivalent to one-half of that collected on account of this tax during the year 1905, have contributed to the reduction of the receipts.

Notwithstanding what has just been said, the provincial government did not incur any debt to the insular government. The provincial treasury contains the following balances on June 30, 1907:

General fund.....	₱6,112.77
Road and bridge fund.....	10,918.30
Non-Christian tribes fund.....	3,191.36
Relief fund.....	114.84
Total.....	20,337.27

PUBLIC PROPERTY.

The provincial government possesses the following real estate: A tract of land upon which is situated the building used for the provincial government offices; two other tracts—facing each other, and located on McKinley street, Surigao—upon which stand the two buildings now occupied by the constabulary; and a third tract, situated in the southern part of the municipality of Surigao, the capital of the province, upon which are located the two recently constructed buildings, the provincial high school, and the school of arts and trades.

The receipts of the provincial treasury proceed from:

- (a) Personal cedulas.
- (b) 10 per cent of the internal revenue taxes.
- (c) Ad valorem taxes upon real estate and improvements thereon.
- (d) Annual rent of ₱480 for the provincial building occupied by the constabulary.
- (e) Fees for the registration of mining claims.
- (f) Annual rent of ₱150 for one of the apartments of the provincial building occupied by the post-office.
- (g) Fees for the registration of real property.

According to the last assessment under act No. 1455, the value of all the real estate and improvements thereon of the province subject to taxation amounted to ₱2,504,830; those exempt from taxation having amounted to ₱820,620.

PUBLIC INSTRUCTION.

Education, the principal factor of all progress and prosperity of a people, carries, with gigantic strides, the youth of this province toward their enlightenment.

The light of education has reached even to the most remote municipalities under the auspices of the government, which has resolutely adopted measures to diffuse education throughout the archipelago. This accounts for the considerable number of children who, desirous of becoming educated, attend with pleasure the public schools.

The municipal councils of these municipalities, animated with the praiseworthy desire of giving a notable impetus to the education of the youth, and in order to cooperate with the government in the diffusion of the same, enacted ordinances which provided penalties for parents who failed to send their children to school; but, unfortunately, these measures were annulled by the provincial board, since at the present time education is not obligatory in these islands.

I have the pleasure of announcing the completion of two edifices—the provincial high school and the school of arts and trades—in the capital of the province.

The free and voluntary subscription offered by the inhabitants in order to accomplish the erection of said edifices, and the voluntary labors donated by some municipalities in the construction of their schoolhouses, are an indisputable proof of the interest of the province of Surigao in education.

The province is divided into 12 school districts, the inspection of which is confided to the American teachers. The municipalities, the chief city of the district, and the residences of said American inspectors, are: Danagat, Surigao, Placer, Dapa, Gigaquit, Cantilan, Tandag, Lianga, Hinatuan, Talacogon, Butuan, and Cabadbaran.

The last report of the school year, corresponding to the month of March, 1907, shows 78 public schools and 11 American supervising, 8 insular Filipino, and 97 municipal teachers.

In Butuan and Cabadbaran intermediate schools have been established, presided over by the respective American supervising teachers, assisted by Filipino teachers.

There were five American and one Filipino insular teachers in the provincial school and the high school.

The number of students who attended the public schools according to said report was 5,077, and the number who attended the provincial and high schools was 81.

The total number enrolled in the public schools was 6,651, and in the provincial and high schools, 101.

INDUSTRY.

The agricultural industry is from every point of view defective, since the implements employed in the production of abaca, cocoanut, rice, corn, sugar cane, etc., are of a primitive kind.

There is an abaca hand press in the capital.

The principal articles made in the houses of the natives are mats of buri, balin, ticog, nets (or baling) of abaca, baskets, etc., and other domestic articles. They also manufacture in said houses cloths (sinamay) of piña, sab-a, and tinduc. This is all done on so small a scale that it is insufficient to supply the needs of the families.

Boats of different kinds are also constructed, such as barotos, bancas, bilos, etc.

The fishing industry is quite important.

FACTORIES.

Some nipa distilleries were still in existence during the past year, but upon the promulgation of the amendment to the internal-revenue law they all disappeared, not even one remaining during the present year.

Vino de nipa was one of the principal products of the municipalities of Butuan, Gigaquit, Tago, and Cantilan.

In the municipality of Surigao there are four establishments where trunks, tables, shelves, etc., are manufactured and sold at retail.

NATURAL RESOURCES.

Forestry.—There are extensive forests of valuable woods, the principal being mancono, molave, narra, ipil, tindalo, ebony, camagong, guijo, yacal, etc. Saw-mills might profitably be erected.

There are dyewoods, and also trees from which rubber and resin are obtained.

Mineral.—Gold has been discovered in the mountains of Gagpanhi, Tubllon, and Lahi, within the jurisdiction of Cantilan; in the sitio of Maisud, Dinagat; in the barrio of Malixi, and the mountain of Dinata, Hinatuan; in Cansuran, Anao-aon, and Nonoc, Surigao; in Campiña, Balibayon, Layap, Mahaba, Tinabingan, Cantuad, Bayatacan, Taybontabon, Suyoc, Papasu, Cano-os, Oacatan, Danao, Tinag-an and Ta-as, Placer.

Coal is found in Sinagahain, Banacan, and Taga, Tandag; in Bislig, Hinatuan; and in Loreto, Dinagat.

Iron and sulphur are found in Mapasu, Placer.

It is said that marble has been discovered on the island of Linougao, which is opposite Tandag.

Gypsum has also been found in Tandag and Dinagat.

From the year 1902 up to the present time 71 mineral claims have been registered, the owners or locators of which, as a rule, have already lost their rights to the property by failure to comply with the provisions of the law in regard to the annual assessment work.

From some of the mines of Surigao and Placer the natives obtain gold in the manner employed in very early times.

NONCHRISTIAN TRIBES.

In the interior there are Manobos and Mamanuas, the number of whom is unknown, unless the statistical data contained in the Philippine census of 1903 be taken into account.

The Manobos recognize as their chief one of their number who excels in bad conduct and misdeeds. Said chief is known by the name of Bagani.

These Manobos cultivate fields, engage in hunting wild boars, raise pigs and chickens, and if they believe themselves injured or wronged, do not commit acts of disloyalty, but send embassies. They declare war only after all measures of conciliation have failed. The Mamanuas wander about in the forests, do not work, are thieves, and are indolent and disloyal.

POLITICS.

By act No. 1487, effective July 1, 1906, the provincial boards of health were abolished, and district health officers substituted. This province constitutes one health district.

Act No. 1536 abolished the offices of fiscal of the provinces of Misamis and Surigao, and provided that one fiscal, with residence in the latter province, discharge the duties of fiscal of the two provinces.

It is to be observed that various inquiries, forwarded to the office of the provincial fiscal by the provincial board and by municipal officials of Surigao, were not attended to when said fiscal was absent from this capital discharging his duties in Cagayan. It is seen therefore that the fusion of the two offices causes an irregularity in the public service which affects both provinces.

Act No. 1545 provides that provincial boards be composed of the provincial governor, the provincial treasurer, and a third member elected in the same manner as the provincial governors.

The Governor-General, under the provisions of said law, appointed for this province a third member, who presented his resignation, which was accepted on June 18, 1907, and since which time this office has been vacant.

Under the provisions of the said law the offices of provincial secretaries were abolished.

The provincial jail is located in the lower floor of the provincial government building, and consists of two departments—one for men and the other for women.

The jail, in accordance with the provisions now in force, is under the care and control of the provincial governor, who has at his order a warden and two guards for the execution and enforcement of the rules thereof.

There are 12 municipalities, of which 5 are of the third and 7 of the fourth class.

The government of the municipalities of the province is rather defective. The municipal councils, with extremely few exceptions, aside from not fully performing their duties, pass ordinances and resolutions which are not within their powers. Paragraph (g) of section 18, of the Municipal Code, which relates to prosecutions for the violation of municipal ordinances, is with few exceptions not properly observed by the municipal presidents. I believe, however, that this defect will disappear with the application of the provisions of act No. 1627, which assigns to the justices of the peace the hearing of cases for violations of municipal ordinances.

The municipal councillors met in a convention held last year at the capital, for the purpose of discussing the application to the province of the road law (act No. 1511); but unfortunately the convention voted against its application, which is not understood, as the same municipal councillors had passed ordinances or resolutions obliging the inhabitants to work on the roads, clean the streets, and repair the municipal buildings.

There are no roads or highways in the whole province, and to make inspections it is necessary to use bancas, barotos, or, in some cases, steamers, when they are available; which is only in the months from April to November.

The farthest municipality on the Pacific coast is distant from the capital some 179 miles, and Talacogon, a municipality in the interior of the Agusan Valley, is at a distance of some 116 miles from the capital of Surigao.

The entire province is enjoying an enviable peace and tranquillity. One can well travel over the fields, mountains, and remote corners of the province without fear or distrust.

PUBLIC HEALTH AND SANITATION.

The condition of the public health from July 1, 1906, to June 30, 1907, has been very satisfactory.

There are municipal boards of health in all the municipalities, the presidents of which, generally, being the presidents of the respective municipalities.

The district health officer of the district has issued sanitary regulations for the preservation of health and the prevention of the introduction or propagation of pests. These regulations have been accepted and adopted by the municipal councils.

Very respectfully,

RAFAEL ELIOT,
Governor of the Province of Surigao.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF TARLAC.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF TARLAC,
Tarlac, P. I., June 30, 1907.

SIR: I have the honor to submit the following report covering the fiscal year ended June 30, 1907:

POLITICAL CONDITIONS.

No disturbances have occurred during this year, tranquillity having ruled supreme as in the past years.

While cattle stealing has not disappeared altogether, yet there have been only a few cases of it, according to official data received in this office. The governors of the several provinces have, by agreement with the governors of those adjoining, adopted the system of circulating in each of the adjacent provinces notices regarding the presence of animals without known owners held in the municipalities under their jurisdiction. This system has given satisfactory results, because owing to it many carabao have been recovered by their lawful owners, resident in other provinces.

Crimes have decreased considerably during the year, as appears from the number of cases tried in the court of first instance and of the number of prisoners received in the provincial jail. The average number of prisoners in the jail has been only 20 a day, against 34 last year.

On the 1st of January of the present year the barrio of La Paz, belonging to the municipalities of Tarlac and Concepción, was organized into an independent municipality, so that this province is now made up of 10 municipalities.

AGRICULTURE.

Agriculture has made considerable progress, the increase of this year's production over last year's being estimated at 40 per cent. The abundant rainfall from August to November, 1906, has been the most important factor bringing about this excellent result, although it may be said that the spontaneous interest on the part of the agriculturists to till as much land as possible, and the large number of carabao imported from other provinces, have also had considerable influence.

This office has initiated the work of improving or perfecting the old irrigation ditches and of digging new ditches in the pueblos where there is no irrigation system, and it is hoped that the production of rice will be larger next year.

COMMERCE.

Commerce is carried on by foreigners, few natives being engaged in it, because of lack of capital.

INDUSTRY.

Industry has somewhat improved, the number of the rice hulling and polishing machines having increased from five to ten, which have been working day and night during the first months of this year.

Weaving and other industries have not made any progress.

NATURAL WEALTH.

The forestal wealth is little exploited, because of the low price of the timber at the capital of the islands and in the adjoining provinces.

No movement is to be reported with regard to the mineral wealth.

PUBLIC INSTRUCTION.

Education has made progress during the year. Many schoolhouses have been built in the large barrios at the expense of the inhabitants, some of them having iron roofs.

The total number of schools is 75; they are classified as follows:

Provincial school.....	1
School of carpentering.....	1
Municipal schools.....	18
Barrio schools.....	60

The school attendance has been as follows:

At the provincial school.....	235
At the municipal schools.....	4, 225
At the barrio schools.....	6, 173
Total	10, 633

The school of carpentering is attended by 52 young men, who are at the same time students of the provincial school.

We have 18 American, 11 native insular, and 112 municipal teachers, or a total of 141.

A comparison of the numbers of schools, teachers, and pupils with those of the preceding fiscal year shows great progress in public instruction.

In many municipalities private schools have been established, which are managed by the curates of the Roman Catholic Church and are attended by a large number of children of both sexes. There are also private schools managed by private citizens.

FINANCES.

During the fiscal year the receipts of the provincial treasury, from various sources, have aggregated ₱54,910.33, and the expenditures, for various purposes, ₱53,797.55, leaving a balance on hand of ₱1,112.78.

The number of cedula of Class A issued has been larger this year than last, likewise that of cedulas of Class B.

The aggregate value of the real estate assessed during the year was ₱8,000,000, while it was only ₱6,500,000 last year.

PUBLIC WORKS.

The principal wagon roads connecting the several pueblos have been attended to with greater care. Concrete bridges have been built in the place of wooden ones, and we expect to replace all wooden bridges rendered totally unserviceable by those of cement.

The Tarlac Dam, which is 1,770 meters long and 4½ meters wide in its narrow part, may be considered completed, with the exception of the additional 600-foot extension authorized by the resolution of the Philippine Commission of January 24, 1907. Its cost up to date is approximately ₱35,500. The work of improving it is still going on, and it is believed that it will be of positive benefit to the town of Tarlac and to the agricultural lands rendered useless by the inundations of the Tarlac River.

As to the balance of the money appropriated, it is my opinion—and requests have been made of me by several owners of large tracts of land—that this dam should be extended approximately 400 meters beyond the 600-foot extension authorized by the Commission, in order to prevent the Tarlac River from opening a new bed at the end of the dam and destroying property of greater value than that which it protects.

PUBLIC HEALTH.

Notwithstanding the appearance of cholera in the latter half of the year 1906, when it attacked 66 persons at Tarlac, Victoria, Pura, and Camiling—54 of whom died—the number of births registered between July 1, 1906, and March 31, 1907, has constantly kept gaining over the number of deaths during the same period. Against 3,208 deaths we have 5,569 births, the difference, 2,361, representing an increase of the population, which was 142,140 on June 30, 1906, and therefore the province of Tarlac had on March 31 last a population of 144,501.

The data regarding births and deaths from April 1 to June 30, 1907, are not yet available.

Under the supervision of the district health officer, 34,165 vaccinations were effected during the fiscal year. Of these 29,954 were made by provincial vaccinators paid from insular funds, between May 15 and June 30, 1907, the other 4,211 being made by presidents of municipal boards of health.

NONCHRISTIAN TRIBES.

I have stated in my last annual report that a special municipal organization has been given to the Aetas or Negritos who inhabit the mountains of this province. This system is still in effect, these people being given competent officers of their own to govern them.

The majority of these Aetas dress the same as the civilized inhabitants. Several of their settlements are very anxious to have teachers for the instruction of their children, and requests for them have been sent to the bureau of education, which determined that a primary school should be established at one of the settlements in the former municipality of O'Donnell, now consolidated with the municipality of Capas.

Respectfully submitted.

MANUEL DE LEON,
Governor of the Province of Tarlac.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF LA UNION.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF LA UNION,
San Fernando, P. I., July 12, 1907.

SIR: In compliance with act No. 1044 of the Philippine Commission, I have the honor to submit herewith my annual report for the fiscal year ended June 30, 1907.

PROVINCIAL GOVERNMENT.

The provincial elections of February 5, 1906, were annulled (executive order No. 30, 1906) and new elections ordered for July 3 of the same year. The governor who has the honor to make this report was elected, the election having been approved by the chief executive of the islands (executive order No. 34, 1906), and the new oath of office was taken on July 28 of said year.

Provincial board.—The provincial board, as in every year since 1904 when I was first elected governor of this province, has performed its duties with the greatest regularity in regular and in special sessions.

Among the actions of this board the following are worthy of special mention: The visit to the mountain barrios of the different municipalities of the province for the purpose of hearing the complaints of the inhabitants in relation to the new boundary line between this province and the mountain districts; and the forwarding to the chief executive of the reports and records recommending the separation of the old municipalities of Rosario and Cava, which are now united with Santo Tomas and Aringay.

The expected importance and influence of the work of the third member of the board, since he began his duties on January 2 of the present year, has been realized, as he has done his share in promptly carrying out the work of the board, which by its nature and importance requires careful study and a considerable knowledge of the laws.

Municipal governments.—The municipalities enjoy, if not real prosperity, comparative well-being. Many of their officers conduct their offices with the necessary orderliness, and with the exception of a very few they have sufficient funds in their treasuries for their needs.

During the fiscal year there have been very few suspensions of officers, thus proving that they are gradually improving in efficiency and becoming familiar with their duties.

The municipal presidents punctually attend the conventions, during the sessions of which they suggest and propose everything which tends to better the condition of the province. Among their recommendations the following merit special mention: The suspension of the land tax during the present year; the petition for maguey plants for experiment and propagation in the different municipalities, and new rules and regulations for the government of the municipal police, approved by all the municipal councils of the province, and which were drafted by the provincial governor with the agreement and at the unanimous petition of the presidents in convention, who gave him this vote of confidence as well because they understood that he was the one best informed of the deficiencies of the services of said institution, as for the desire that said rules and regulations should bear the stamp of uniformity.

ELECTIONS FOR REPRESENTATIVES TO THE ASSEMBLY.

The inhabitants of the province could not do less than receive with pleasure, as it was awaited with anxiety, the publication of the election law recently promulgated, and they trust it is a step which heralds a brilliant future for the country.

The preceding statement is apparently not justified by the number of electors who registered, for in some of the municipalities the number of electors who registered scarcely exceeded one-half of those qualified to make use of this right. But this indication of little enthusiasm should not be interpreted as apathy, nor to a lack of desire to make use of the privilege which the law grants to citizens, but rather to the small number of days allowed for registration, and because the days for registration occurred during the period for sowing rice and bad weather, as there were copious rains, which made the roads of the barrios distant from this capital impassable, and prevented the people from arriving at the polling places.

VISIT OF THE GOVERNOR-GENERAL.

The visit of the honorable Governor-General to the capital of this province last January was a real and sincere gratification to the inhabitants, as they have had occasion to demonstrate to me upon my last visit of inspection, and will strengthen undoubtedly the attachment and the respect of these loyal inhabitants to the constituted powers.

AGRICULTURE.

The agriculturists are beginning to understand that agriculture is the basis of the riches of these municipalities and strive to sow their fields with products which yield them some material profit.

Owing to the tempests which visited us during the year—particularly those of May and September—which occasioned great destruction to the tobacco and rice plantations, the crops of these two products may be stated as moderate, especially that of tobacco, which we all expected to reach a total of some 60,000 quintals, while there were in fact but some 42,000. The crop of rice has been ordinary in some municipalities, as at Luna and Balaoan, which supply many of the municipalities of the south.

During these last months some palay has been imported from Zambales and sold in the municipalities of San Fernando, Bauang, and Naguillan.

That not many new plantations of maguey have been set out is due to the scarcity of seed plants and to the excessive price of those from Zambales and Ilocos Sur, which have reached ₱10 per thousand, a price which, in the opinion of the planters, is very excessive, taking into consideration their quality.

Experiments have been made with plantations of Hawaiian sisal. Of the 8,000 plants sent by the Department of Agriculture and divided among various planters excellent results have been obtained, there having been a loss of only 17 per cent, which was due to their failure to take root.

I have recommended the purchase of that seed to the agriculturists engaged in the cultivation of this textile, because I consider it in every way superior to that of this country. No doubt the cultivation of his plant will steadily continue to increase.

The rich planter, Lucino Almeyda, is setting up a fine machine for the stripping of maguey, imported by him from America, which doubtless will produce large returns.

The municipalities do not tire in doing all they can toward the promotion of agriculture. Some have constructed dams and irrigation canals, which irrigate lands of great extent, and recommend the growing of garden truck on dwelling lots.

The municipality of Naguillan has received with real gratification the visit of Mr. Gustavo J. Petrelli, superintendent of the experimental farm at Benguet, who shortly will conduct experiments in that municipality for the purpose of improving and bettering the production of agricultural products, particularly that of tobacco, the favorite plant of the farmers of that locality. The municipal council offered, through the medium of the undersigned, to cooperate with said expert in all that pertains to the betterment of agriculture, and have offered to grant free of charge 1 hectare of land for the first experiments, for they understand that henceforth with the adoption of modern systems the old, primitive customs will be discontinued.

Unless adverse climatic conditions prevent, it is expected that the coming tobacco harvest will be the largest known in the last four years. During the visit to the sowed lands made by the undersigned in May he saw large plantations of this leaf; and municipalities, such as Bagnotan and Bangar, which had ceased planting tobacco for about ten years had revived the same.

I have also informed the inhabitants of the construction of the railroad to these districts in the near future, which will undoubtedly be an instrument that will promote agriculture in all its branches, and give a great stimulus to the commerce and industry of these municipalities.

The production of sugar has not improved either in quantity or in quality; this, according to the information gathered, is due to the low price of this article during the last years in this province as well as in the markets of Manila.

COMMERCE.

The commerce of this province comprises leaf tobacco, rice, sugar, maguey, and carabaos.

Tobacco.—The total production of tobacco this year was 42,000 quintals. With the exception of some 3,000 quintals, which remain in the province for general consumption, all of it has been secured by Chinese merchants, and the Compañía General de Tabacos, the former exporting the tobacco to Manila and the latter to that capital and to foreign lands. The purchase price fluctuated between ₱7 and ₱9, according to class and quality.

The tobacco known as batec, which on account of its strong taste and aroma is much preferred by the consumers of Pangasinan and Ilocos, during the last month reached the price of ₱60 a bale (40 hands of 100 leaves each) in the markets of the municipalities of Ilocos.

Rice.—The price of this cereal per cavan (123 pounds) in the markets of the province has been from ₱3.20 to ₱6, according to its quality and origin.

Sugar.—The total production of this article was some 7,000 piculs (a picul equals 137½ pounds), the largest part of which has been secured by Chinese merchants at the price of ₱3.55 per picul.

Maguey.—Though the planting of this crop has now become general, its production was the same as in the preceding year—that is, from 600 to 700 piculs. It was sold at ₱8.50, ₱9, and ₱10, according to its quality—first, second, or third.

Carabaos.—It is a matter of some 6 months since I was surprised to learn that in some municipalities carabaos were being sold; upon inquiry I was informed that they were sold because they were not needed, and that with the money derived they desired to purchase more lands. The carabaos were sold at from ₱100 to ₱180 each, according to age and condition. The municipalities which sold the most carabaos were Balaoan and Bangar.

PUBLIC INSTRUCTION.

With true gratification, even pride, I can state that public instruction in the province is successful from every point of view.

The diligence of parents in sending their children to school, the application and progress of the students, and the cooperation by the municipal and provincial governments, have contributed greatly to make it successful and the labors of the teachers fruitful; the teachers have seen their efforts for the education of the youth of this province crowned with the most complete success.

We have now a building, recently completed, which answers for a provincial school. It is of solid construction, as it is entirely of stone with a galvanized-iron roof, with appropriate divisions for the object required, and of a capacity sufficient for 500 students.

In February of the present year the work of construction of a new building on the same site as the former, destined for a school of arts and trades, was begun; but, owing to the funds for said purpose having become exhausted, it will not be completed at the time desired by all of us.

The municipalities of the province do all in their power to maintain the schoolhouses in good condition. Bangar is repairing one of its old schoolhouses, because the present one is not large enough, and it is worthy of mention that because of the enthusiasm of its inhabitants, the cutting and hauling of the timbers for the building, cut in and brought from the mountains of Allien, required only thirty days.

Luna has also collected the necessary timbers to add one story to one of its schoolhouses built of stone and mortar.

Bagnotan will inaugurate its schoolhouse within a few days. Its lower story is to be of masonry and its roof of galvanized iron.

San Juan proposes to enlarge its schoolhouse, and has appropriated the necessary money for that purpose.

San Fernando, upon the advice of the governor and the suggestions of the division superintendent, Mr. Rosenkrans, has recommended to the municipal council the appropriation of ₱1,600 from the school funds, and is disposed to contribute ₱1,400, in order to make a fund of ₱3,000, and has petitioned the secretary of public instruction for another ₱3,000, with which capital of ₱6,000 it is projected to reconstruct the municipal school of this capital, placing thereon a galvanized-iron roof; but, in view of executive order No. 13, the project is in statu quo.

Santo Tomas will very soon have a spacious schoolhouse built of stone and a galvanized-iron roof. Attention is called to the fact that the building is of old construction.

On the last visit made by the undersigned to the different barrios of the municipalities of the province, he gave particular attention to inspecting the schoolhouses, and, with the exception of some few, all, though of light materials, were well constructed and sufficiently spacious for the number of children attending them.

In selecting the sites for these schools care has been taken in choosing proper barrios or places not too far distant from the adjacent barrios, so that the children of the surrounding country might attend.

During the fiscal year the average daily attendance in the municipal schools was 6,515, and in the provincial school of San Fernando, and the intermediate schools of Luna and Agoo, 299.

The number of students who passed the examinations during the school year is as follows: Provincial school, 14; intermediate, 11; primary, 375.

The number of students who attended the different schools of the province was 6,814, with an average daily attendance of 94 per cent.

The financial condition is also flourishing, as the following statement shows:

RECEIPTS.

Internal revenue.....	₱12, 149. 64
Land tax.....	11, 306. 20
Balance July 1, 1906.....	24, 642. 57
Miscellaneous.....	90. 18
Total	47, 118. 59

EXPENDITURES.

Construction	₱1, 635. 30
Repairs	381. 58
Rents	454. 97
Salaries of teachers.....	15, 316. 26
Furniture	1, 482. 84
Transportation of effects.....	75. 00
Other expenses.....	234. 69
School funds on hand on June 30, 1907.....	27, 538. 45
Total	47, 118. 59

The schools of the province have been taught by 17 American teachers, 8 Filipino insular teachers, and 103 Filipino municipal teachers.

PUBLIC HEALTH AND SANITATION.

The public health throughout the province has been relatively better than during the preceding years.

The municipal councils, cooperating with the sanitary authorities of their respective municipalities, have carried out the ordinances concerning this subject. To this in a great measure is due the fact that there has been less sickness.

Malarial fever has prevailed, but has not caused enough havoc to be alarming. Smallpox of a mild character appeared in the municipalities of Balaoan, Bangar, and Tubao. Isolated cases were recorded and a few persons died. During the months of October and November, 1906, under the inspection of Doctor de Jesus, there were vaccinated in—

	Persons.
Balaoan -----	7,561
Aringay -----	3,468
Santo Tomas -----	3,201

Since the month of September, 1906, rinderpest has appeared, causing havoc among the animals. Among the carabaos 600 cases were recorded, with 250 deaths.

Surra of a malignant character appeared in isolated cases, in view of which the provincial board was obliged to issue orders for the purpose of arresting that evil; the bureau of health was asked for the assistance of an inoculator. Some 80 horses were attacked with the disease.

POLITICS.

The elections, both municipal and provincial, have been the cause of great discord, not only among friends, but also among families. The truth of the matter is that caciquism was the principal cause, this social cancer having a tendency to destroy all that is good; for the caciques, availing themselves of their influence with the unwary and ignorant people, have allowed themselves no rest in organizing their parties, by enticing the illiterate, buying adherents, and distributing gifts and favors to the needy, and thus they have succeeded in organizing groups of orderlies or heelers to get supporters for their own candidacy or that of their protégés, and to protest against or denounce the successful candidates or their followers should luck be against them in the electoral struggle.

I hope the new election law will put a stop to these abuses. I will not neglect any effort to extirpate this social ulcer, and, though I do not expect to do so in a short time, I trust the measures which are being taken to enlighten the masses, united with the impulse which is being given to the education of the youth, will sooner or later compass its complete extermination.

There are two political parties in the province, the Nacional Progresista and the Nacionalista.

PUBLIC ORDER.

The province has enjoyed relative tranquillity, with the exception of a few assaults of little importance and the theft of animals. This latter, in my opinion, is due rather to the indifference of the owners of the animals, who, not having proper places in which to keep the cattle, permit them to run loose in the country at the mercy and disposition of the thieves.

The constabulary and municipal police have performed efficient services with the harmony necessary to all bodies charged with the enforcement of public order. In spite of their scarcity in numbers, in relation to the area of the province and of each municipality in particular, they have made constant scouts in the municipalities and barrios for the defense of the interests, properties, and tranquillity of their inhabitants.

The harmony which has prevailed, and still prevails, between the provincial authorities and the municipal officials, between the authorities and the public, and extending to the officers and soldiers who garrison Camp Wallace, is in every way enviable.

Realizing that the interests of the province so required, with the approval of the Governor-General, in August, 1906, I placed the municipal police under the control of the constabulary.

The inhabitants of La Union have always demonstrated their love of peace and order and their desire to acquire their subsistence by means of honest labor. They demonstrate respect for and attachment to the authorities, obedience to the orders emanating from them, and observance of the laws, ordinances, and regulations, as well of the province as of the municipalities.

FINANCE.

The financial condition of the province, as regards the provincial and municipal governments, has been in general good.

Those delinquent in the payment of cedula and the land tax for the years 1904 and 1905 are estimated at 10 per cent.

On petition of the provincial board contained in its resolution of November 23, 1906, the Philippine Commission approved act No. 1603, transferring to the provincial school fund the debt of this province to the insular government, amounting to ₱37,000, upon condition that the province would add thereto ₱13,000, the whole to be devoted to educational purposes in the province.

ECONOMY.

During the fiscal year the positions of provincial secretary, assistant to the provincial treasurer, clerk in the office of the governor, and one clerk in the office of the provincial treasurer, were abolished, making a total saving of ₱4,420 for the year; though there must be deducted from this amount some ₱600 a year, for the quota of the salary of the third member of the provincial board.

Many of the municipalities have consolidated the offices of municipal secretary and treasurer, and abolished some clerkships.

PUBLIC WORKS.

During the fiscal year the following sums have been expended for construction and repair of public works:

Construction of the provincial school and of the school of arts and trades.....	₱31,691.86
Construction of the government building.....	1,982.92
Construction and repair of bridges.....	2,173.90
Construction and repair of roads.....	5,286.21

The municipalities of Bauang and Aringay are constructing their municipal buildings; the municipal building of San Fernando will soon be commenced.

The province has received from the congressional relief fund (act No. 1275) for the construction of the provincial school, ₱12,000; for the construction of the school of arts and trades (act No. 1580) ₱6,000; and of the debt of ₱37,000, cancelled (act No. 1603), it has transferred to the provincial school fund for the construction and improvements of buildings the sum of ₱14,285.72.

Respectfully submitted.

J. LUNA,

Governor of the Province of La Union.

The GOVERNOR-GENERAL.

REPORT OF THE GOVERNOR OF ZAMBALES.

[Translation.]

OFFICE OF THE GOVERNOR, PROVINCE OF ZAMBALES,

Iba, July 9, 1907.

SIR: I have the honor to submit the following report covering the fiscal year ended June 30, 1907:

INTRODUCTION.

It is a well-known fact that Zambales being a poor and small province has been severely discussed and criticised as being that province the finances of which are the poorest and most precarious, and for this reason it was contemplated, at the beginning of my term of office, to annex this province to another and make it a subprovince.

This pessimistic view will serve me as an excuse for anything against my administration that may appear in this report.

ECONOMIC CONDITION.

Notwithstanding the pessimistic views above mentioned, the calendar year of 1906 has ended happily for the municipal governments, and the fiscal year 1907 had ended likewise for the provincial government. For the first time in the history of the government of the Province of Zambales the municipal treasuries showed no indebtedness, or an insignificant indebtedness on the one hand and a sufficient surplus on the other, and the provincial treasurer was able, without soliciting the assistance of the insular government, in accordance with act No. 1004, to cover all the expenses of the province and have a considerable surplus in the general as well as in the road fund.

The following table shows the balances on hand in the municipalities at the end of the calendar year 1906:

Municipality.	General fund.	School fund.	Indebtedness.	Remarks.
Botolan.....	P1,729.48	P219.13		No debts.
Iba.....	1,141.57	402.62	P92.59	
Masinloc.....	705.91	235.51	8.47	
Olongapo.....	697.17	66.74	34.50	
Santa Cruz.....	1,241.69	834.46		No debts.
San Marcelino.....	2,723.71	354.67		Do.
San Narciso.....	1,130.41	567.19	19.10	
Subic.....	1,634.70	578.43		No debts.

Balance on hand in the provincial treasury on July 1, 1907:

General fund.....	P4,692.25
Road fund.....	4,522.62

These figures clearly show that during the fiscal year covered by this report the financial condition of this province was not of the worst, as was at the beginning believed it would be. All the gloomy forebodings in this respect were the result only of the fear on part of the officials and the general public of the specter of the fusion, which ought to disappear from the scene in Zambales, because the future of this province promises to be a happy one, in view of the great economies introduced in the expenses, for which it has to thank its good friend in the executive bureau, and of the additional economies which will result if the steps taken by this administration will prove successful.

The surplus funds of the municipalities have been invested in large appropriations for permanent public improvements. At San Narciso, a town hall of strong material, of solid and modern construction, is nearing completion; at San Felipe, in the municipality of San Narciso, all the material has been gathered for a large municipal school building; at San Marcelino, a model schoolhouse of modern construction built of strong material was inaugurated September last year; the pueblo of San Antonio is following the example set by the municipality last mentioned, to which it belongs, by building a schoolhouse which also promises to be very good; the pueblo of Candelaria, in the municipality of Masinloc, inaugurated September of last year its handsome schoolhouse of mixed materials, the only regrettable feature being that it has not a galvanized-iron roof; the provincial capital, Iba, contemplates the construction of a town hall, the work on which is to commence upon the registration of the land on which it is to be built; the pueblo of Palaulg, in the municipality of Iba, has just completed its municipal schoolhouse, which is to be inaugurated at the opening of the present school year; Botolan is actively engaged in collecting the material for its new town hall, the construction of which is to begin soon, and Santa Cruz has appropriated P700 for the material for a municipal bridge, which will be a fine improvement if part of the P1,241.69, the balance on hand, can be used.

During the year covered by this report the provincial board has appropriated large sums from the proper funds for the construction and repair of bridges on the general wagon road. Considering the fact that the pueblos of the south contribute the most to the road fund, and that Subic and Olongapo are most important markets and commercial centers of the province, the provincial board has given special attention to the southern portion of the general wagon road, and it may be said to be at present in a satisfactory condition. The work of

constructing and repairing the bridges and culverts of the northern portion of the general wagon road has been commenced, but has been suspended for the time being on account of the present season being the time for work in the fields.

INSTRUCTION.

This branch has the best and most decided support of the government, and the Filipino people are convinced that it is the strongest basis for its reconstruction. For this reason the people of Zambales, though they have during the fiscal year received no support from the provincial government other than the rents of the buildings used for school purposes, and ₱200 for the purchase of land on which the proposed high school is to be built, are enthusiastic for instruction and ready to make up with their mites what the provincial treasury can not give.

As to the conditions of the public instruction in Zambales, I refer to the following report kindly furnished me by the division superintendent of schools:

DEPARTMENT OF PUBLIC INSTRUCTION,
BUREAU OF EDUCATION,
DIVISION OF ZAMBALES,
Iba, P. I., July 6, 1907.

SIR: I have the honor, in reply to your favored communication of the 28th ultimo, to submit the following:

Notwithstanding the precarious situation of the entire province during the past fiscal year, this has been in no manner a period of retrogression for the public instruction. It is true that we have made very little progress with regard to numbers, and have not been able to expend large sums, as we have been compelled to struggle in order to retain what little we obtained in previous years. We have, however, advanced in several respects.

In order to keep within our appropriations we have, of course, been compelled to decrease the number of the schools, closing several of minor importance, and discontinuing the employment of a few teachers during part of the year.

To be more explicit in my report I will make mention of the following facts:

For the first time in the history of the schools we have concluded the calendar year (1906) free from debt, with a considerable balance in the municipal treasuries; we have maintained a regular attendance of children slightly above that expected by the department on the basis of the population; the average number of municipal teachers employed during the year exceeds that of previous years by three of four, although the average salary of these teachers has increased from ₱11.61 in 1906 to ₱11.88 this year.

Our municipal teachers have advanced until not a single one remained who did not have the primary course certificate, and there is not one below the fourth grade, the majority being in the sixth and seventh. The teachers of this province who went to the teachers' assembly at Manila compared very favorably with those from other provinces. All strangers who come to this province say that it is ahead of the others so far as speaking English is concerned. English is almost universally understood in the province.

During this year we have completed the only modern building and the best schoolhouse of the province. Other pueblos, emulating the example set by San Marcelino, have begun constructing schoolhouses which are to rival the latter. There are only two schools in this division which do not occupy schoolhouses proper, but rented buildings.

The high school has kept abreast of the other schools, and its progress is a source of much gratification. While it is true that the province has done less for its maintenance this year than during any of the preceding years, yet the school has overcome all difficulties, and has managed without aid on the part of the province, excepting the small items of the rent and the cleaning of the building occupied by it. We have had a good friend and supporter in the insular government, which has given us the means to attain to the position which we now occupy. To this friend we owe the costly equipment for domestic science, new implements for agriculture, and tools for carpentering.

As evidence of the progress of the pupils, I may mention the following: As to carpentering—the furniture used in my office and in that of the principal of the high school; as to agriculture, the beautiful vegetable garden near the high school, and the flower garden kept at the same place by the girls of the

school. As to domestic science—the skill with which the girls prepare food and clothes; and as to the other branches, the number of pupils who have finished the intermediate course this year. The high school is now a school of secondary instruction indeed, because it has for the first time a class which will pursue all the studies of the first year of secondary instruction.

The annexed tables show more in detail the history of the schools for last year with regard to funds, schoolhouses, teachers, and graduates of the primary and intermediate courses.

Very respectfully,

O. ATKIN,

Division Superintendent of Schools.

The honorable GABRIEL ALBA,

Provincial Governor of Zambales, Iba, P. I.

In order to conclude this chapter about instruction, I must add to the above letter that the more the construction of the building for the provincial high school is delayed the more impatient become the people who have contributed to it, and who are burning with the desire to see the result of their sacrifices; and the pupils, and the teachers, and provincial officers, not less than they, deplore the continual reverses which the work projected has suffered.

In view of the great difficulties which the execution of the work encountered, the provincial board passed a resolution to undertake it administratively, and thus insure greater economy and better work than a contract with a private party could, considering the profit and interest involved.

This matter has been submitted to the superior authorities for approval, and the provincial board awaits the result with the greatest patience and resignation.

AGRICULTURE.

Agriculture is awakening the greatest zeal and interest on the part of the parties interested. This is best illustrated by the stand taken by several influential people, who became improvised agriculturists, preaching the love of labor and spreading good and scientific ideas. A great stimulus is also the competition of new agriculturists, strangers in this province. I have reference to several sons of the noble and great American nation, who have landed property in this province and are engaged in agricultural pursuits. These new champions of agriculture preach the idea and find a decided support in the natural love of the people for agriculture. They have brought to this province modern implements of agriculture, such as steel plows and harrows, and are making propaganda for their introduction in all the municipalities, waging at the same time an energetic campaign against all useless and unproductive routine methods.

The bureau of agriculture also awakens the interest of the agriculturists in an indirect manner and in the way of suggestion by the monthly and quarterly reports which it requires of the municipalities, from official or private sources, and which cover a great deal of information of importance to agriculture. It has also contributed to the development of agriculture by sending seeds to the agriculturists, accompanied by pamphlets with instructions regarding their cultivation. It has furnished the province with 8,000 Hawaiian maguey plants, which have been distributed to the agriculturists of several pueblos, and are doing very well.

The cattle pest has become endemic among the draft animals, but notwithstanding this the principal crop—rice—has been very abundant, and, as a rule, it has increased 15 per cent over what it was last year, the area of land planted in rice having been 10 per cent larger than during the preceding year.

The same rate of increase applies to other products, such as sugar cane, maize, cocoanuts, and maguey. The two crops last mentioned have been taken up with great enthusiasm. The landowners of means are very anxious to purchase cocoanuts, which are becoming dearer every day, for planting, and the landowners in general buy a great deal of maguey seed, which can be obtained very cheap in this province.

Horticulture has received a great impulse since Olongapo has opened a large market for the products of the province.

In view of the frightful mortality among horses at Botolan, Iba, and Palauig during the year it is at present very difficult for the traveler to hire one. The usual mode of transportation in vogue in this province, even among the wealthier classes, is the cart drawn by carabao, or very seldom by neat cattle.

The rinderpest wrought terrible havoc among the carabao at Olongapo. In less than a week it carried off all the carabao in the barrio of Santa Rita, and

unfortunately the veterinary surgeons did not come until the disease was at an end for want of anything to destroy.

I must mention, however, that in spite of the fact that this disease has become endemic among the labor cattle, nature, which does not always deny its benefits, has during this fiscal year been very generous toward the carabao and the neat cattle, which have prospered and increased 25 per cent.

The increase of the area of land under cultivation is largely due to this increase of the labor cattle.

In concluding this subject I take great pleasure in stating that in all the pueblos there exists the greatest enthusiasm for the aggrandizement of agriculture, to such an extent that the people themselves desire municipal legislation making it obligatory to plant certain useful crops. This unanimous desire in the pueblos was ably interpreted by the convention of municipal presidents, when it resolved that all the municipal councils should pass an ordinance obliging the residents to plant certain products, each according to his ability. However, this resolution proved a failure, because, in view of an opinion of the attorney-general, it had to be repealed.

I am of the opinion that however important the initiative taken by the government for the betterment of agriculture may be, its good intentions will always suffer shipwreck on the reef of indifference so long as the municipal councils are without power to legislate for their enforcement.

COMMERCE.

I must repeat what I have said in a previous annual report—the commerce of Zambales is monopolized by the Chinese.

With the exception of the pueblos inhabited by Ilocanos, and Subic and Olongapo, where the population is almost cosmopolitan, the commerce in the pueblos of this province is in the hands of the Chinese, who are the absolute masters, so far as the exploitation of all the public wealth is concerned.

A son of the Celestial Empire has introduced himself at San Narciso, where the commerce has always been flourishing, and is now competing with the native merchants. Though his shop was established less than a year ago, it is now the largest and most important of San Narciso and has a large patronage, which protects it from failure.

The first places among the products exported are occupied by rice and paddy. The amounts exceed those of the preceding fiscal year, it being estimated that 87,000 cavares of rice and 24,000 cavares of paddy were exported, and that 29,000 cavares are left of the last crop.

The lumber business, in which the people of Subic and Olongapo are engaged, has not been very good, because of low prices and little demand.

Charcoal and rattan were also among the articles exported; but the production of these articles during the present fiscal year has been almost one-half less than last year. This is principally due to the lack of laborers at the places of production, which is the result of the great demand for laborers at Olongapo, where good wages are paid.

To resume. The commerce of the province of Zambales during the fiscal year has been of negative results with regard to the exploitation of its wealth, even if we include rice and paddy, for which good prices were secured, and its results will remain negative so long as the commerce is monopolized by the Chinese, who take all their money to their own country as soon as they have become wealthy.

INDUSTRY.

The province of Zambales is poor, so far as industry is concerned. With the exception of the building of sailboats, the industries of this province lack commercial importance and their products are not exported. I will, however, mention the principal products: Mats, nipa for roofing, and buri sacks. Tannery, saddlery, shoemaking, and tailoring, are other small local industries.

In the pueblo of Botolan the manufacture of buri hats is being perfected; they resemble Panama hats when properly formed. The amateur manufacturers are very enthusiastic, and a plan is on foot to exploit this industry.

Carpentering is a trade which is becoming general, especially among the Ilocanos. It is exploited with very good results by a son of this province, the present teacher of the industrial department of the high school, who works in his leisure hours and teaches his compatriots the arts of carpentering and

cabinetmaking. The products of his work are used to fill the requests for office furniture received from some of the municipal governments. The carts existing in this province, which are constructed in accordance with the requirements of the law, are also products of this industry.

FACTORIES.

Though it would seem that this province is still poorer, so far as factories are concerned, it is not so in reality, there being a rice-hulling mill at San Narciso which turns out 32 cavares per day, two lemonade factories, one at Subic and the other at Olongapo, one distillery at Botolan, and one cigar factory at San Narciso.

NATURAL WEALTH.

It is well known that the forestal wealth of Zambales is splendid and abundant. There is a large variety of timber, and an abundance of those of the first group—yacal, molave, and narra.

As I stated before, when mentioning lumber as an article of commerce, the exploitation of the timber wealth as a business has decreased considerably during the fiscal year. However, a great deal of timber from the second group downward has been cut for the construction of houses. Thanks to the privilege of cutting timber free of charge, the aspect of the towns has greatly improved, and the pueblo of San Narciso may be mentioned as the best example in this respect, because of its beautiful población.

A big company is contemplating the establishment of a sawmill in this province. The realization of this project would greatly improve the conditions of the work in the exploitation of the forestal wealth of Zambales, and would offer additional facilities to the province for its public works, and to private parties contemplating the construction of houses.

The mineral wealth of Zambales, if exploited, would put the province in good condition financially. There are valuable mineral deposits in its soil, which have already been located and recorded in the office of the provincial secretary—there being coal, silver, gold, etc., an abundance of amianth, and sulphur of very good quality. During the fiscal year an asbestos mine has been recorded, so that there are at present ten mining claims recorded in this province.

NONCHRISTIAN TRIBES.

The most important of the many settlements of Negritos in this province are those of Villar, Moraza, Tambalao, and Balinbiclat, in the municipality of Botolan; those of Aglao, Casapaltan, Payudpud, and Camucauan, in the municipality of San Marcelino, Naugsol, in Subic, and Boton and Santa Rita, in the municipality of Olongapo.

There is a considerable tendency toward assimilation and cohesion among the Negritos of Boton, Aglao, and Villar, who seem to be inclined to reorganize in order to found a township later on.

The settlement of Villar is in the lead, and has at the present time a school for its children which cost ₱60, taken from the non-Christian tribes fund. School will be opened soon, there being a teacher with a compensation of ₱15 per month.

There is a great deal of enthusiasm for instruction among these black people, as shown by the action of the inhabitants of the settlement in assisting, spontaneously and without compensation, in the construction of their school-house.

The Negritos of Boton (Olongapo) are more civilized than any of the others in this province, and come frequently into town. They are engaged in the cutting of timber, and many of them go to Manila to sell it there, and enter into contracts for labor, the same as civilized people.

All the settlements, without exception, are greatly devoted to the government. They treat all travelers, without distinction, with great respect, receiving them in their huts and guiding them on their way, if they so desire.

The Negritos are organized under the old system, having a captain, lieutenants, and policemen, whose orders are obeyed and respected, and their settlements form the outposts on the strategic points by which the lawless elements of the adjacent provinces might enter ours.

My assurance as to the situation in this province, on the occasion of the escape of the prisoners in the province of Bataan, was largely due to my confidence in the outposts established by the various Negrito settlements.

POLITICS.

While the last among the provinces as to finances, Zambales comes first in the matter of public order and tranquillity, as it has the distinction of being the most quiet in the archipelago. This will be confirmed by the many travelers who have honored Zambales with their visit, and who have in every case admired the tranquillity, peace, and good order prevailing in this province.

- The governor-general has said with good reason:

"A man is a thousand times better off without a firearm than with one, especially in a province inhabited by very peaceable people, like Zambaleños."

In fact, the causes of this condition lie in the very character of the province. The abundance of natural wealth, which furnishes the sons of this soil an honest living without much work; the facility and cheapness of the articles of first necessity; the work which the soil of Zambales never denies to the Zambaleño; all these circumstances, joined with the peculiar topographical formation of this province, which has in the Zambales range a natural wall separating it from the adjacent provinces and protecting it from contamination, have modeled the character of the people of Zambales in such a manner as to make it deserving of the honorable title of the most peaceable people.

During the fiscal year the relations between the people and the government, and between the honorable citizens and the officials, have been entirely satisfactory, and they promise to remain so. There is mutual confidence and good understanding, and mutual cooperation in the work of preserving peace, tranquillity, and good order.

The director of constabulary having asked me for a confidential report, I informed him that the constabulary stationed in this province had not had an opportunity to show its efficacy, for the reason that the deep peace which this province is enjoying did not give any opportunity for the action of the armed force.

The result of this statement was that one of the two constabulary companies stationed in the province was withdrawn, which naturally produced some displeasure on the part of the enlisted men who were taken away from their homes, of the officers who were deprived of the pleasures of a peaceful and tranquil life, and of all those persons whose business interests were injured by the reduction of the constabulary forces stationed in this province.

At the beginning there was a good deal of excitement, and there were rumors of a protest which was to be filed with the governor-general. However, time and circumstances ended by calming the minds, and the public finally became convinced that there was no necessity for such a large force in Zambales, while the constabulary was, on the other hand, badly needed in other provinces.

I must state that I did not request the reduction of the constabulary stationed in my province. I was, however, agreeable to the withdrawal of the company mentioned, which is at present in the province of Cavite.

The constabulary company of this province is a valuable auxiliary in the maintenance of order and the protection of life and property; the greater number is stationed at the capital—Iba—and 15 men, commanded by a subinspector, form the small detachment at Santa Cruz.

The Iba detachment is in charge of the patrol service toward the pueblos of the south, and the Santa Cruz detachment guards the point of ingress and egress of lawless elements in the north. The new service plan furnishes considerable work to the members of the corps, who perform the same with great efficacy and make it a genuine police service, to the satisfaction of the public.

There was a great deal of alarm in the pueblos of the south on the occasion of the escape of the prisoners in the province of Bataan, especially when the public learned that Modesto Miaco, the ringleader of the jail delivery, had for a long time been a resident of the pueblo of San Marcelino. However, the frequent, regular appearance of the constabulary patrol, the repeated journeys which government officials made into the mountains, where they visited the Negrito settlements, and lastly, the cooperation of the people, who rendered patrol service in the towns proper and in the most populous barrios, ended by making the situation again normal. Finally, when it became known to the public that the Miaco gang, being hard pressed by the government forces, had dispersed, the municipal ordinance making patrol service obligatory for all the citizens was suspended.

The Miaco incident, which caused alarm among the women and a few timorous property owners in the south, furnished a good opportunity for testing

and putting into practice the new police service, which was found to be excellent, its efficacy being proved by facts. It will be seen that an efficient police service does not lie in numerical strength, but in the quality of the service rendered in the protection of the public and the maintenance of order.

CONSOLIDATION.

The rehabilitation of Zambales has been the principal aim of this administration ever since its inauguration, it being considered an efficacious means of preventing absorption of Zambales by another province or provinces, of alleviating its economic situation, and of assuring its juridical existence.

The deep political crisis through which the province is passing from year to year, and the not less regrettable crisis through which its provincial treasury has passed, have served the good people of Zambales as sad and bitter lessons, and have convinced it that the solution of the question of provincial independence lies solely and exclusively in the return of the pueblos of the north. For this reason the conventions of municipal presidents of 1905 and 1906, voicing the unanimous desire of the people, passed resolutions to the effect that all the necessary measures be taken to attain to the noble aspiration of the people, the much desired rehabilitation of the province of Zambales. The date of the convention of 1906 coincided with the inauguration of my administration.

In order to overcome the obstacles in the way, a committee of provincial and municipal officers has been organized to take steps to secure this condition from the Philippine Assembly, the body which will have the jurisdiction and power to determine the fate of this province.

The desire of the people of Zambales to see their ideal triumph is very great, and has its bearing on the present campaign for the election of deputies to the assembly.

PUBLIC HEALTH AND HYGIENE.

Zambales, aside from being a peaceable province, is a very healthful one; but disease is an evil which exists here as everywhere.

The most prevalent diseases recorded during the year were—among the adults, the various fevers; among the children—intestinal catarrh; and among the poor infants—convulsions.

There was no disease of an endemic or epidemic character, with the exception of malaria, which appears periodically in the cool seasons, in the months of December, January, and February.^a

Taken together, the sanitary and hygienic conditions in the province have been very satisfactory during the year, thanks to the work performed by the municipal councils, under the direction of the provincial board.

The expense of the sanitary department, the work of which is done by the municipal councils, as I have said, constitutes a heavy burden on the provincial treasury, and has given cause to complaints on the part of the provincial board and of the general public, because the truth is that it has not been and is not of any benefit to the province and its pueblos. The opinion of the provincial board, supported by that of the convention of the municipal presidents, as legitimate representatives of the people, is that the position of health officer is useless and unnecessary. For this reason the board has requested the abolition of that position, and it hopes to obtain a favorable consideration of this petition, which it deems very just, more so than that for the abolition of the office of provincial fiscal, which was favorably acted upon by the Philippine Commission.

Respectfully submitted.

GABRIEL ALBA,
Governor of the Province of Zambales.

The GOVERNOR-GENERAL.

EXHIBIT O.

FOREIGN CONSULS.

(List of the consular representatives in the Philippine Islands, with their office addresses.)^b

^aA table showing the condition of public health has been omitted, and is on file in the Bureau of Insular Affairs, War Department.

^bThis has been omitted and is on file in the Bureau of Insular Affairs, War Department. For similar list, see p. 103.

EXHIBIT NO. 3.

REPORT OF THE AUDITOR FOR THE PHILIPPINE ISLANDS.

PART I.

MANILA, April 1, 1908.

SIR: Complying with the requirements of existing law I have the honor to submit this, the seventh annual report of the fiscal affairs of the government and its political subdivisions for the fiscal year ended June 30, 1907, consisting of the following:

Schedule A.—The insular balance sheet at the close of business June 30, 1907, and June 30, 1906.

- (1) Abstract of unexpended balances of appropriations, bureaus and offices (p. 495).
- (2) Abstract of unexpended balances of appropriations, miscellaneous expenses (p. 495).
- (3) Abstract of unexpended balances of appropriations, insular aid to provinces (p. 496).
- (4) Abstract of unexpended balances of appropriations, public works from insular revenues (p. 496).
- (5) Abstract of unexpended balances of appropriations of self-sustaining bureaus and funds, stated separately for the reason that their transactions do not affect the available surplus, except as noted (p. 496).
- (6) Abstract of unexpended balances of appropriations for public works and permanent improvements from proceeds of bond issue (p. 497).
- (7) Abstract of unexpended balances of appropriations from the Congressional relief fund (p. 497).
- (8) Abstract of miscellaneous liabilities of the government (p. 497).
- (9) Abstract of unexpended balances of appropriations and liabilities on account of the city of Manila (p. 498).
- (10) Recapitulation of cash balances (p. 498).

Schedule B.—Income and expenditures statement of the insular government.

- (1) Revenues (p. 499).
- (2) Expenditures, executive department (p. 502).
- (3) Expenditures, department of the interior (p. 503).
- (4) Expenditures, department of commerce and police (p. 505).
- (5) Expenditures, department of finance and justice (p. 508).
- (6) Expenditures, department of public instruction (p. 509).
- (7) Expenditures, the judiciary (p. 510).
- (8) Expenditures, miscellaneous expenses (p. 511).
- (9) Expenditures, aid to provinces (p. 511).
- (10) Capital expenditures, public works from insular revenue (p. 512).
- (11) Loans to provinces (p. 513).
- (12) Summary of above (p. 513).
- (13) The surplus account (p. 514).

Schedule C.—Statement of capital operations, i. e., bureaus and funds, the property of the government, whose transactions do not affect the available surplus except as noted (p. 514).

- (1) Proceeds of opium licenses (p. 515).
- (2) Marine railway and repair shop (p. 515).
- (3) Commissary stores, bureau of constabulary (p. 515).
- (4) Baguio townsite improvement fund (p. 515).
- (5) Coal supply fund (p. 516).
- (6) Arrastre plant, bureau of customs (p. 516).
- (7) American circulating library (p. 516).
- (8) Bureau of printing (p. 516).
- (9) Industrial division and carabao cart fund, bureau of prisons (p. 517).
- (10) Bureau of supply, supply division (p. 517).
- (11) Bureau of supply, cold storage division (p. 517).
- (12) Summary of capital operations (p. 518).

Schedule D.—Operations of the Congressional relief fund (p. 518).

Schedule E.—Operations of the gold standard fund (p. 519).

Schedule F.—Operations of the friar lands fund (p. 520).

Schedule G.—Expenditures from the proceeds of public works and permanent improvement bonds (p. 520).

Schedule H.—Statement of operations of sundry trust funds (p. 522).

(1) Provincial and municipal internal revenue (p. 523).

(2) Interest accrued and unpaid (p. 524).

(3) The money-order fund (p. 524).

(4) The postal savings bank (p. 525).

(5) Sundry accounts not included in the balance (p. 525).

Schedule I.—Fiscal operations of the city of Manila.

(1) The balance sheet (p. 525).

(2) Income and expenditures statement (p. 526).

(3) Operations of special funds (p. 528).

(4) Revenue account (p. 529).

(5) Appropriation account (p. 530).

REVENUE FROM TAXATION.

The income from taxation collected by this government and its political subdivisions during the fiscal year was as follows:

Insular government.....	₱ 22, 013, 257. 81
Provincial governments.....	2, 579, 262. 48
City of Manila.....	1, 802, 281. 05
Municipal governments.....	4, 089, 861. 36
Total.....	30, 484, 662. 70

or, according to the census of 1903, the sum of ₱3.99 (\$1.995 United States currency) per capita for each inhabitant of the islands.

FISCAL AFFAIRS OF THE PROVINCES AND MUNICIPALITIES.

As these are contained in detail in Part II of this report, already published, only a summary thereof is included in this report (p. 531).

THE BALANCE SHEET OF THE INSULAR GOVERNMENT.

In this report the balances in the hands of collecting officers are brought into the available surplus account, and all of the so-called statistical accounts have been brought into balance with the cash accounts, following the usual commercial practice in that respect.

CURRENT ASSETS.

Under the system of accounting in vogue in this office up to and at the close of this fiscal year, only the current assets represented by loans and advances to provinces and the current account of the city of Manila have been brought into the accounts and this system was necessarily followed in the preparation of this report; but in order to present the accounts of funds (the proceeds of bond issues) in a manner intelligible to a layman, the assets represented by the expenditures therefrom have been brought into account.

In the ensuing year so far as possible the current assets represented by unexpended supplies in the storehouses and material yards of the various bureaus and offices of the government will be brought into the accounts as well as the equipment of the government, commonly known as nonexpendable property. In a few instances where the money value of stores was accurately known in this office the information is contained in a footnote to the account. The value of the government's property will be carried into the principal or capital account, and shown on the assets side of the balance sheet in reasonable detail. To this fund has been credited the amount of loans and current accounts and premiums on public works and permanent improvement bonds. The current account balance of the city of Manila, heretofore carried as available for appropriation, has also been carried to this account.

A concise summary of the transactions of the year affecting the surplus will be found on page 513 of this report.

SCHEDULE A.

Balance sheet of the insular government at the close of business.

	June 30, 1907.	June 30, 1906.
ASSETS.		
Cash in Treasury and depositories.....	P80,117,681.94	P45,122,514.29
Cash in the hands of collecting and disbursing officers.....	2,465,673.69	2,039,473.98
Real estate, friar lands (purchased from proceeds bond issue).....	52,583,355.63	47,161,288.27
Permanent improvements (constructed from proceeds bond issue).....	13,903,257.21	13,895,007.18
	5,475,634.44	4,550,859.43
Current assets:		
Loans and advances to provinces.....	654,304.99	471,408.22
City of Manila account current.....	454,373.28	947,516.19
Due from United States mints (gold-standard fund).....	4,039,573.34	
	5,148,256.61	1,418,925.41
Total.....	77,110,503.89	67,026,080.29
LIABILITIES.		
Bonded debt:		
Gold standard fund certificates.....	2,000,000.00	3,000,000.00
Friar lands bonds.....	14,000,000.00	14,000,000.00
Public works and permanent improvements bonds.....	7,000,000.00	7,000,000.00
Silver certificates outstanding.....	23,000,000.00	24,000,000.00
Depository funds.....	21,540,708.00	14,410,000.00
Sinking fund to retire friar lands bonds.....	7,912,526.00	11,218,498.70
Refundable export duties.....	711,901.53	1,273,698.28
Provincial and municipal internal revenue (undistributed).....	831,048.66	815,914.46
Money-order funds.....	508,789.41	596,266.46
Postal savings-bank funds.....	585,025.02	1,252,779.64
Constabulary pension fund.....	510,081.64	
	101,081.18	81,037.66
Gold-standard fund.....	720,629.55	5,789,267.92
Mint account.....	4,039,573.34	
	4,760,202.89	5,789,267.92
Less bonded debt (supra).....	2,000,000.00	3,000,000.00
	2,760,202.89	2,789,267.92
Congressional relief fund.....	296,335.90	485,696.06
Interest accrued and unpaid.....	464,766.67	
Miscellaneous trust funds (see p. 522).....	63,125.23	30,871.73
City of Manila:		
Revenue account.....		10,084.76
Appropriation account.....	183,546.77	172,011.22
Sewer and water-works fund.....	3,709,449.60	1,590,417.23
Sewer and water sinking fund.....	80,592.44	
Luneta extension loan.....	40,970.89	89,979.62
	4,014,559.70	1,862,493.13
Warrants outstanding.....	278,272.91	96,281.77
Principal account.....	1,640,043.18	1,942,035.29
Surplus:		
Appropriated.....	5,159,607.29	4,642,114.94
Available for appropriation.....	6,731,828.68	1,528,954.91
	11,891,435.97	6,171,069.85
Total.....	77,110,503.89	67,026,080.29

Abstract of unexpended balances of appropriations.

(1) BUREAU AND OFFICES.

[NOTE.—Items bracketed indicate overdrawn appropriation or balance due officers, as the case may be.]

	Treasury.	Other officers.	Totals.
Executive department:			
Philippine commission.....		P3,638.88	P3,638.88
The executive.....	P2,083.32	3,183.98	5,267.25
Executive bureau.....	[5,232.52]	[2,135.62]	[7,368.14]
Bureau of civil service.....	[125.98]	185.38	56.42
Bureau of audits.....	3,506.83	[2,302.59]	1,204.24
Department of the interior:			
Bureau of health.....	159,134.74	56,134.17	215,268.91
Bureau of quarantine service.....	38,197.43	1,168.42	39,365.85
Weather bureau.....	2,000.74	1,076.00	3,076.74
Bureau of forestry.....	410.84	1,418.98	1,829.82
Bureau of science.....	57,867.00	1,539.18	59,406.18
Bureau of lands.....	101,515.89	[7,094.44]	94,421.45
Bureau of agriculture.....	[15,023.52]	3,076.37	[11,947.15]
Philippine medical school.....	2,750.51		2,750.51
Department of commerce and police:			
Bureau of constabulary.....	57,326.80	202,646.91	259,973.71
Bureau of posts.....	[1,559.04]	57,896.50	56,337.46
Bureau of navigation.....	147,943.70	1,247.02	149,190.72
Bureau of navigation, light-house service.....	30,346.79	[1,834.85]	37,511.94
Bureau of coast and geodetic survey.....	14,280.97	5,365.41	19,646.38
Office of the supervising railway expert.....	13,065.86	9,094.16	22,160.02
Bureau of public works.....	69,872.93	[14,274.15]	55,598.78
Office of the consulting architect.....			
Bureau of architecture.....			
Department of finance and justice:			
Bureau of the treasury.....	6,130.50	1,697.18	7,827.68
Bureau of justice.....	22,770.49	8,539.17	31,309.66
Bureau of internal revenue.....	55,633.25	17,554.37	73,187.62
Bureau of customs.....	52,781.44	44,260.76	97,042.20
Department of public instruction:			
Bureau of education.....	[148,922.98]	55,483.95	[93,439.01]
Bureau of prisons, prison division.....	25,704.97	6,103.95	31,808.92
The judiciary.....	24,421.98	[7,774.44]	16,647.54
Total.....	725,862.98	445,874.60	1,171,737.58

(2) MISCELLANEOUS EXPENSES AND FIXED CHARGES.

Fidelity bond premiums.....	P42,699.43	P201.94	P42,901.37
General purposes.....	167,155.34	21,254.86	188,410.20
Insular salary and expense fund.....		408.82	408.82
Payments to contract steamships.....	98,017.11		98,017.11
Pay of Cavite police.....	2,078.68	360.01	2,438.69
Collecting lepers for Cullion colony.....	649.78	738.59	1,388.37
Exposition board.....	6,147.44	1,718.36	7,865.80
Extra compensation of treasury examiners.....	2.00		2.00
Aid to economic association.....	180.00		180.00
Benguet improvements.....		218.02	218.02
Expenses Burnham and Anderson.....			
Expenses Congressional party.....			
Purchase of Formosa eggs.....			
Payments to Sultan of Sulu et al.....		275.17	275.17
Sales of rice, act 495.....		1,124.87	1,124.87
Relief of Blas Cabrera et al.....		500.00	500.00
Philippine census.....			
San José litigation.....	1,876.27		1,876.27
Registration of property, Cebu.....	200.00		200.00
Gift to inhabitants of Kalanga.....	500.00		500.00
Gift to inhabitants of Apayo.....	500.00		500.00
Extra compensation to accountant counting mutilated money.....	200.00		200.00
Payment to Governor Curry.....	850.00		850.00
Payment to R. F. Santos.....	4,357.00		4,357.00
Interest on public works and permanent improvement bonds.....	[30,000.00]		[30,000.00]
Total.....	295,411.05	26,798.64	322,209.69

Abstract of unexpended balances of appropriations—Continued.

(3) AID TO PROVINCES.

[NOTE.—Items bracketed indicate overdrawn appropriation or balance due officers, as the case may be.]

	Treasury.	Other officers.	Totals.
Province of Bulacan.....	P2,334.45		P2,334.45
Province of Cebu, act 1614.....	1,800.00		1,800.00
Province of Cebu, act 1660.....	3,000.00		3,000.00
Province of Leyte.....	7,500.00		7,500.00
Province of Samar.....	7,196.06		7,196.06
Total.....	21,830.51		21,830.51

(4) PUBLIC WORKS FROM INSULAR REVENUES.

[NOTE.—Items bracketed indicate balances due officers.]

Purchase of settlers' rights at Iwahig.....		P72.00	P72.00
Construction of schoolhouses act.....	P264,500.00	26,066.17	290,566.17
Construction of schoolhouses act.....		2,000.00	2,000.00
Buildings and structures at Cullion leper colony.....	4,999.01		4,999.01
Construction and equipment of San Lazaro Insane Hospital.....	31,767.05	3,987.55	35,754.60
Construction of hospital at Bilibid Prison.....	66,000.00	25,000.00	91,000.00
Construction of governor-general's residence at Bagulo.....	20,000.00	6,773.80	26,773.80
Construction of light-houses, act 1662.....	73,105.41	4,283.52	77,388.93
Construction of light-houses, act 1246.....	9,907.27		9,907.27
Construction of roads and bridges, act 1.....	18,589.40	2,060.07	20,649.47
Construction of Pasig River walls, act 669.....	40,593.19		40,593.19
Construction of abutments for wharves, Manila.....	7,500.00	4,007.75	11,507.75
Clearance of Bayabas and Norzagaray rivers.....	5,184.30		5,184.30
Post-office wharf, Manila.....	887.80	[856.26]	81.54
Dredging Cagayan River.....	5,754.86	[1,006.67]	4,748.19
Cuyo wharf.....		75.71	75.71
Anchors and buoys.....		4,677.28	4,677.28
Completion of Luneta extension fill.....	27,840.00	15,188.75	43,028.75
Retaining walls, Luneta extension.....	10,000.00	[3,207.70]	6,792.30
Investigation of harbor improvements.....	376.71	967.50	1,334.21
Construction water supply at Cullion.....	2,280.12		2,280.12
Retaining walls at Malacañan.....	15,000.00		15,000.00
Construction constabulary barracks and quarters.....	93,500.00	6,500.00	100,000.00
Cebu wharf.....	1,000.00		1,000.00
Construction Cebu-Toledo trail.....		5,000.00	5,000.00
Construction Pagbilao-Atimonan road.....	120,000.00		120,000.00
Construction Taytay-Antipolo road.....		5,000.00	5,000.00
Artesian wells.....	37,000.00		37,000.00
Assay office, bureau of science.....	1,965.00		1,965.00
High school building, Bacolod.....	3,000.00		3,000.00
Vault for court of land registration.....	2,400.00		2,400.00
Construction of immigration station.....	10,000.00		10,000.00
Construction of dairy barn, Alabang.....	6,600.00		6,600.00
Construction of Bagulo Hospital.....	50,000.00		50,000.00
Construction of Sibul Springs road.....	43,000.00		43,000.00
Restoration Magallanes monument at Ilacian, Cebu.....	1,850.00		1,850.00
Sewer system at Bilibid Prison.....	20,000.00		20,000.00
Sanitary beds at Bilibid Prison.....	20,000.00		20,000.00
Grading grounds, bureau of science.....	4,060.00		4,060.00
Improvements of the port of Manila.....	14,717.48	4,614.56	19,332.04
Total.....	1,033,376.60	111,182.03	1,144,558.63

(5) SELF-SUSTAINING BUREAUS AND FUNDS.

[NOTE.—Items bracketed indicate overdrawn appropriation or balances due officers, as the case may be.]

Commissary stores (bureau of constabulary).....	P221,153.87	P10,809.94	P232,063.81
Marine railway and repair shop (bureau of navigation).....	64,354.23	[700.54]	65,054.77
Bagulo town-site improvements (bureau of public works).....	[2,304.99]	2,596.94	291.95
Coal-supply fund (bureau of customs).....	[2,329.87]	443.70	[1,886.17]
Proceeds of opium license (bureau of health).....	571,283.17	20,021.18	591,304.35
Arrastre plant, Manila (bureau of customs).....	5,488.68	81,410.88	86,899.56
Bureau of supply:			
Division of supplies.....	1,082,194.33	207,683.88	1,289,878.21
Division of cold stores.....	91.45	7,402.40	7,493.85
Bureau of printing.....	153,706.75	3,835.19	157,541.94
Bureau of prisons (industrial division).....	85,946.29	5,806.99	91,753.28
American circulating library (bureau of education).....	382.60	[108.19]	274.41
Total.....	2,159,976.51	339,294.37	2,499,270.88

Abstract of unexpended balances of appropriations—Continued.

(6) PUBLIC WORKS AND PERMANENT IMPROVEMENT FUND (BOND ISSUE).

[NOTE.—Item bracketed indicates balance due officer.]

	Treasury.	Other officers.	Totals.
Puerto Princessa causeway.....		P4,458.13	P4,458.13
Wright-Taft road.....		2.23	2.23
Manila Harbor and Pasig River.....	P921,913.14	43,630.73	965,543.87
Improvements, port of Cebu.....	625,183.44	61,962.92	687,146.36
Improvements, port of Iloilo.....	170,088.04	7,900.50	177,988.54
Light-house construction.....	4,973.41		4,973.41
Improvement of Engineer Island.....	7,263.55	1,180.40	8,443.95
Marine railway and repair shops.....	13.69		13.69
Billibid improvements.....	17,079.69		17,079.69
Benguet improvements.....	357.65		357.65
Quarantine station, Cebu.....	1,033.96	84.75	1,118.71
Miscellaneous public works.....	63,929.38	742.35	64,671.73
Maintaining survey parties.....	580.20	[192.90]	387.30
Unappropriated.....	220,274.00		220,274.00
Total.....	2,032,690.15	119,778.11	2,152,468.26

(7) CONGRESSIONAL RELIEF FUND.

[NOTE.—Item bracketed indicates balances due officers.]

Pasacao-Nueva Caceres road.....	P29.14		P29.14
Pagbilao-Atimonan road.....	398.00	P1,697.79	2,295.79
Capas-O'Donnell road.....		5.35	5.35
Bay-Tisong road.....		662.90	662.90
Magdalena-Santa Cruz road.....		162.30	162.30
Lucena-Sariaya road.....	8,697.31	3,518.60	12,215.91
Calamba-Los Baños road.....	192.24		192.24
Construction of school buildings.....	57,900.81		57,900.81
Purchase of farm animals.....	29,791.75	10,676.98	40,468.73
Cebu-Toledo road.....	174.01	2,557.05	2,731.06
Purchase of serum cattle.....	6,074.69		6,074.69
Sale and care of carabao.....	5,399.21	[2,244.89]	3,144.33
Relief of inhabitants of Lumbang.....	250.00		250.00
Relief of inhabitants of Batanes.....	282.00	1.75	283.75
Bangued improvements.....	4.50		4.50
Relief of Bay fire sufferers.....	350.00		350.00
Locust boards.....	2,745.00		2,745.00
Benguet improvements.....	66.67		66.67
Relief of Iloilo fire sufferers.....	10,000.00		10,000.00
Relief of families of volunteers, Dagami, Leyte.....		140.00	140.00
Construction Tarlac dike.....	19,000.00		19,000.00
Relief of inhabitants of Imus, Cavite.....	500.00		500.00
Subject to resolution.....	27,093.82		27,093.82
Unappropriated.....	109,928.91		109,928.91
Total.....	278,968.06	17,367.84	296,335.90

(8) MISCELLANEOUS LIABILITIES OF THE GOVERNMENT.

Gold standard fund.....	P524,053.03	P145,876.45	P669,929.48
Local currency account.....	50,700.07		50,700.07
Friar lands fund.....	706,737.68	5,163.85	711,901.53
Extra services of employees (bureau of customs).....	1,774.58	1,152.59	2,927.17
Services of officers in bonded warehouses (bureau of customs).....	283.85	10.00	293.85
Insular money orders (bureau of posts).....	4,094.28		4,094.28
Surplus on auction sales (bureau of customs).....	1,010.06		1,010.06
Refundable export duties (bureau of customs).....	809,881.10	21,167.56	831,048.66
Official checks outstanding.....	10,244.52		10,244.52
Assurance fund, act 496.....	20,882.37	248.96	21,131.35
Provincial and municipal internal revenue, undistributed.....	506,627.61	2,161.80	508,789.41
Pension and retirement fund (bureau of constabulary).....	98,998.60	2,682.58	101,681.18
Money-order fund (bureau of posts).....	424,820.24	160,204.78	585,025.02
Postal savings bank fund (bureau of posts).....	485,000.00	15,081.64	510,081.64
Silver certificates redemption fund.....	21,540,708.00		21,540,708.00
Province of Capiz, school fund.....	22,000.00		22,000.00
Depository funds.....	7,912,526.00		7,912,526.00
Trust fund:			
Schulz.....	990.00		990.00
Blair.....	434.00		434.00
Interest accrued and unpaid.....	136,666.67	328,100.00	464,766.67
Total.....	33,208,432.66	681,850.23	33,950,282.89

Abstract of unexpended balances of appropriations—Continued.

(9) UNEXPENDED BALANCES OF APPROPRIATIONS AND LIABILITIES ON ACCOUNT OF THE CITY OF MANILA.

[NOTE.—Items bracketed indicate overdrawn appropriations or balances due officers, as the case may be.]

	Treasury.	Other officers.	Totals.
Municipal board.....	P 988.14	[P 442.93]	P 545.21
Law department.....	6,832.90	[397.31]	6,435.59
Fire department.....	14,574.11	[566.97]	14,007.14
Police department.....	38,329.40	4,263.89	42,593.29
City schools.....	25,902.52	[172.90]	25,729.62
Assessments and collections.....	9,732.23		9,732.23
Engineering and public works.....	33,596.04	[547.52]	33,048.52
Sanitation and transportation.....	16,330.66	[1,107.57]	15,223.09
Public works:			
Widening streets.....	41,298.56		41,298.56
Vault in city hall.....	1,600.00		1,600.00
Fixed charges, interest on sewer and waterworks bonds.....	[6,666.67]		[6,666.67]
Public works from bond issues:			
Sewer and waterworks construction.....	3,449,765.39	259,684.21	3,709,449.60
Luneta extension loan.....	40,970.89		40,970.89
Sewer and waterworks bonds, sinking fund.....	79,796.66	795.78	80,592.44
Total.....	3,753,050.92	261,508.78	4,014,559.70

(10) RECAPITULATION OF CASH BALANCES.

Bureaus and officers.....	P 725,862.98	P 445,874.60	P 1,171,737.58
Miscellaneous expenses and fixed charges.....	295,411.05	26,796.64	322,207.69
Aid to provinces.....	21,830.51		21,830.51
Public works from insular revenues.....	1,033,376.60	111,182.03	1,144,558.63
Self-sustaining bureaus and funds.....	2,150,976.51	339,204.37	2,490,180.88
Subtotal.....	4,236,457.65	923,160.64	5,159,618.29
Public works and permanent improvement fund.....	2,032,690.15	119,778.11	2,152,468.26
Congressional relief fund.....	278,968.06	17,367.84	296,335.90
Miscellaneous liabilities of the government.....	33,268,432.66	681,850.23	33,950,282.89
The city of Manila.....	3,753,050.92	261,508.78	4,014,559.70
Outstanding warrants.....	278,272.91		278,272.91
Surplus available for appropriation.....	6,269,809.59	462,919.09	6,731,728.68
Total.....	50,117,681.94	2,465,673.60	52,583,355.53

SCHEDULE B.

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906.

(1) INCOME.

	Fiscal year 1907.	Fiscal year 1906.	Increase.	Decrease.
From taxation:				
Customs—				
Import duties—				
Port of—				
Manila.....	P10, 776, 367.19	P10, 005, 231.47	P771, 145.72	
Iloilo.....	917, 439.88	906, 142.30	11, 297.58	
Cebu.....	1, 154, 048.06	898, 048.18	255, 999.88	
Minor ports.....	8, 852.82	7, 384.10	1, 468.72	
	12, 856, 698.05			
Export duties—				
Port of—				
Manila.....	1, 109, 433.88	1, 095, 471.24	73, 962.64	
Iloilo.....	97, 780.12	95, 280.02	2, 500.10	
Cebu.....	161, 888.12	167, 087.82		P 5, 101.80
	1, 429, 102.82			
Immigration dues—				
Port of—				
Manila.....	35, 992.00	35, 788.00	204.00	
Iloilo.....	1, 315.00	1, 098.00	217.00	
Cebu.....	788.00	672.00	116.00	
Minor ports.....	38.00	80.00		44.00
	38, 140.00			
Tonnage dues—				
Port of—				
Manila.....	16, 983.68	79, 713.52		62, 729.84
Iloilo.....	349.82	2, 002.87		2, 653.00
Cebu.....	2, 307.85	13, 968.91		11, 661.06
Minor ports.....	3.37	45.83		39.86
	20, 116.45			

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906—Continued.

(1) INCOME—Continued.

	Fiscal year 1907.	Fiscal year 1906.	Increase.	Decrease.
From taxation—Continued.				
Customs—Continued.				
Wharves—				
Port of—				
Manila.....	P257,458.86	P274,823.88		P17,365.02
Iloilo.....	122,581.16	143,702.22		
Cebu.....	53,111.79	51,347.08	P6,877.94	
Minor ports.....	249.86	313.04	2,564.11	63.18
	464,200.67			
Licenses—				
Port of—				
Manila.....	75,328.68	84,794.73		10,410.05
Iloilo.....	6,462.34	7,138.82		683.46
Cebu.....	7,628.05	5,968.24	1,627.81	
Minor ports.....	40.56	558.25		517.69
	89,455.63			
Sales of stamps—				
Port of—				
Manila.....	46,790.00	46,658.00		
Iloilo.....	7,791.80	6,828.80	963.00	
Cebu.....	5,300.00	4,835.82	464.18	
Minor ports.....	1,010.80	9,312.91		8,302.11
	60,892.60			
	1,633,974.06	834,862.40	799,021.66	
Duties collected on Philippine products in the United States.				
Total customs revenue	16,592,447.28	14,783,128.10	1,808,324.24	119,012.06
Internal revenue (proportion pertaining to the insular government):				
Receipts by provinces—				
City of Manila.....	3,684,020.44	3,460,000.92	223,419.52	20,139.85
Albay.....	89,562.69	109,732.54		12,227.85
Amboi Camarines.....	86,455.37	92,652.95		
Antique.....	2,904.74	2,386.42	518.32	
Bataan.....	16,103.96	16,823.69		1,719.73
Batangas.....	19,113.60	19,920.00		806.40
Benguet.....	2,067.00	2,420.03		
Bohol.....	5,486.18	7,220.54		1,732.36

Bulacan.....	281,413.00	242,398.23	39,014.78	4,872.96
Cagayan.....	50,439.79	55,312.74	5,991.54	.....
Capiz.....	19,012.04	13,020.50	692.35	.....
Cavite.....	17,918.75	17,226.40	4,415.01	.....
Cebu.....	103,049.58	98,634.57	.....	1,435.60
Ilocos Norte.....	7,647.90	9,083.59	.....	7,250.59
Ilocos Sur.....	39,644.28	46,894.87	.....	15,229.88
Iloilo.....	84,372.96	99,602.84	.....	.....
Isabela.....	13,404.91	11,137.47	2,267.44	.....
La Laguna.....	43,665.91	54,930.88	.....	11,284.47
La Union.....	10,861.71	11,670.05	.....	808.34
Lepanto-Bontoc.....	620.73	804.58	316.15	.....
Leyte.....	99,388.03	84,200.19	15,187.84	.....
Mindoro.....	4,972.41	4,115.17	857.24	.....
Misamis.....	21,407.30	25,646.59	.....	4,239.29
Moro.....	58,003.77	52,944.90	5,058.87	.....
Nueva Ecija.....	12,158.99	12,520.11	740.79	361.12
Nueva Vizcaya.....	1,345.84	605.05	.....	.....
Occidental Negros.....	7,700.16	33,467.69	.....	10,308.34
Oriental Negros.....	4,208.91	9,479.18	.....	1,776.02
Palawan.....	23,159.35	2,632.85	1,576.06	.....
Pampanga.....	162,278.04	130,806.98	31,471.06	.....
Pangasinan.....	124,405.08	195,513.95	.....	34,108.87
Rizal.....	33,403.00	38,471.17	.....	5,098.17
Romblon.....	7,227.35	9,562.85	.....	2,326.50
Samar.....	56,962.48	41,838.13	15,124.35	.....
Sorsogon.....	52,444.80	55,447.22	.....	3,002.42
Surigao.....	26,826.12	24,041.06	2,785.06	.....
Tarlac.....	37,024.05	35,408.32	1,615.73	.....
Tayabas.....	56,054.61	31,550.86	24,503.75	.....
Zambales.....	8,460.66	7,583.15	924.51	.....
Franchisees.....	5,369,146.24	5,130,790.72	377,036.00	138,680.48
Other income:	51,661.29	104,388.24	.....	52,726.95
Interest on deposits.....	337,505.44	417,637.12	.....	60,131.68
Profit on operation of insular ice plant.....	332,313.55	444,573.86	.....	112,260.31
Sales and rents of public lands.....	71,259.43	51,443.75	19,815.68	.....
"Don Juan" seized silver.....	8,421.68	3,836.01	4,585.67	.....
Miscellaneous.....	1,756.64	101.05	1,655.59	.....
Total income.....	771,256.74	20,905,895.85	2,361,420.18	482,811.48

a Of this amount ₱75,532.76 pertain to prior fiscal years.

[illegible]

a Includes ₦16,056.49, prior fiscal years.

(3) EXPENDITURES, DEPARTMENT OF THE INTERIOR.

	Fiscal year 1907.			Fiscal year 1908.			Increase.	Decrease.
	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.		
Bureau of health:								
Permanent improvements								
Administration—								
Salaries and wages	P 308.29							
Miscellaneous expenses	416,020.45							
Maintenance	211,342.80							
Supplies	208,467.46							
Undistributed expenses	16,513.24							
Subsistence of patients—		P 1,604.00						
Benquet		7,705.49						
Manila		18,571.85						
Miscellaneous services and supplies		10,316.87						
	a 851,750.83	38,198.21	P 813,552.62	P 867,035.56	P 12,876.18	P 804,219.38	P 9,333.24	
Bureau of quarantine service:								
Permanent improvements								
Administration—								
Salaries and wages	5,323.50							
Miscellaneous expenses	73,571.34							
Maintenance	4,755.77							
Supplies	9,592.04							
Undistributed expenses	23,178.86							
Subsistence and sales of water	1,842.70	3,812.20						
Miscellaneous services and supplies		962.30						
	b 118,264.21	4,764.50	113,499.71	103,550.33	79.40	103,470.93	10,028.78	

^a Includes P25,709.78 prior fiscal years.

^b Includes P9 417.06 prior fiscal years.

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906—Continued.

(3) EXPENDITURES, DEPARTMENT OF THE INTERIOR—Continued.

	Fiscal year 1907.			Fiscal year 1906.			Increase.	Decrease.
	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.		
Weather bureau:								
Administration—								
Salaries and wages.....	P 69,438.99							
Miscellaneous expenses.....	15,582.15							
Maintenance.....	346.04							
Supplies.....	21,686.51							
Undistributed expenditures.....	72.64							
Miscellaneous services and supplies.....		P 64.40						
	a 107,126.33	64.40	P 107,061.93	P 91,609.97	P 108.00	P 91,501.97	P 15,559.96	
Bureau of forestry:								
Administration—								
Salaries and wages.....	84,281.98							
Miscellaneous expenses.....	19,230.98							
Maintenance.....	421.30							
Supplies.....	5,727.83							
Undistributed expenditures.....	94.24							
	b 109,736.33		109,736.33	154,587.38	1,105.42	153,481.96		P 43,745.03
Bureau of science:								
Permanent improvements.....	816.45							
Administration—								
Salaries and wages.....	266,839.23							
Miscellaneous expenses.....	25,163.34							
Maintenance.....	2,794.02							
Supplies.....	93,322.42							
Undistributed expenditures.....	5,939.37							
Examination, sale of serum, etc.....		9,510.37						
Miscellaneous services and supplies.....		47,327.91						
	c 334,876.83	56,838.28	278,038.55	276,220.08	46,199.10	230,030.98	48,007.57	
Bureau of lands:								
Permanent improvements.....	212,060.49							
Administration—								
Salaries and wages.....	149,125.69							
Miscellaneous expenses.....	20,561.03							
Maintenance.....	12,414.61							

[illegible]

(4) EXPENDITURES, DEPARTMENT OF COMMERCE AND POLICE.

[illegible]

* Includes \$11,338.52 prior fiscal years.
/ Includes \$229,124.59 prior fiscal years.

^c Includes \$28,832.09 prior fiscal years.
^d Includes \$38,801.76 prior fiscal years.

^a Includes P1,159.87 prior fiscal years.
^b Includes P4,631.17 prior fiscal years.

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906.—Continued.

(4) EXPENDITURES, DEPARTMENT OF COMMERCE AND POLICE.—Continued.

	Fiscal year 1907.			Fiscal year 1906.			Increase.	Decrease.
	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.		
Bureau of posts.—Continued.								
Maintenance.....	₱146,980.51							
Maintenance (signal service).....	23,724.63							
Supplies.....	95,289.62							
Supplies (signal service).....	7,245.46							
Undistributed expenses.....	4,282.36							
Stamps and stamped paper sold.....		₱607,203.44						
Postage on second-class matter.....		7,661.64						
Post-office box rents.....		17,182.39						
Money-order fees.....		37,774.16						
Miscellaneous services and supplies.....		1,764.98						
	a 1,151,414.16	671,596.81	₱479,827.36	₱893,268.22	₱545,659.74	₱347,608.48	₱132,218.87	
Bureau of navigation:								
Permanent improvements.....	5,212.06							
Administration—								
Salaries and wages.....	471,752.11							
Miscellaneous expenses.....	24,498.27							
Maintenance.....	63,852.65							
Supplies.....	401,434.89							
Undistributed expenses.....	92,696.95							
Services and supplies.....		495,164.37						
	b 1,089,446.93	495,164.37	574,282.56	1,078,336.53	193,258.32	885,078.21		₱310,795.65
Bureau of Navigation:								
Light-house service—								
Permanent improvements.....	26,767.56							
Administration—								
Salaries and wages.....	119,009.05							
Miscellaneous expenses.....	133,442.77							
Maintenance.....	11,526.84							
Supplies.....	87,296.88							
Undistributed expenses.....	10,278.33							
	c 398,619.43		398,619.43	381,610.79		381,610.79	17,008.64	

Bureau of coast and geodetic survey:	530.88						
Permanent improvements.....							
Administration.....							
Salaries and wages.....	113,888.71						
Miscellaneous expenses.....	10,780.32						
Maintenance.....	20,173.82						
Supplies.....	35,521.87						
Undistributed expenditures.....	8,067.06						
d 188,962.66		188,962.66	162,912.67	91.00	162,821.67	26,140.99	
Office of the supervising railway expert:							
Administration.....							
Salaries and wages.....	40,870.12						
Miscellaneous expenses.....	12,500.95						
Maintenance.....	15.57						
Supplies.....	5,281.96						
Undistributed expenditures.....	6,121.38						
e 67,789.98		67,789.98				67,789.98	
Bureau of public works:							
Permanent improvements.....	32,480.94						
Administration.....							
Salaries and wages.....	256,921.51						
Miscellaneous expenses.....	128,180.24						
Maintenance.....	138,526.35						
Supplies.....	93,225.23						
Undistributed expenditures.....	14,463.73						
Miscellaneous services and supplies.....	39,356.16						
Purchase of supplies.....	98,553.61						
f 765,806.00	137,908.77	627,896.23	535,448.66	35,810.81	469,637.85	128,258.38	
Office of the consulting architect:							
Administration.....							
Salaries and wages.....	12,000.00						
Miscellaneous expenses.....	264.54						
g 12,264.54		12,264.54				12,264.54	
Bureau of architecture:							
Expenses of prior fiscal years.....	276.90	276.90				276.90	
Total.....	6,831,537.15	1,418,412.28	5,513,124.87	6,830,478.56	775,212.09	6,055,266.49	383,968.30
							926,000.92

a Includes \$31,060.43 prior fiscal years.

b Includes \$159,372.24 prior fiscal years.

c Includes \$16,526.33 prior fiscal years.

d Includes \$18,624.53 prior fiscal years.

e Includes \$7,209.38 prior fiscal years.

f Includes \$24,006.26 prior fiscal years.

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906—Continued.

(5) EXPENDITURES, DEPARTMENT OF FINANCE AND JUSTICE.

	Fiscal year 1907.			Fiscal year 1906.			Increase.	Decrease.
	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.		
Bureau of the treasury:								
Administration—								
Salaries and wages.....	P112,988.85							
Miscellaneous expenses.....	11,614.65							
Maintenance.....	248.66							
Supplies.....	5,355.44							
Undistributed expenditures.....	231.76							
Sales of provincial books and forms.....		P1,298.90						
	a 130,537.42	1,298.90	P129,238.52	P138,577.49	P3,810.75	P134,766.74		P5,528.22
Bureau of justice:								
Permanent improvements.....	708.58							
Administration—								
Salaries and wages.....	130,588.16							
Miscellaneous expenses.....	18,906.26							
Maintenance.....	231.73							
Supplies.....	14,509.61							
Undistributed expenses.....	884.77	91.00						
Sale of supreme court reports.....		91.00	165,588.11	825,918.94	235,496.73	590,422.21		424,834.10
	b 165,679.11	91.00						
Bureau of internal revenue:								
Administration—								
Salaries and wages.....	441,387.47							
Miscellaneous expenses.....	96,118.26							
Maintenance.....	3,692.30							
Supplies.....	81,307.88							
Undistributed expenditures.....	7,854.26							
Reimbursement by city of Manila for services rendered in collection of the city's revenue.....		142,512.37						
	c 630,360.15	142,512.37	487,847.78	431,053.10		431,053.10	P56,794.68	

Bureau of customs:	1,480.89					
Permitting improvements.....						
Administration.....						
Salaries and wages.....	740,628.99					
Miscellaneous expenses.....	46,119.88					
Maintenance.....	29,708.61					
Supplies.....	68,311.16					
Unallocated expenses.....	6,528.48					
Receipts from.....						
Sales of blank forms.....	1,857.08					
Storage, labor, and drayage.....	11,228.71					
Fines, penalties, and forfeitures.....	10,981.74					
Commalar fees.....	688.00					
Miscellaneous fees.....	54,888.38					
Sales of rolls.....	380.00					
Hires of launches.....	14,147.37					
Miscellaneous services and supplies.....	26.16					
Services to Pilots' Association (Cebu).....	280.00					
Rents.....	600.00					
Total.....	1,828,337.29	896,807.22	931,235.69	89,064.91	842,180.78	35,373.46
		1,580,481.03	2,326,785.22	328,362.30	1,066,422.83	465,736.78

(6) EXPENDITURES, DEPARTMENT OF PUBLIC INSTRUCTION.

	P817.29						
Bureau of education:							
Permanent improvements.....							
Administration.....							
Salaries and wages.....	2,268,265.25						
Miscellaneous expenses.....	420,563.07						
Maintenance.....	1,093.37						
Supplies.....	425,413.88						
Undistributed expenditures.....	177,464.26						
Miscellaneous services and supplies.....	P13,618.21						
c 3,293,617.12			P 3,279,998.91		P 3,008,076.48		P 540.38
							P 3,007,536.10
							P 272,462.81
Bureau of printing. (<i>See Capital operations.</i>)							
Bureau of prisons:							
Prison division—							
Permanent improvements.....	1,517.10						
Administration—							
Salaries and wages.....	191,171.53						
Miscellaneous expenses.....	203,547.85						
Maintenance.....	14,874.30						
Supplies.....	265,610.69						
a Includes P9,025.19 prior fiscal years.							
b Includes P28,750.73 prior fiscal years.							
c Includes P23,180.23 prior fiscal years. d Includes P44,807.30 prior fiscal years.							e Includes P163,233.33 prior fiscal years.

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906—Continued.

(6) EXPENDITURES, DEPARTMENT OF PUBLIC INSTRUCTION—Continued.

	Fiscal year 1907.			Fiscal year 1906.		
	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.	Expenditures.	Receipts other than from taxation.	Net expenditures chargeable to revenue.
Bureau of prisons—Continued.						
Prison division—Continued.						
Undistributed expenditures.....	₱17,170.40	₱33,799.99				
Subsistence of prisoners, sales, etc.....		51,958.91				
Miscellaneous services and supplies.....						
	a 686,901.17	85,758.90	₱601,142.27	₱741,818.01	₱158,441.70	₱583,376.31
Industrial divisions. (See Capital operations.)						
Bureau of supply. (See Capital operations.)						
		99,377.11	3,881,141.18	3,749,894.49	158,982.08	3,590,912.41
Total.....	3,980,518.29					290,228.77

(7) EXPENDITURES, THE JUDICIARY.

Administration:						
Salaries and wages.....	₱696,892.07					
Miscellaneous expenses.....	42,075.11					
Maintenance.....	643.45					
Supplies.....	22,342.07					
Undistributed expenditures.....	11,362.59					
Receipts from fines, fees, and court costs.....		₱284,256.56				
		284,256.56	₱489,055.73	(c)	(c)	₱489,055.73
Total.....	b 773,315.29					

a Includes ₱71,015.30 prior fiscal years.

b Includes ₱110.16 prior fiscal years.

c See Bureau of Justice.

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906—Continued.

(8) MISCELLANEOUS EXPENDITURES.

	Fiscal year 1907.	Fiscal year 1906.	Increase.	Decrease.
Fidelity bond premiums.....	P23,933.17			
General purposes, miscellaneous expenses of personnel, etc.....	[72,710.50]			
Payments to contract steamships.....	121,340.69			
Pay of Cavite police.....	8,052.21			
Collecting lepers for Culión colony.....	8,613.63			
Exposition board.....	5,200.74			
Extra compensation of treasury examiners.....	405.00			
Aid to economic association of the Philippines.....	1,320.00			
Arrastre plant, Joló.....	2,314.65			
Benguet improvements.....	19,240.74			
Expenses Burnham and Anderson.....	2,348.78			
Expenses Congressional party.....	30.00			
Purchase of Formosa eggs.....	956.91			
Reimbursement to municipality of Borongan, Samar.....	493.95			
Payments to Sultan of Sulu et al.....	15,199.83			
Sales of rice, Act 495.....	[153.03]			
Relief of Blas Cabrera et al.....	3,500.00			
Transportation of bodies from National Cemetery, Philippine census.....	716.00			
Reimbursement of Hagonoy municipality.....	224.90			
Reimbursement of municipality of Mavítac.....	12,374.66			
Reimbursement of municipality of Mavítac.....	321.87			
Miscellaneous, prior fiscal years.....	529.74			
	154,253.79	P101,368.49	P52,885.30	
Fixed charges:				
Interest on public works and permanent improvements bonds—				
Fiscal year 1906.....	101,065.00			
Fiscal year 1907.....	282,775.00			
	383,840.00	198,935.00	184,905.00	
Difference between the amount collected from rents of the friar lands and the interest due upon the bonds in fiscal year 1907 was charged to the unexpended balance of proceeds of the bond issue; has been corrected by appropriate legislation in fiscal year 1906 and the funds reimbursed for all expenditures therefrom not properly chargeable to the purchases of lands.....		416,240.00		P416,240.00
Contribution to the City of Manila.....	1,111,955.87	1,522,896.22		410,940.35
Total miscellaneous.....	1,650,049.66	2,239,439.71	287,790.30	827,180.35

(9) AID TO PROVINCES.

Administrative expenses:				
Benguet.....	P20,900.00	P19,999.15	P900.85	
Lepanto-Bontoc.....	25,350.00	29,250.00		P3,900.00
Mindoro.....	28,500.00	41,700.00		13,200.00
Nueva Vizcaya.....	20,800.00	17,500.00	3,100.00	
Palawan.....	18,070.00	23,160.00		5,090.00
Abra, cancellation of loan.....	346.15	14,497.13		14,150.98
Miscellaneous.....		78,854.66		78,854.66
Payments in lieu of land tax:				
Albay.....	124,590.19	83,059.91	41,530.28	
Ambos Camarines.....	43,834.86	29,223.27	14,611.59	
Antique.....	11,658.87	7,772.53	3,886.34	
Bataan.....	13,341.24	8,894.22	4,447.02	
Batangas.....	65,044.44	43,362.91	21,681.53	
Bohol.....	11,407.41	7,604.96	3,802.45	
Bulacan.....	109,294.29	72,862.85	36,431.44	
Cagayan.....	49,178.88	32,785.93	16,392.95	
Capiz.....	29,159.73	19,439.78	9,719.95	
Cavite.....	64,700.55	43,133.69	21,566.86	
Cabu.....	73,324.89	48,883.15	24,441.74	
Ilocos Norte.....	23,947.83	15,965.27	7,982.56	
Ilocos Sur.....	76,494.06	50,995.99	25,498.07	
Iloilo.....	78,995.52	52,663.63	26,331.89	
Isabela.....	13,758.75	9,172.46	4,586.29	
La Laguna.....	154,588.28	104,815.42	49,772.86	
La Union.....	50,067.18	33,378.12	16,689.06	
Leyte.....	67,476.60	44,984.37	22,492.23	

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906—Continued.

(9) AID TO PROVINCES—Continued.

	Fiscal year 1907.	Fiscal year 1906.	Increase.	Decrease.
Payments in lieu of land tax—Continued.				
Misamis.....	P24,762.16	P16,508.10	P8,254.05	
Nueva Ecija.....	47,923.29	31,948.88	15,974.41	
Occidental Negros.....	86,803.92	57,898.23	28,904.69	
Oriental Negros.....	28,139.40	18,759.64	9,379.76	
Pampanga.....	156,197.34	104,131.53	52,065.81	
Pangasinan.....	134,874.54	89,916.40	44,958.14	
Rizal.....	77,799.46	50,109.78	27,689.68	
Romblon.....	9,324.90	6,216.56	3,108.34	
Samar.....	32,477.13	21,651.41	10,825.72	
Sorsogon.....	74,817.45	49,878.31	24,939.14	
Surigao.....	23,129.28	15,419.53	7,709.75	
Tarlac.....	38,309.43	25,579.66	12,729.77	
Tayabas.....	189,684.54	126,456.41	63,228.13	
Zambales.....	15,616.62	10,411.09	5,205.53	
Total.....	2,114,549.17	1,558,815.93	670,923.88	P115,195.64

(10) CAPITAL EXPENDITURES.

Public works from insular revenues.

Purchase of real estate adjoining exposition barracks.....	P21,028.75
Purchase of settlers' rights at Iwahig.....	1,007.80
Construction of schoolhouses.....	9,433.83
Buildings and structures at Culion leper colony.....	4,141.52
Installation of electric plant at Bilibid Prison.....	328.95
Construction and equipment of San Lazaro Insane Hospital.....	19,245.40
Construction of hospital at Bilibid Prison.....	9,000.00
Construction of governor-general's residence at Baguio.....	3,226.20
Construction of light-houses.....	22,611.07
Construction of roads and bridges, act 1.....	5,949.93
Construction of Pasig River walls, act 669.....	82,569.09
Construction of abutments for wharves, Manila.....	3,492.25
Clearance of Bayabas and Norzagaray rivers.....	1,415.70
Post-office wharf, Manila.....	968.46
Dredging the Cagayan River.....	1,253.81
Cuyo wharf.....	11.04
Anchors and buoys.....	3.62
Completion of Luneta extension fill.....	91,275.25
Retaining walls, Luneta extension.....	3,207.70
Investigation of harbor improvements.....	3,665.79
Construction water-supply system at Culion leper colony.....	7,719.88
Improvements of the port of Manila (refunds).....	[19,261.84]
Total.....	272,294.20

NOTE.—Items bracketed indicate refunds to expenditures.

*Statement of income and expenditures of the insular government for the fiscal years ended
June 30, 1907 and 1906—Continued.*

(11) LOANS TO PROVINCES.

	Loans.	Paid.	Net charge to surplus.
Sorsogon.....	P 20,000.00		
Nueva Ecija.....		P 6,000.00	
Oriental Negros.....		4,000.00	
Cebu.....		7,500.00	
Tarlac.....		50,000.00	
Bataan.....	6,000.00		
Albay.....	25,000.00		
Laguna.....	60,000.00		
Tayabas.....	60,000.00		
Rizal.....	75,000.00		
Total	246,000.00	67,500.00	P 178,500.00
CURRENT ACCOUNTS.			
	Dr.	Cr.	
Moro Province, customs expenses advanced.....	P 4,395.77		
City of Manila, reduction of the account during the year.....		P 493,137.91	
Total	4,395.77	493,137.91	[488,742.14]
	Appropriations.	Reversions.	
APPROPRIATIONS OF WORKING CAPITAL FOR SELF-SUSTAINING BUREAUS.			
Bureau of printing.....	P 50,000.00	P 1,234.84	
Bureau of prisons, industrial division.....	61,668.15		
Bureau of supply:			
Supplies division.....		24,980.44	
Cold-storage division.....		48,090.44	
Total	111,668.15	74,305.72	37,362.43

(12) SUMMARY OF TRANSACTIONS AFFECTING THE AVAILABLE SURPLUS.

By surplus June 30, 1906:		Dr.	Cr.
Appropriated.....	P 4,642,114.84		
Available for appropriation.....	1,528,954.91		
			P 6,171,069.85
Revenues, fiscal year 1907—			
Customs.....	16,592,447.28		
Internal revenue.....	5,369,149.24		
Franchises.....	51,661.29		
Miscellaneous.....	771,256.74		
			22,784,514.55
Other receipts affecting the surplus—			
City of Manila, account current.....	493,137.91		
Capital operations, excess of receipts.....	1,414,443.21		
			1,907,581.12
To expenditures fiscal year 1907:			
Executive department.....	1,116,208.34		
Department of the interior.....	2,158,528.26		
Department of commerce and police.....	5,513,124.87		
Department of finance and justice.....	1,589,481.63		
Department of public instruction.....	3,881,141.18		
The judiciary.....	489,055.73		
Miscellaneous general expenses..	154,253.79		
Fixed charges.....	383,840.00		
Contribution to the city of Manila.....	1,111,955.87		

Statement of income and expenditures of the insular government for the fiscal years ended June 30, 1907 and 1906—Continued.

(12) SUMMARY OF TRANSACTIONS AFFECTING THE AVAILABLE SURPLUS—*Con.*

To expenditures fiscal year 1907—

Continued:

	Dr.	Cr.
Aid to provinces.....	₱2, 114, 549. 17	
Public works from revenue.....	272, 294. 20	
	₱18, 784, 433. 04	
Other disbursements affecting the surplus—		
Loans to provinces.....	178, 500. 00	
Accounts current.....	4, 395. 77	
	182, 895. 77	
Deductions from income, bad debts, and payments of moneys wrongfully covered into the treasury.....		4, 400. 74
To surplus forward to fiscal year 1908:		
Appropriated.....	5, 159, 607. 29	
Available for appropriation.....	6, 731, 828. 68	
	11, 891, 435. 97	
	30, 863, 165. 52	30, 863, 165. 52

(13) THE SURPLUS ACCOUNT, AVAILABLE FOR APPROPRIATION.

	Dr.	Cr.
By balances June 30, 1906:		
In the treasury.....	₱1, 193, 657. 34	
In the hands of collecting officers.....	335, 297. 57	
		₱1, 528, 954. 91
Revenues fiscal year 1907.....		22, 784, 514. 55
Reversions of unexpended balances.....		1, 239, 671. 89
Reduction of city of Manila debt.....		493, 137. 91
To appropriations and restorations during fiscal year 1907.....	₱19, 314, 450. 58	
Balances forward to fiscal year 1908:		
In the treasury.....	6, 269, 809. 59	
In the hands of collecting officers.....	462, 019. 09	
	6, 731, 828. 68	
	26, 046, 279. 26	26, 046, 279. 26

SCHEDULE C.

CAPITAL OPERATIONS.

Under this caption are grouped those reimbursable appropriations for specific purposes whose transactions under existing law do not ordinarily affect the surplus available for appropriation, with one exception, the cold-storage division of the bureau of supply. In this case the net profits are carried to the account miscellaneous revenue. Practically all liabilities of these funds are included in the statements submitted herewith, so that the cash balance as shown, plus the value of the plant and stores, reliable figures for which are not available, represent the real value of the fund.

During this fiscal year there was appropriated as additional working capital for the bureau of printing the sum of ₱50,000 and for the industrial division of the bureau of prisons and the carabao cart fund the sum of ₱61,868.15, while from the funds of the bureau of printing there was reverted to the surplus the sum of ₱1,234.84, from the bureau of supply (supplies division) the sum of ₱24,980.44, and from the cold-storage division of the same bureau the sum of ₱48,090.44, all reversions being balances of prior-year appropriations. These transactions caused a net charge to surplus of ₱37,362.43. (See p. 513.) The cold-storage division produced a net revenue (see revenues) to the government of ₱332,313.55, but as yet no reserve has been set apart to cover the depreciation of the plant. This should be done to the end that the revenue may be constant, otherwise a large appropriation for reconstruction will become necessary within a few years.

Some provision should be made either for the return of unnecessary funds to the surplus or a reduction of charges to other bureaus and the public to avoid the locking up in the treasury of capital beyond the actual needs of the bureau for working purposes.

DEPARTMENT OF THE INTERIOR.

(1) *Proceeds of opium licenses.*

[Collections by bureau of internal revenue; expenditures by bureau of health.]

Under the provisions of act No. 1461, an act for the purpose of restricting the sale and use of opium until March 1, 1908, when its importation or use for any but medicinal purposes is forbidden by act of Congress, taxes are collected and the proceeds distributed as follows:

(1) To municipalities in which collected: Chinese opium users' certificates of registration, ₱5 each.

(2) To opium fund, act No. 1461: License tax on wholesale and retail dealers, internal-revenue tax on opium in the islands April 1, 1906, on imports of opium, and on the preparation of opium.

This special fund must be devoted solely to the following purposes:

(1) The printing and dissemination among the people of information as to the evils resulting from the use of opium.

(2) The payment of the reasonable expenses, in some reputable hospital, of those desiring to cure themselves of the opium habit.

(3) The payment of the expenses of such Filipino students as may be sent by the insular government to the United States for education.

(4) The payment of salaries of Filipinos who have been appointed insular teachers.

(5) The construction of schoolhouses and school buildings in the various municipalities of the islands, provided that 25 per cent of all fines imposed by reason of violations of this act shall be paid to the person who furnished the original evidence, and substantiated it, which led to the detection of the offense and the imposition of the fine. The name of the informer shall be specified in the judgment of the court when conviction is had in the court.

	Debit.	Credit.
By balance in the fund June 30, 1906.....		₱53,206.28
Receipts during the year.....		538,536.99
To expenditures:		
Hospital expenses for opium patients.....	₱338.30	
Rewards to informers.....	90.62	
Balance forward to fiscal year 1908.....	591,314.35	
	591,743.27	591,743.27

DEPARTMENT OF COMMERCE AND POLICE.

(2) *Marine railway and repair shops (bureau of navigation).*

Balance in the fund June 30, 1906.....	₱34,953.58
Receipts during the year.....	191,050.50
Expenditures during the year.....	₱162,350.39
Balance forward to fiscal year 1908.....	63,653.69
	226,004.08
	226,004.08

(3) *Commissary stores (bureau of constabulary).*

Balance in the fund June 30, 1906.....	₱204,577.99
Receipts during the year.....	92,342.00
Expenditures during the year.....	₱64,866.18
Balance forward to fiscal year 1908.....	232,053.81
	296,919.99
	296,919.99

The balance of sales supplies in the hands of officers on June 30, 1907, was:

(4) *Baguio town site improvement fund (bureau of public works).*

Receipts from sales of lots.....	₱21,617.51
Expenditures.....	₱21,325.56
Balance forward to fiscal year 1908.....	291.95
	21,617.51
	21,617.51

DEPARTMENT OF FINANCE AND JUSTICE.

(5) *Coal supply fund (bureau of customs).*

Balance in the fund June 30, 1906.....	₱1,074.59	
Receipts during the year.....		145,164.84
Expenditures during the year.....	₱148,125.60	
Balance overdrawn June 30, 1907.....		1,886.17
	148,125.60	148,125.60

There were 4,465,424 tons of coal valued at ₱58,758.88 on hand at the various stations June 30, 1907.

(6) *Arrastre plant, Manila.*

Balance in the fund June 30, 1906.....	₱63,846.36	
Receipts during the year.....		110,963.41
Expenditures during the year:		
Operation—		
Salaries and wages.....	₱81,195.01	
Miscellaneous expenses.....	2,404.24	
Maintenance.....	447.95	
Supplies.....	3,863.01	
	₱87,910.21	
Balance forward to fiscal year 1908.....	86,899.56	
	174,809.77	174,809.77

DEPARTMENT OF PUBLIC INSTRUCTION.

(7) *Bureau of education.*

American circulating library, purchase of books:		
Balance in the fund June 30, 1906.....	₱3,393.16	
Receipts during the year.....		2,583.65
Expenditures during the year.....	₱5,700.40	
Balance forward to fiscal year 1908.....	276.41	
	5,976.81	5,976.81

(8) *Bureau of printing.*

Balance in the fund June 30, 1906.....	₱79,990.84	
Receipts during the year.....		456,015.10
Appropriation, act 1527.....		50,000.00
Expenditures during the year:		
Permanent improvements.....	₱6,870.42	
Operation—		
Salaries and wages.....	247,065.37	
Miscellaneous expenses.....	15,379.52	
Maintenance.....	5,131.62	
Supplies.....	118,771.99	
Undistributed expenditures.....	34,010.24	
	₱427,229.16	
Reversion to general fund.....	1,234.84	
Balance forward to fiscal year 1908.....	157,541.94	
	586,005.94	586,005.94

Besides the cash balance here shown the bureau had current assets on June 30, 1907, as follows:

Supplies.....	₱115,120.92
Salable stock forms.....	36,594.78
and accounts receivable, amount not shown by the books of this office.	

(9) *Industrial division and carabao cart fund (bureau of prisons).*

Balance in the fund June 30, 1906.....	₱18,049.32	
Appropriations:		
Carabao cart fund.....		11,668.15
Act 1527.....		50,000.00
Receipts during the year.....		108,312.29
Expenditures during the year:		
Operation—		
Salaries and wages.....	₱60,606.95	
Miscellaneous expenses.....	7,666.97	
Maintenance.....	149.20	
Supplies.....	27,853.36	
	₱96,276.48	
Balance forward to fiscal year 1908.....	91,753.28	
	188,029.76	188,029.76

The supplies used by this division are carried in the accounts of the prison division, but this division had sales stock on hand June 30, 1907, to the amount of ₱26,752.56.

(10) *Bureau of supply, supply division.*

Balance in the fund June 30, 1906.....	₱523,059.47	
Receipts from sales of supplies during the year.....		3,929,926.35
Expenditures during the year:		
Operation—		
Salaries and wages.....	₱246,053.49	
Miscellaneous expenses.....	64,416.99	
Maintenance.....	106.11	
Supplies.....	13,454.55	
Undistributed expenses.....	4,629.98	
	₱328,661.12	
Purchase of supplies.....	2,829,466.05	
Reversion to general fund.....	24,980.44	
Balance forward to fiscal year 1908.....	1,269,878.21	
	4,452,985.82	4,452,985.82

Besides the cash balance above set forth, this division had on June 30, 1907, sales stock to the amount of ₱1,222,494.30, and accounts receivable, amount not shown by the books of this office:

(11) *Bureau of supply, cold-storage division.*

Balance in the fund June 30, 1906.....	₱65,313.65	
Receipts during the year.....		629,488.74
Expenditures during the year:		
Operation—		
Salaries and wages.....	₱117,213.77	
Miscellaneous expenses.....	36,526.12	
Maintenance.....	20,118.32	
Supplies.....	129,781.89	
Undistributed expenditures.....	3,264.45	
	₱306,904.55	
Profit on operation for the year, credited to income of the insular government as miscellaneous revenue.....	332,313.55	
Reversion to general fund.....	48,090.44	
Balance forward to fiscal year 1908.....	7,493.85	
	694,802.39	694,802.39

(12) SUMMARY OF CAPITAL OPERATIONS.

[Items in brackets are excess receipts over payments; those not in brackets are excess payments over receipts.]

	Payments.	Receipts.	Excess.
Department of commerce and police:			
Commissary stores (bureau of constabulary).....	P64,866.18	P92,342.00	P27,475.82
Marine railway and repair shop (bureau of navigation).....	162,350.39	191,050.50	[28,700.11]
Baguio town-site improvements (bureau of public works).....	21,325.56	21,617.51	[291.95]
Department of finance and justice:			
Coal-supply fund (bureau of customs).....	148,125.60	145,164.84	2,960.76
Proceeds of opium licenses (bureau of internal revenue).....	428.92	538,536.99	[538,108.07]
Arrastre plant, Manila (bureau of customs).....	87,910.21	110,963.41	[23,053.20]
Department of public instruction:			
Purchase of supplies (bureau of supply).....	3,158,127.17	3,929,926.35	[771,799.18]
Division of cold storage (bureau of supply).....	306,904.55	297,175.19	9,729.36
Bureau of printing.....	427,229.16	456,015.10	[28,785.94]
Purchase of books, American circulating library (bureau of education).....	5,700.40	2,583.65	3,116.75
Industrial division (bureau of prisons).....	96,276.48	108,312.29	[12,035.81]
Total.....	4,479,244.62	5,893,687.83	[1,414,443.21]

* Exclusive of the amount covered into the treasury as miscellaneous revenues.

SCHEDULE D.

CONGRESSIONAL RELIEF FUND.

By act of Congress approved March 3, 1903, the sum of \$3,000,000, United States currency, was appropriated for relief of distress in the Philippine Islands, to be expended under the direction and in the discretion of the Philippine government in such proportion as they deem wise, in the direct purchase and distribution or sale of farm implements, farm animals, and supplies and necessities of life, and through the employment of labor in the construction of government wagon roads and other public works. The act further provides that the governor-general of the Philippines shall submit to the Secretary of War a statement of all expenditures under this fund.

The sum appropriated was transmitted to the treasurer of the Philippine Islands and taken into the account of insular funds as P6,000,000. As contemplated by the appropriating act, and for the purpose of making the reports required thereunder, the identity of the fund has been maintained and expenditures made therefrom have been segregated from the ordinary expenses of the government.

The procedure inaugurated by the Philippine Commission as to the disposition of this fund was to set apart by means of appropriation acts specific sums for specific purposes, such as public works, etc., as well as amounts for expenditures under the direction of the governor-general in such manner as might from time to time be authorized by resolution of the Commission.

The following statement of accounts shows the expenditures from the fund, as audited, during the fiscal year 1907. The balance shown as the liability of the insular government represents cash in the insular treasury and balances in the hands of collecting and disbursing officers:

Balance in the fund June 30, 1906.....	P485,895.06
By receipts:	
Loan to Bohol repaid.....	18,383.71
Relief inhabitants of Batanes repaid.....	584.50
Sale and care of carabao.....	11,606.87
To expenditures:	
Pagbilao-Atimonan road.....	P40,029.22
Capas-O'Donnell-Iba road.....	6,947.31
Bay-Tiaong road.....	11,739.13
Magdalena-Santa Cruz road.....	411.25
Lucena-Sariaya road.....	2,100.47
Calamba-Los Baños road.....	6.56
Cebu-Toledo road.....	45,709.73
Benguet improvements and road.....	205.04
Construction of school buildings.....	36,727.47
Veterinary service, inoculation of carabao and cattle.....	21,726.87

To expenditures—Continued.

Expenses of serum, inoculation of carabao and cattle.....	₱925.31	
Sale and care of carabao.....	3,767.06	
Relief of inhabitants of—		
San Mateo.....	173.82	
Samar.....	4,495.00	
Isabela.....	4,000.00	
Cagayan.....	12,000.00	
Baler and Canguren.....	2,000.00	
San Isidro.....	500.00	
Relief of families of volunteers of Dagami, Leyte.....	360.00	
Relief of inhabitants of—		
Culasi.....	600.00	
Dinalupijan.....	500.00	
Expenses locust board.....	210.00	
School teachers' salaries, Cagayan.....	15,000.00	
Construction of Tarlac dike.....	10,000.00	
To balance forward to fiscal year 1908.....	296,335.90	
	516,470.14	₱516,470.14

This fund has assets in the form of loans to provinces (not included in above statement) as follows:

Albay.....	₱65,000.00
Bulacan.....	10,000.00
Cavite.....	25,000.00
Ilocos Sur.....	19,333.33
Romblon.....	6,000.00
Total.....	125,333.33

SCHEDULE E.

THE GOLD STANDARD FUND, BUREAU OF THE TREASURY.

Balance in the fund June 30, 1906.....	₱2,687,356.97
Certificates of indebtedness outstanding June 30, 1906.....	3,000,000.00
Receipts during the year:	
Sale of sixth series certificates of indebtedness.....	2,000,000.00
Premiums on same.....	45,600.00
Coin received from United States mints.....	5,335,000.00
Interest on deposits.....	152,648.18
Interest on deposits accrued to June 30.....	72,479.40
Premiums on exchange.....	118,353.12
Sale of proof sets.....	300.00
Seized funds.....	130.00
Local currency transferred from that account.....	108,915.67
Local currency transferred to that account....	₱60,718.05
Expenditures during the year:	
Fifth series certificates of indebtedness paid....	3,000,000.00
Coin shipped to United States mints.....	8,063,807.70
Bullion purchased.....	1,310,765.64
Mutilated coin purchased.....	83.11
Copper coin purchased.....	283.32
Coinage expenses.....	158,810.00
Printing currency.....	108,040.04
Interest on certificates of indebtedness.....	96,816.67
Freight and insurance, United States shipments.....	21,481.82
Miscellaneous expenses.....	30,047.51
Balances—	
Insular treasurer.....	₱531,521.82
Other officers.....	138,407.66
Forward to fiscal year 1908.....	669,929.48
	13,520,783.34
	13,520,783.34

Local currency account.

	Pfs.	Pfs.
Balance June 30, 1906.....		132,484.23
Purchased during the year.....		80,149.41
Sold during the year.....	63,773.55	
Transferred to Philippine currency account.....	82,950.00	
Balance forward to fiscal year 1908.....	65,910.09	
	212,633.64	212,633.64
Book value of balance in Philippine currency.....		₱50,700.07

United States mints account.

By new coin received during the year.....		₱5,335,000.00
To old coin shipped during the year.....	₱8,063,807.70	
To bullion delivered during the year.....	1,310,765.64	
By balance due.....		4,039,573.34
	9,374,573.34	9,374,573.34

SCHEDULE F.

THE FRIAR-LANDS FUND.

Under authority of sections 63, 64, and 65 of the act of Congress of July 1, 1902, the Philippine government was empowered to issue bonds for the purpose of providing funds to acquire by purchase certain lands in the Philippine Islands generally known as the friar lands. The operations under the fund derived from the sale of bonds and collections from rental of the lands after purchase were as follows:

By amount received from sale of bonds.....	₱14,000,000.00
By premiums received on same.....	1,060,780.00
By rents, etc., collected in fiscal year 1906.....	98,661.30
By rents, etc., collected in fiscal year 1907.....	226,781.25
By interest on deposits in fiscal year 1907.....	26,100.36
By suspense, differences in prior fiscal years.....	147,354.16
To amounts paid for purchase of lands and expenses of surveys, etc., fiscal year 1905.....	₱6,839,776.50
To amounts paid for purchase of lands and expenses of surveys, etc., fiscal year 1906.....	7,055,230.68
To amounts paid for purchase of lands and expenses of surveys, etc., fiscal year 1907.....	8,250.03
To amount paid for interest on the bonds in fiscal year 1906.....	138,090.00
To amount paid for interest on the bonds in fiscal year 1907.....	806,428.33
To balance forward to fiscal year 1908.....	711,901.53
	15,559,677.07
	15,559,677.07

Payments of interest inadvertently made from the principal of this fund have been adjusted by appropriate legislation in the fiscal year 1908, as well as the return of ₱365,000 appropriated from this fund for administrative purposes. To show the correct administrative expenditures, entries were made adjusting the last-named item and included in this statement of the account.

SCHEDULE G.

PUBLIC WORKS AND PERMANENT IMPROVEMENTS FROM PROCEEDS OF BONDS ISSUED.

Under authority of the Congress of the United States contained in section 2 of the act of February 6, 1905, the insular government has incurred a bonded debt of ₱7,000,000 (\$3,500,000 United States currency) for the construction of port and harbor works, bridges, roads, buildings for provincial and municipal schools, court-

houses, and other public improvements for the development of the Philippine Islands. The operations of the fund so established have been as follows:

Proceeds first issue of bonds.....	₱5,000,000.00
Premiums on same.....	460,608.70
Proceeds second issue of bonds.....	2,000,000.00
Premiums on same.....	167,494.00
Expenditures:	
Wright-Taft road—	
1905.....	₱20,064.58
1906.....	75,084.79
1907.....	16,848.40
Manila Harbor and Pasig River—	
1905.....	821,940.46
1906.....	1,863,782.35
1907.....	282,138.94
Improvements, port of Cebu—	
1905.....	4,964.21
1906.....	243,337.36
1907.....	286,072.07
Improvements, port of Iloilo—	
1905.....	43,146.13
1906.....	207,651.44
1907.....	224,213.89
Paranaque Bridge, 1905.....	13,000.00
Silang Road Bridge, 1905.....	10,600.00
Construction of light-houses—	
1905.....	67,076.55
1906.....	137,097.51
1907.....	20,852.53
Improvements of Engineers Island—	
1905.....	880.69
1906.....	12,129.13
1907.....	9,546.23
Marine railway and repair shop—	
1905.....	12,225.20
1907.....	1,761.11
Improvements, Bilibid Prison—	
1906.....	40,680.63
1907.....	42,239.68
Benguet improvements—	
1905.....	408,346.49
1906.....	16,295.86
Quarantine station, Cebu—	
1905.....	10.00
1906.....	15,640.06
1907.....	1,954.38
Calamba-Los Baños road—	
1906.....	52,438.22
1907.....	7,161.78
Causeway and wharf, Puerto Princesa, 1907....	5,541.87
Baguio-Trinidad road—	
1906.....	1,191.65
1907.....	1,308.35
Maintenance of survey parties—	
1906.....	17,824.60
1907.....	17,788.10
Loan to city of Manila, 1905.....	350,000.00
Miscellaneous public works—	
1905.....	74,242.02
1906.....	41,209.50
1907.....	7,347.68
Balance forward to fiscal year 1908—	
Appropriated.....	1,932,194.26
Unappropriated.....	220,274.00
	7,628,102.70 7,628,102.70

SCHEDULE H.

Operations of miscellaneous trust funds during the year ended June 30, 1907.

	Balance June 30, 1906.	Receipts.	Total.	Payments.	Balance June 30, 1907.	Total.
Extra services of employees (bureau of customs).....	P2,365.05	P26,850.36	P31,215.41	P26,288.24	P2,927.17	P31,215.41
Services of officers in bonded warehouses (bureau of customs).....	283.87	4,238.55	4,522.72	4,238.87	283.85	4,532.72
Invalid money orders (bureau of posts).....	4,447.74	2,511.92	6,959.66	2,865.38	4,094.28	6,959.66
Surplus on customs auction sales (bureau of customs).....	495.84	514.22	1,010.06	.....	1,010.06	1,010.06
Refundable export duties (bureau of customs).....	815,914.48	867,867.32	1,683,881.80	852,833.14	831,048.66	1,683,881.80
Assurance fund (act 496).....	13,466.69	7,641.66	21,131.35	.....	21,131.35	21,131.35
Official checks outstanding.....	6,818.74	14,494.02	21,314.76	11,070.24	10,244.52	21,314.76
Pension and retirement fund (bureau of constabulary).....	81,057.98	22,003.45	103,044.43	1,363.25	101,681.18	103,044.43
Money-order fund (bureau of posts).....	1,252,776.64	6,493,203.36	7,750,989.00	7,165,963.98	585,025.02	7,750,989.00
Postal savings banks fund (bureau of posts).....	.....	791,799.85	791,799.85	281,718.21	510,081.64	791,799.85
Silver certificates redemption fund.....	14,410,000.00	15,615,000.00	30,025,000.00	8,494,262.00	21,540,708.00	30,025,000.00
Province of Capiz school fund.....	.....	22,000.00	22,000.00	.....	22,000.00	22,000.00
Depository fund.....	11,218,493.70	124,180,289.69	135,346,788.39	127,436,262.39	7,912,526.00	135,346,788.39
Trust fund:	.....	.....	.....	.....	.....	.....
Schulz.....	.....	990.00	990.00	.....	990.00	990.00
Blair.....	.....	434.00	434.00	.....	434.00	434.00
Total.....	27,806,141.73	148,006,949.70	175,813,091.43	144,268,886.70	31,544,195.73	175,813,091.43

(1) PROVINCIAL AND MUNICIPAL INTERNAL REVENUE.

By the provisions of act 1189, which established the present system of internal-revenue taxation, a definite proportion of the tax was assigned to the provinces and municipalities, distributable upon the basis of population. The following account is of that portion which pertains to the provinces and municipalities.

All of the balance in the account pertains to the provinces and municipalities as the city of Manila proportion was credited to its revenue account as of June 30, 1907:

June 30, 1906, by balance..... ₱596,266.46

By collections:

Albay.....	101,838.14
Ambos Camarines.....	95,060.46
Antique.....	28,088.26
Bataan.....	19,897.62
Batangas.....	75,794.71
Benguet.....	2,357.38
Bohol.....	67,083.90
Bulacan.....	149,831.33
Cagayan.....	67,326.08
Capiz.....	60,630.99
Cavite.....	49,966.53
Cebu.....	226,256.02
Ilocos Norte.....	46,771.32
Ilocos Sur.....	86,256.76
Iloilo.....	141,800.63
Isabela.....	33,792.30
La Laguna.....	68,654.51
La Union.....	36,927.32
Lepanto-Rontoc.....	12,794.41
Leyte.....	191,059.76
Mindoro.....	12,202.97
Misamis.....	52,890.76
Moro.....	50,508.88
Masbate.....	
Nueva Ecija.....	39,129.82
Nueva Viscaya.....	6,766.10
Occidental Negros.....	99,348.77
Oriental Negros.....	58,625.71
Palawan.....	9,445.48
Pampanga.....	109,077.17
Pangasinan.....	172,174.68
Rizal.....	62,951.58
Romblon.....	18,547.12
Samar.....	100,957.31
Sorsogon.....	77,122.65
Surigao.....	37,012.23
Tarlac.....	52,458.72
Tayabas.....	88,328.01
Zambales.....	19,296.71
Manila.....	1,327,220.60

To payments:

Albay.....	₱114,241.44
Ambos Camarines.....	121,727.77
Antique.....	57,365.09
Bataan.....	26,537.14
Batangas.....	143,803.03
Benguet.....	6,437.31
Bohol.....	128,998.22
Bulacan.....	111,937.03
Cagayan.....	79,681.19
Capiz.....	105,771.38
Cavite.....	67,987.38
Cebu.....	338,908.97
Ilocos Norte.....	91,702.64
Ilocos Sur.....	126,908.77
Iloilo.....	204,206.36
Isabela.....	48,708.42

To payments—Continued.

La Laguna.....	₱93,990.04
La Union.....	67,285.60
Lepanto-Bontoc.....	34,643.54
Leyte.....	251,427.51
Mindoro.....	19,384.62
Misamis.....	89,005.98
Moro.....	128,870.72
Masbate.....	70.04
Nueva Ecija.....	57,330.84
Nueva Viscaya.....	20,274.20
Occidental Negros.....	160,448.18
Oriental Negros.....	101,763.44
Palawan.....	16,836.82
Pampanga.....	104,917.59
Pangasinan.....	229,459.65
Rizal.....	82,794.75
Romblon.....	28,490.56
Samar.....	146,791.86
Sorsogon.....	99,878.94
Surigao.....	56,397.86
Tarlac.....	71,087.23
Tayabas.....	123,711.11
Zambales.....	28,809.79
Manila.....	255,085.97
Repayments and allowances.....	71.77
Balance forward to fiscal year 1908.....	508,789.41

4,552,520.16 ₱4,552,520.16

(2) INTEREST ACCRUED AND UNPAID.

To get true statistical results, interest is credited to this account as earned and the corresponding expense account is charged, payments by the disbursing officer being thereafter charged to this fund. For example, the interest accruing on the friar lands bonds during the year was ₱560,000 (4 per cent on ₱14,000,000), yet the payments of interest actually made during the fiscal year were ₱553,000, of which some ₱93,333.33 pertained to the prior fiscal year, and no account was had of the same amount accruing during May and June of 1907. The payments charged cover all interest to June 30, 1907, and subsequent charges will be for the exact amount of interest accrued during the year plus expenses of transmission of the funds to the United States and will afford reliable data for the budget.

By friar lands bonds to June 30, 1907.....	₱249,353.33
By gold standard certificates to June 30, 1907.....	6,666.67
By public works and permanent improvement bonds June 30, 1907...	101,260.00
By sewer and waterworks bonds to June 30, 1907.....	107,486.67
To balance forward to fiscal year 1908.....	₱464,766.67
	<hr/>
	464,766.67 464,766.67

(3) MONEY-ORDER FUND (BUREAU OF POSTS).

By balance June 30, 1906.....	₱1,252,779.64
By receipts:	
Amount of orders issued during the year.....	6,458,892.18
Amount of fees received.....	39,317.18
Payments:	
To amount of orders paid and redeemed during the year.....	₱4,423,977.90
To amount remitted to the Post-Office Department at Washington against orders drawn upon the United States.....	2,700,000.00
To amount deposited to the credit of invalid money orders.....	2,511.92
To amount transferred to credit of the appropriation, bureau of posts (fees).....	37,774.16
To amount of losses by unavoidable casualty.....	1,700.00
To balance forward to fiscal year 1908.....	585,025.02
	<hr/>
	7,750,989.00 7,750,989.00

(4) POSTAL SAVINGS BANK (BUREAU OF POSTS).

As the operations in detail of this branch of the government service have been given in the report of the director of posts, only a summary thereof is here stated:

By deposits received.....	₱786,361.03	
By savings stamps sold.....	1,837.30	
By amount advanced from the funds of the bureau of posts for interest.....	3,601.52	
To withdrawals paid.....	₱280,044.83	
To savings stamps redeemed.....	1,219.00	
To interest paid.....	454.38	
To balance forward to fiscal year 1908.....	510,081.64	
	<hr/>	
	791,799.85	791,799.85

(5) SUNDRY ACCOUNTS (NOT INCLUDED IN THE BALANCE SHEET).

Accounts for the following funds, which are comprehended in the treasurer's depositary fund, are rendered to this office for audit and settlement, but are not included in the balance sheet, as such inclusion would necessitate an analysis of the depositary fund, which includes the accounts of United States collecting and disbursing officers over which this office has no jurisdiction:

Name.	Fund.	Balances June 30, 1907.
C. H. Sleeper.....	Title deposits.....	₱11,906.00
Gregorio Araneta.....	Estates of deceased employees.....	15,276.45
L. H. Dingman.....	Fire-line badge fund.....	336.00
Richard Sasse.....	Prisoners' deposits.....	2,825.60
W. S. Haldeman.....	Contractors' guaranty fund.....	2,012.00
J. L. Barrett.....	Rizal monument fund.....	115,552.18
J. S. Hord.....	Guaranty deposits.....	1,135.47
Total.....		<hr/> 149,042.70

Sundry personal accounts dating back in some cases to fiscal year 1901, and amounting to ₱2,088.30, are not included for the reason that most of them should be classed as "bad and doubtful debts," and others are denied by the officers concerned. They will be adjusted and collected or written off during the fiscal year 1908.

SCHEDULE I.

CITY OF MANILA.

(1) *General balance sheet.*

ASSETS.

Real estate (including Luneta extension, valued at ₱1,235,000).....	₱6,789,777.00
Permanent improvements:	
Equipment.....	₱1,581,393.25
Sewers and waterworks, cost to date.....	2,715,308.44
	<hr/> 4,296,701.69
Current assets:	
Accounts receivable (deferred payments on sales of city lands).....	67,552.62
Ninety-four shares of capital stock of the Banco Español-Filipino (par).....	23,500.00
	<hr/> 91,052.62
Cash:	
In insular treasury—	
Sewer and waterworks fund.....	3,709,951.26
Sewer and waterworks sinking fund.....	80,592.44
Luneta extension fund (balance loan).....	40,970.89
Current appropriations, balances.....	182,517.98
In hands disbursing officer of the city.....	1,028.79
	<hr/> 4,015,061.36
Total.....	<hr/> 15,192,592.67

LIABILITIES.

Sewer and waterworks bonds.....	₱6,000,000.00
Premiums received on sewer and waterworks bonds.....	425,200.70
Sewer and waterworks bonds sinking fund.....	80,592.44
Amount due the insular government on account of Luneta extension loan.....	350,000.00
Amount due the insular government on revenue account.....	454,378.28
Surplus of assets over liabilities, being the principal account or inventory of the capital property of the city.....	7,882,361.25
Total.....	15,192,592.67

The city's valuation is taken for the items of real estate and equipment in this statement, and surplus stock of so-called expendable property is not included, but will be brought into the accounts in the next report.

(2) *Statement of income and expenditures, fiscal year ended June 30, 1907.*

INCOME.

Revenues from taxation:

Land taxes.....	₱1,289,239.14
Internal revenue.....	135,656.76
Internal revenue accrued and unpaid.....	119,423.21
Licenses.....	216,850.40
Franchises.....	41,111.54
	₱1,802,281.05

Other receipts:

Electric installation certificates.....	5,490.65
Matadero receipts.....	164,962.53
Market rents.....	238,054.41
Live-stock registration fees.....	496.80
Live-stock transfer fees.....	274.60
Sales of tags for vehicles.....	1,215.80
Testing weights and measures.....	715.40
Burial permits.....	1,522.00
Poundmasters' fees.....	4,065.14
Sanitary fees and fines.....	2,474.00
Municipal court fees and fines.....	53,331.43
Justices of the peace fees and fines.....	5,968.57
Sheriff's fees and fines.....	16,752.65
Miscellaneous fees.....	4,216.25
Rent of city lands.....	19,950.32
Registration of deeds.....	13,488.49
Interest on bank deposits.....	92,313.40
Interest on bank deposits accrued to June 30.....	37,239.60
	662,532.04

Receipts from operation:

Department of engineering and public works—		
Water rents.....	221,187.98	
Building applications and permits.....	15,314.47	
Boiler inspections.....	1,212.00	
Miscellaneous services.....	67,523.50	305,237.95
Department of sanitation and transportation—		
Rent of niches.....	9,768.60	
Pail-system service.....	48,468.26	
Cleaning vaults and cesspools.....	38,639.00	
Transportation of meat.....	8,995.16	
Miscellaneous services.....	88,204.34	194,075.36

Principal account:

Sales of city lands.....	18,397.63
Sales of burial lots.....	10,996.50
	29,394.13

Total income, carried to revenue account..... 2,993,520.53

Not included in the above is the sum of ₱106,567.24, received by the department of sanitation and transportation for transportation furnished the insular government, which was applied direct to the payment of the debt, as hereinafter noted.

EXPENDITURES.

Municipal board:		
Administration—		
Salaries and wages	P 86,517.63	
Miscellaneous expenses	107,099.80	
Maintenance	118.37	
Supplies	6,293.25	
Undistributed expenditures	1,417.83	
		P 201,446.98
Department of assessments and collections:		
Administration—		
Salaries and wages	112,709.86	
Miscellaneous expenses	29,798.50	
Maintenance	2.35	
		142,510.71
Department of engineering and public works:		
Administration—		
Salaries and wages	256,075.38	
Miscellaneous expenses	146,502.35	
Maintenance—		
Salaries and wages	173,729.85	
Miscellaneous expenses	66,677.42	
Supplies	207,562.73	
Undistributed expenditures	1,420.09	
		851,967.82
Department of sanitation and transportation:		
Administration—		
Salaries and wages	461,243.86	
Miscellaneous expenses	5,992.47	
Maintenance—		
Salaries and wages	3,189.95	
Miscellaneous expenses	50,859.08	
Supplies	248,272.74	
Undistributed expenditures	19,274.97	
		788,833.07
Fire department:		
Administration—		
Salaries and wages	232,879.61	
Miscellaneous expenses	7,348.73	
Maintenance, miscellaneous expenses	4,930.90	
Supplies	36,347.10	
Undistributed expenditures	769.35	
		282,275.69
Law department:		
Administration—		
Salaries and wages	96,673.55	
Miscellaneous expenses	13,827.74	
Maintenance, miscellaneous expenses	346.47	
Supplies	5,086.46	
Undistributed expenditures	4.90	
		115,939.12
Police department:		
Administration—		
Salaries and wages	735,889.82	
Miscellaneous expenses	36,138.75	
Maintenance	263.18	
Supplies	26,049.26	
Undistributed expenditures	1,301.49	
		799,642.50
Department of city schools:		
Administration—		
Salaries and wages	195,281.52	
Miscellaneous expenses	51,742.65	
Maintenance	692.41	
Supplies	17,736.67	
Undistributed expenditures	2,298.95	
		267,752.20

Fixed charges:

Annual payment to sinking fund for redemption of sewer and waterworks bonds for fiscal year 1906.....	₱38,740.00	
(This item was not included in the report for that year, the item purporting to carry it being only the interest coupons redeemed in that year.)		
Annual payment to sinking fund for redemption of sewer and waterworks bonds for fiscal year 1907.....	38,740.00	
Interest on sewer and waterworks bonds paid during the year.....	79,340.00	
Interest on sewer and waterworks bonds due and unpaid.....	60,820.00	
Interest on sewer and waterworks bonds accrued to June 30.....	46,666.67	
Premiums paid for transfers to United States....	1,500.00	
		₱265,806.67
Miscellaneous expenses of personnel, payments from salary and expense fund.....		1,140.00
Capital expenditures, public works:		
General improvements, final payment to Burnham & Anderson for inspection, report, and plans furnished for improvement of the city..	4,697.56	
Widening and straightening streets.....	36,801.15	
Construction of—		
Ayala bridge.....	21,338.15	
Markets.....	1,504.13	
Street monuments.....	999.07	
		65,440.06
Total expenditures charged to appropriation account.....		3,782,754.82

(3) SPECIAL ACCOUNTS.

The following accounts are stated separately for the reason that the transactions were from the funds not subject to the provisions of the city's charter whereby the insular government contributes 30 per cent of the appropriation. As the Luneta extension loan is repaid the insular government will contribute its proportion. The land transportation purchase was exempted from the contribution by the terms of the act authorizing it.

Luneta extension account.—By act No. 1360 the insular government loaned the sum of ₱350,000 to the city of Manila, repayable in seven annual installments, none of which has been paid, for the purpose of improving the park by reclaiming some 247,000 square meters from the Bay of Manila.

	Debit.	Credit.
By loan from insular government.....		₱350,000.00
To disbursements fiscal year—		
1906.....	₱260,020.08	
1907.....	49,009.03	
Balance in treasury.....	40,970.80	
Total.....	350,000.00	350,000.00

Land transportation purchase.—By act No. 1361 practically all land transportation in the city of Manila belonging to the insular government was sold to the department of sanitation and transportation of the city of Manila at 85 per cent of its cost price, the insular government agreeing, in view of the high price paid, to accept payment in services, a measure whose results have been very satisfactory to both parties to the transaction—to the insular government by reason of the economy achieved and the city, whose efficient administration of that department has enabled

it to render the necessary service at a considerable saving to the insular government and pay the cost of the plant in two years.

	Debit.	Credit.
To cost of the plant.....	P221,365.97	
By amount paid in fiscal year—		
1905.....		P17,939.63
1906.....		96,859.10
1907.....		106,567.24
Total.....	221,365.97	221,365.97

Sewer and waterworks construction.—Under the authority of the Congress of the United States contained in section 70 of the act of July 1, 1902, the insular government has incurred on behalf of the city of Manila a bonded debt of P6,000,000 (\$3,000,000 United States currency) for the purpose of constructing a system of sewers and drainage and to furnish an adequate supply of water. The operations of the fund so acquired to date are as follows:

	Debit.	Credit.
To expenditures for purposes of construction, fiscal year—		
1905.....	P5,689.04	
1906.....	695,143.73	
1907.....	2,114,978.33	
By balances:		
In treasury.....	3,449,765.39	
In hands of R. C. Baldwin, disbursing officer.....	250,684.21	
By bonds issued.....		P6,000,000.00
By premiums received.....		425,260.70
Total.....	6,425,260.70	6,425,260.70

Sewer and waterworks bonds sinking fund.

By payment by city Manila for fiscal year 1906.....	P38,740.00
By payment by city Manila for fiscal year 1907.....	38,740.00
Interest received.....	2,316.66
Interest accrued to June 30, 1907.....	795.78
Balance in the fund.....	80,592.44

(4) GENERAL REVENUE ACCOUNT.

By revenues, fiscal year—		
1902.....	2,227,700.15	
1903.....	3,057,718.46	
1904.....	3,862,259.53	
1905.....	2,882,331.65	
1906.....	2,630,068.89	
1907.....	2,993,520.53	
By 70 per cent of appropriations heretofore reverted to general fund.....	1,566,060.13	
To 70 per cent of appropriations, fiscal year—		
1902.....	P2,731,912.15	
1903.....	3,100,381.27	
1904.....	4,129,317.44	
1905.....	3,564,438.56	
1906.....	3,553,424.51	
1907.....	2,594,563.69	
By balance due insular government.....		454,378.28
Total.....	19,674,037.62	19,674,037.62

(5) APPROPRIATION ACCOUNT.

Under the provisions of the charter of the city of Manila (act 183, section 15) the insular government for a consideration agrees to contribute 30 per cent of the appropriations for the maintenance and support of the city's government. This provision has heretofore been construed to mean net withdrawals from the appropriations. Now the law is interpreted literally and an account of "general revenues, city of Manila," set up, and 70 per cent of the appropriations charged thereto, with the results shown in the following accounts. Reversions of unexpended balances are credited to the funds from which they came and in the same proportions:

By appropriations, fiscal year—

1902.....	₱ 3,902,731.64
1903.....	4,429,116.10
1904.....	5,899,024.92
1905.....	5,092,055.09
1906.....	5,076,320.73
1907.....	3,706,519.56

To expenditures, fiscal year—

1902.....	₱ 3,033,303.28
1903.....	3,830,197.46
1904.....	5,355,230.83
1905.....	5,122,814.36
1906.....	4,560,691.76
1907.....	3,782,754.82

Reversions of unexpended balances..... 2,237,228.76

Balance available for expenditures:

In insular treasury.....	₱ 182,517.98
In hands of disbursing officers.....	1,028.79
	<hr/> 183,546.77

28,105,768.04 28,105,768.04

Respectfully submitted.

W. H. CLARKE, *Acting Auditor.*

The SECRETARY OF WAR.

The GOVERNOR-GENERAL OF THE ISLANDS.

The MEMBERS OF THE PHILIPPINE LEGISLATURE.

PART II.

THE GOVERNMENT OF THE PHILIPPINE ISLANDS, BUREAU OF AUDITS, Manila, P. I., September 27, 1907.

SIRS: In compliance with the requirements of section 60 of act No. 1402, I have the honor to submit the seventh annual report of this office of the fiscal affairs of the government, as far as pertains to the provinces of the islands.

There is also submitted the first annual report showing the fiscal affairs of the municipalities of the archipelago. The audit of the accounts of the municipalities was placed under the jurisdiction of this office, through its corps of district auditors, by act No. 1482, passed May 1, 1906, to be effective from January 1, 1906.

The municipal fiscal year is coterminous with the calendar year. The provincial fiscal year is coterminous with the insular fiscal year—June 30.

The report herewith rendered, therefore, shows the audit of the accounts of the municipalities for their fiscal year terminating December 31, 1906, and of the provinces for such year terminating June 30, 1907.

The creation of the corps of district auditors, upon which the work of auditing provincial and municipal accounts devolves, was commented upon in the previous annual report of this office.

The personnel of the corps, the districts to which assigned at the close of the provincial fiscal year, and the official stations were as follows:

Name.	Address.	Provinces.
<i>Chief district auditor.</i>		
W. A. Randall.....	Manila, P. I.	
<i>District auditors.</i>		
Frank W. Killen.....	Tuguegarao, Cagayan.....	Cagayan, Isabela, Nueva Viscaya.
Irving B. Dexter.....	Vigan, Ilocos Sur.....	Ilocos Norte, Ilocos Sur, Lepanto-Bontoc.
James C. Lewis.....	Lingayen, Pangasinan.....	La Union, Pangasinan, Tar- lac, Benguet.
E. M. Wood (on leave in United States); Charles F. Richmond, act- ing.	Malolos, Bulacan.....	Pampanga, Bulacan, Nu- eva Ecija.
R. K. Zercher.....	Santa Cruz, La Laguna.....	La Laguna, Rizal, Cavite, Bataan.
J. E. Bowen.....	Batangas, Batangas.....	Batangas, Tayabas.
L. B. Alexander.....	Nueva Caceres, Ambos Cama- rines.	Ambos Camarines.
John L. Headington.....	Albay, Albay.....	Albay, Sorsogon.
L. W. Berry.....	Tacloban, Leyte.....	Samar, Leyte.
Thomas R. Lill.....	Cebu, Cebu.....	Cebu, Bohol, Oriental Ne- gros.
James A. Kirby.....	Iloilo, Panay.....	Iloilo, Occidental Negros.
Gaston Schmutz.....	Capiz, Panay.....	Capiz, Antique, Romblon.
Geo. L. Coleman.....	Cagayan, Misamis.....	Misamis, Surigao.
Fred. S. Lovenskiold.....	Zamboanga, Mindanao.....	Moro.
<i>District auditors at large.</i>		
E. J. Stowers, Chas. J. H. Naylor, Chas. E. Norton.		Zambales, Mindoro, Pala- wan.

In addition to the work of auditing provincial and municipal money accounts, the district auditors audit the property accounts of the provinces and, under Executive Order No. 29, June 4, 1906, act as inspectors upon all insular property presented for condemnation in their districts. They also make all required field examinations of constabulary supply officers, clerks of courts, registers of deeds, land agents, post-masters, and other insular accountable officers.

THE PROVINCIAL GOVERNMENTS.

Explanation of provincial statements.—The statements which follow show in detail the financial condition and operations of each province and municipality during the fiscal year.

Funds which have come into the possession of the provinces are grouped under three main divisions, viz: (1) Balance July 1, 1906, (2) revenues, and (3) miscellaneous receipts, the totals of each division being separately shown.

Within the division "revenues" there has only been included moneys which regularly accrue to the provinces and municipalities as revenue by general law. This division, therefore, does not include payments made to them by the insular government in the form of outright aid and loans, nor on account of the appropriation made by the insular government in lieu of the suspended land tax.

Within the division "miscellaneous receipts" moneys accruing from all sources other than revenues as defined in the preceding paragraph are shown.

Funds which have gone out of the possession of the provinces and the amount remaining on hand are also shown in three divisions, viz, (1) expenditures, (2) miscellaneous credits, and (3) balance June 30, 1907.

Within the division "expenditures" only expenditures for provincial purposes proper are included.

Payments to municipalities of the proportion of revenues accruing to them, exchanges of currency, and all other items which are not provincial expenditures as defined in the preceding paragraph are shown under "miscellaneous credits."

It is believed that this method of segregation will be especially advantageous to the provincial administrative bureau, presenting in clear form and in a manner capable of immediate reference and comparison the vital statistical factors of a province's financial condition and resources.

The following condensed summary of provincial accounts as thus segregated is of interest:

Item.	Philippine currency.		Mexican and Spanish-Filipino currency.	
	Provincial.	Municipal.	Provincial.	Municipal.
DEBIT.				
Balances on hand July 1, 1906.....	P1,961,219.64	P493,797.36	27,757.44	
Revenues.....	2,580,753.90	4,080,907.51	8.00	
Miscellaneous receipts:				
Exchanges of currency.....	53,121.13		47,010.02	
Other items.....	1,437,982.56	1,132,101.38		
Total debit.....	6,033,077.23	5,715,896.25	74,776.15	
CREDIT.				
Expenditures.....	3,721,009.79		181.65	
Miscellaneous credits:				
Payments to municipalities.....		5,554,258.95		
Exchanges of currency.....	36,157.08		60,057.62	
Other items.....	228,011.50	233.18	154.36	
Balances on hand June 30, 1907.....	2,047,808.91	161,404.12	5,382.62	
Total credit.....	6,033,077.23	5,715,896.25	74,776.15	

All revenues which accrue to the municipalities pass through the hands of the provincial treasurers. The total of the column "municipal" in the division "revenues" therefore represents all revenues which have accrued to the municipalities, and the items in the division "miscellaneous receipts" the receipts from all sources other than revenue.

Funds which accrue to the municipalities are by law required to be paid to them by the provincial treasurer within thirty days of their receipt by him. Such payments are shown under the heading "municipal" and opposite "miscellaneous credits—payments to municipalities." These funds thus pass out of provincial accounts.

THE MUNICIPAL GOVERNMENTS.

Explanation of municipal statements.—The arrangement of the municipal accounts is the same as that of the provincial.

The following condensed summary of these accounts is given:

Item.	Philippine currency.			
	General.	School.	Cemetery.	Total.
DEBIT.				
Balances on hand January 1, 1906.....	P806,047.02	P447,550.96		
Revenues.....	3,765,408.98	624,829.70	P10,899.36	
Miscellaneous receipts:				
Transfers from general fund.....		116,385.86		
Other items.....	611,145.39	723,836.68	515.00	
Total debit.....	4,972,601.39	1,912,603.20	11,414.36	
CREDIT.				
Expenditures.....	3,731,409.66	1,078,632.40	609.30	
Miscellaneous credits:				
Transfers to school fund.....	116,385.86			
Other items.....	34,488.66	28,414.56		
Balances on hand December 31, 1906.....	1,090,317.21	805,556.24	10,805.06	
Total credit.....	4,972,601.39	1,912,603.20	11,414.36	

There are 675 municipal and township organizations in the islands, the accounts for which are rendered by their respective treasurers to the provincial treasurer of the province in which located, by whom they are given an administrative review and then turned over to the district auditor for his audit. The municipal and township treasurers are also frequently inspected at their offices in the municipalities and townships. Owing to the great number of these inspections that it is necessary to make, district auditors are authorized to depute their clerks and the deputies of the provincial treasurer to assist them in carrying out these duties. The value of this work in checking and preventing the improper use of municipal funds has been very great. Opportunities have also been afforded for greatly bettering the municipal service generally. The advance in system and efficiency in the municipal treasury service during the past year has been indeed gratifying.

PAYMENTS TO PROVINCES IN LIEU OF THE LAND TAX.

By act No. 1455 the collection of the land tax for the calendar year 1906 was suspended throughout all the provinces and municipalities of the Philippine Islands, wherein operative, except in the city of Manila, and P2,690,890.69 was appropriated for the several provinces and municipalities in lieu thereof, this appropriation being based upon the land-tax collections for the fiscal year 1905, and being divisible between the various provinces and municipalities concerned upon the basis of the actual collections therein during that fiscal year.

By resolution of the Commission of March 12, 1906, the suspension of this tax was held not to be applicable to the Moro Province, and the excess of P32,321.45 which thus arose in the appropriation, and which had reverted to the general funds in the treasury, was reappropriated by act No. 1475 for the benefit of the Province of Cebu, it appearing that by reason of the suspension of the land tax in that province for the year 1905, outside of certain excepted portions, the allotment upon the basis of the collections for such year was not an equitable one and would not afford it sufficient revenues for its current expenses.

The amounts thus appropriated were made payable to the various provinces in twelve monthly installments, beginning with the month of January, 1906.

By act No. 1579 the collection of the land tax was also suspended for the calendar year 1907 throughout the same territory as during the previous year, such act providing that there should be appropriated by the insular government to the provinces and municipalities concerned, in lieu of the suspended tax, an amount equal to 50 per cent of the maximum tax collectible under the new assessment in process of consummation under the provisions of act No. 1455. Pending the certification of such assessment by the central equalizing board there was appropriated for the first six months of the calendar year 1907, P666,927.63, such amount being one-half the sum received

during the preceding six months under the provisions of acts Nos. 1455 and 1475, and to apply as a credit on the amount eventually to be appropriated upon certification of the new assessment by the central equalizing board.

There was withdrawn from the insular treasury during the fiscal year ending June 30, 1907, the following amounts for payment to the provinces and municipalities in lieu of the suspended land tax:

Under acts Nos. 1455 and 1475.....	₱1,333,855.39
Under act No. 1579.....	666,927.63
Total.....	2,000,783.02

This amount was distributed among the provinces for their use and that of their municipalities, as hereinafter shown in detail in the provincial statements.

Of the amount appropriated by act No. 1455, ₱23,180.31 was unused and returned to unappropriated funds in the insular treasury. This unused balance was the result of a decision to the effect that the suspension of the land tax was not applicable to the special government act provinces, wherein a tax denominated a "property tax" is collected instead of the purely "land" tax prescribed by act No. 82 for the other provinces.

Exchange of currency.—Pursuant to the provisions of the act of Congress approved March 2, 1903, the purchase by provincial treasurers, and their deputies throughout the municipalities, of Mexican, Spanish-Filipino, and other currency formerly in circulation in the islands continued during the year under the following executive order (No. 24, series of 1905):

"In order to give every opportunity to the people of these islands to effect the exchange of the local currency in their possession for Philippine currency, it is hereby ordered that the insular treasurer and all provincial treasurers in the Philippine Islands shall, on and after this day and until further notice, purchase Spanish-Filipino currency, Mexican currency, Chinese subsidiary silver coins, and all foreign copper coins now circulating in the Philippine Islands, at one peso, Philippine currency, for one peso and thirty centavos, local currency."

The aggregate amount of currency thus exchanged is shown in the foregoing summary (p. —) and in detail by provinces in the statements which follow. The purchase of these coins was discontinued July 1, 1907, by executive order No. 8 of March 11, 1907.

Population.—The number of inhabitants of the various provinces and municipalities shown in the tables is taken from the official census of 1903. Such information is not shown for the townships and settlements of the special provincial government act provinces, nor for the municipalities of the Moro Province, the large proportion of uncivilized inhabitants in those political subdivisions rendering information of such nature of meager and uncertain value.

PROVINCE OF ALBAY.

(Population: Christian, 239,434; non-Christian, 892.)

	Provincial.		Municipal.
	Albay proper.	Subprovince Catanduanes.	
DEBITS.			
Balance July 1, 1906.....	₱84,209.45	₱9,390.84	₱39,277.47
Revenues:			
All provincial—			
Registry of property.....	1,234.70		
Miscellaneous.....	644.19		
Mining fees.....	70.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....	27.30	56.70	84.00
Cart.....	3.75	8.75	12.50
Land, 1906 and previous years.....	16,949.36	873.93	22,069.58
All municipal—			
Fisheries.....			5,834.83
Cattle registration.....			2,166.00
Rents, profits, and privileges.....			23,902.21
Licenses.....			8,787.29
Fines.....			4,860.58
Sales of estrays.....			183.50
Cemetery.....			
Miscellaneous.....			57.66

PROVINCE OF ALBAY—Continued.

	Provincial.		Municipal.
	Albay proper.	Subprovince Catanduanes.	
DEBITS—continued.			
Revenues—Continued.			
Internal revenue—			
Cedulas, act No. 1189.....	P25,793.00	P3,167.50	P28,960.50
Licenses, act No. 1189.....			12,677.91
Opium certificates, act No. 1461.....			1,375.00
Refund from insular treasury, act No. 1189.....	9,481.71	606.99	32,059.37
Refund from insular treasury, act No. 1189, non-Christian portion.....	119.46		
Total revenues.....	54,323.47	4,712.87	143,110.96
Miscellaneous receipts:			
Payments to province, insular payment lieu land tax, acts Nos. 1455 and 1579.....	52,429.25	3,586.97	68,573.97
Loans to province, act No. 1635.....	25,000.00		
Repayments of loans by municipalities.....	269.23		
To expenditures, roads and bridges, Tabaco-Ligao road fund—Refund permanent equipment.....	312.00		
To expenditures, schools, provincial funds—Refund repairs and construction of buildings.....	434.85		
Total miscellaneous receipts.....	78,445.33	3,586.97	68,573.97
Total debits.....	216,978.25	17,691.68	250,962.40
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	17,142.51	1,560.00	
Salaries of provincial employees.....	32,742.00	2,524.99	
Repairs and construction of buildings.....	3,535.01		
Traveling expenses and per diems.....	6,027.22	1,297.65	
Rentals for buildings.....	210.00		
Office supplies.....	5,909.40	6.00	
Permanent equipment.....	377.06		
Clerk of court fees.....	6,457.40		
Sheriff's fees.....	491.28		
Feeding prisoners.....	3,234.89		
Premiums on bonds.....	1,666.27	67.56	
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	1,905.34	136.70	
Miscellaneous.....	2,748.89	38.10	
Roads and bridges—			
Labor and material.....	19,421.76	6.35	
Permanent equipment.....	1,680.00		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....			
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....	260.88		
Purchase of land.....			
Miscellaneous.....	34.30		
School building fund, act No. 1275—			
Schools, repairs and construction of buildings.....	1,366.08		
Tabaco-Ligao road fund, act No. 1260—			
Roads and bridges, labor and material.....	997.62		
Total expenditures.....	106,207.91	5,637.35	
Miscellaneous credits:			
Payments to municipalities.....			238,233.77
Balance June 30, 1907.....	110,770.34	12,054.33	12,728.63
Total credits.....	216,978.25	17,691.68	250,962.40

PROVINCE OF AMBOS CAMARINES.

[Population: Christian, 233,472; non-Christian, 5,933.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P34,283.00	P13,614.20	89.30
Revenues:			
All provincial—			
Registry of property	1,060.51		
Miscellaneous	80.00		
Mining fees	146.00		
Rental of provincial property	3,067.67		
Joint provincial and municipal—			
Cedulas, act No. 83	575.00	575.00	
Cart	263.00	263.00	
Land, 1905 and previous years	8,052.43	10,264.81	
Duet franchise tax	118.13	236.22	
All municipal—			
Fisheries		5,525.28	
Ownership and transfer of cattle		2,613.00	
Rents, profits, and privileges		15,364.49	
Licenses		5,578.16	
Fines		6,416.26	
Sales of stray animals		304.50	
Cemetery		346.00	
Miscellaneous		22.74	
Internal revenue—			
Cedulas, act No. 1189	29,548.50	29,548.50	
Licenses, act No. 1189		7,610.00	
Opium certificates, act No. 1461		1,580.00	
Refund from insular treasury, act No. 1189	21,430.30	31,261.07	
Refund from insular treasury, act No. 1189, non-Christian portion	794.40		
Total revenues	65,167.94	120,461.03	
Miscellaneous receipts:			
Payments to province, insular payment lieu land tax, acts Nos. 1455 and 1579	19,343.52	24,491.34	
To expenditures, general purposes, provincial funds—refund cost tax sales	1,136.80		
Exchanges of currency			182.35
Total miscellaneous receipts	20,480.32	24,491.34	182.35
Total debits	119,931.26	158,566.57	271.65
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials	19,877.20		
Salaries of provincial employees	24,723.80		
Repair and construction of buildings	1,950.66		
Traveling expenses and per diems	7,497.31		
Rentals for buildings	134.00		
Office supplies	142.22		
Permanent equipment	2,165.11		
Clerk of court fees	848.00		
Sheriff's fees	705.80		
Feeding prisoners	2,068.32		
Premiums on bonds	971.98		
Purchase of land			
Cost tax sales			
Postage, mail and telegrams	1,306.00		
Miscellaneous	3,896.20		
Roads and bridges—			
Labor and material	5,070.80		
Permanent equipment			
Purchase of land			
Schools—			
Salaries	112.40		
Repairs and construction of buildings	79.55		
Rentals for buildings	880.00		
Office supplies			
Permanent equipment	271.97		
Purchase of land			
Miscellaneous	28.40		
Non-Christian inhabitants fund—			
Schools, salaries	120.00		
Total expenditures	72,851.72		

PROVINCE OF AMBOS CAMARINES—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Miscellaneous credits:			
Exchanges of currency.....	P140.28		
Payments to municipalities.....		P156,317.76	
Balance, June 30, 1907.....	46,939.26	2,248.81	271.65
Total credits.....	119,931.26	158,566.57	271.65

PROVINCE OF ANTIQUE.

[Population: Christian, 131,245; non-Christian, 2,921.]

DEBITS.			
Balance, July 1, 1906.....	P15,274.83	P6,101.05	
Revenues:			
All provincial—			
Registry of property.....	1.57		
Miscellaneous.....			
Joint provincial and municipal—			
Cedulas, act No. 83.....	579.55	596.45	
Cart.....	94.88	94.87	
Land, 1905 and previous years.....	2,945.95	4,244.03	
All municipal—			
Fisheries.....		1,847.43	
Cattle registration.....		4,550.00	
Rents, profits, and privileges.....		2,935.03	
Licenses.....		131.48	
Fines.....		1,544.20	
Sales of estrays.....			
Cemetery.....		251.75	
Miscellaneous.....		60.00	
Internal revenue—			
Cedulas, act No. 1189.....	12,904.50	12,904.50	
Licenses, act No. 1189.....		1,191.00	
Opium certificates, act No. 1461.....		120.00	
Refund from insular treasury, act No. 1189.....	12,280.71	17,573.28	
Refund from insular treasury, act No. 1189, non-Christian portion.....	391.10		
Total revenues.....	29,196.26	48,044.02	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	5,097.87	6,561.00	
Congressional relief, municipality of Culaal, act No. 1406.....	600.00		
To expenditures—Refund repairs and construction of buildings, Congressional relief.....	443.39		
Repayments of loans by municipalities.....	200.00		
Exchanges of currency.....			
Total miscellaneous receipts.....	6,341.26	6,561.00	
Total debits.....	50,814.35	60,706.07	
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	10,563.92		
Salaries of provincial employees.....	8,765.38		
Repair and construction of buildings.....	1,114.15		
Traveling expenses and per diems.....	1,864.03		
Rentals for buildings.....			
Office supplies.....	936.50		
Permanent equipment.....	1,343.36		
Clerk of court fees.....	3,175.86		
Sheriff's fees.....	402.74		
Feeding prisoners.....	706.09		
Premiums on bonds.....	296.46		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	698.28		
Miscellaneous.....	763.72		

PROVINCE OF ANTIQUE—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Provincial funds—Continued.			
Roads and bridges—			
Labor and material.....	P4,065.15		
Permanent equipment.....	377.68		
Purchase of land.....			
Schools—			
Salaries.....	57.60		
Repairs and construction of buildings.....	36.50		
Rentals for buildings.....	112.75		
Office supplies.....			
Permanent equipment.....	303.81		
Purchase of land.....	47.11		
Miscellaneous.....			
Congressional relief fund—			
General purposes, miscellaneous.....	17.00		
Congressional relief fund, act No. 1406—			
General purposes, miscellaneous.....	575.20		
School building fund, act No. 1275—			
Schools, repairs and construction of buildings.....	2,796.89		
Total expenditures.....	38,900.18		
Miscellaneous credits:			
Exchanges of currency.....			
Payments to municipalities.....		P59,416.18	
Loans to municipalities.....	250.00		
Balance June 30, 1907.....	11,574.17	1,289.89	
Total credits.....	50,814.35	60,706.07	

PROVINCE OF BATAAN.

[Population: Christian, 45,166; non-Christian, 1,621.]

	DEBITS.		
Balance July 1, 1906.....	P17,120.88	P4,625.26	
Revenues:			
All provincial—			
Registry of property.....	159.14		
Miscellaneous.....			
Joint provincial and municipal—			
Cedulas, act No. 83.....	155.00	155.00	
Cart.....	383.71	383.76	
Land, 1905 and previous years.....	833.12	829.95	
All municipal—			
Fisheries.....		3,257.56	
Cattle registration.....		725.00	
Rents, profits, and privileges.....		4,620.81	
Licenses.....		963.27	
Fines.....		1,538.67	
Sales of estrays.....		18.70	
Cemetery.....		38.00	
Miscellaneous.....			
Internal revenue—			
Cedulas, act No. 1189.....	6,526.00	6,526.00	
Licenses, act No. 1189.....		1,805.95	
Opium certificates, act No. 1461.....		5.00	
Refund from insular treasury, act No. 1189.....	5,409.57	6,047.58	
Refund from insular treasury, act No. 1189, non-Christian portion.....	217.04		
Total revenues.....	13,683.61	26,935.25	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	7,001.73	6,339.51	
Congressional relief to municipality of Dinalupjan, act No. 1406.....	500.00		
Loans to province, act No. 1601.....	6,000.00		
Public contributions, school building fund, act No. 1275.....	1,335.17		
Exchanges of currency.....	.20		237.40
Total miscellaneous receipts.....	14,837.10	6,339.51	237.40
Total debits.....	45,641.59	37,900.02	237.40

PROVINCE OF BATAAN—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	P7,923.32		
Salaries of provincial employees.....	3,453.34		
Repair and construction of buildings.....	220.74		
Traveling expenses and per diems.....	1,216.56		
Rentals for buildings.....			
Office supplies.....	146.38		
Permanent equipment.....	151.28		
Clerk of court fees.....	5,968.00		
Sheriff's fees.....	106.48		
Feeding prisoners.....	1,707.10		
Premiums on bonds.....	218.50		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	300.24		
Miscellaneous.....	74.02		
Roads and bridges—			
Labor and material.....	5,424.18		
Permanent equipment.....	69.39		
Purchase of land.....			
Schools—			
Salaries.....	27.20		
Repairs and construction of buildings.....	40.97		
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....	1.60		
Purchase of land.....			
Miscellaneous.....	3.00		
Congressional relief fund—			
Roads and bridges, labor and material.....	407.04		
Congressional relief fund, act No. 1406—			
General purposes, miscellaneous.....	208.00		
Roads and bridges, labor and material.....	282.00		
Total expenditures.....	27,989.34		
Miscellaneous credits:			
Exchanges of currency.....	219.44		0.26
Payments to municipalities.....		P36,995.93	
Balance June 30, 1907.....	17,432.81	904.09	287.14
Total credits.....	45,641.59	37,900.02	287.40

PROVINCE OF BATANGAS.

[Population: Christian, 257,715; non-Christian, none.]

	DEBITS.		
Balance July 1, 1906.....	P36,288.38	P14,251.11	
Revenues:			
All provincial—			
Registry of property.....	55.23		
Miscellaneous.....	103.11		
Mining fees.....	12.00		
Rental of provincial property.....	363.50		
Joint provincial and municipal—			
Cedulas, act No. 83.....	408.00	498.00	
Cart.....	393.22	393.18	
Land, 1906 and previous years.....	12,932.05	12,170.97	
All municipal—			
Fisheries.....		18,818.58	
Cattle registration.....		15,430.00	
Rents, profits, and privileges.....		19,808.65	
Licenses.....		13,462.29	
Fines.....		4,514.85	
Sales of estrays.....		450.00	
Cemetery.....		374.40	
Miscellaneous.....		880.22	
Internal revenue—			
Cedulas, act No. 1189.....	31,657.00	31,657.00	
Licenses, act No. 1189.....		5,999.50	
Opium certificates, act No. 1461.....		110.00	

PROVINCE OF BATANGAS—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
Internal revenue—Continued.			
Refund from insular treasury, act No. 1189.....	P39,872.41	P34,507.12	.
Refund from insular treasury, act No. 1189, non- christian portion.....			
Total revenues.....	85,890.52	150,064.76	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	33,433.02	31,611.42	
Cancellation of loan, act No. 1361.....	2,000.00		
School-building fund, act No. 1275.....	5,000.00		
To expenditures—General purposes, provincial fund—			
Refund permanent equipment.....	813.10		
Refund clerk of court fees.....	607.11		
Public contributions school-building fund, act No. 1275.....	3,500.00		
Exchanges of currency.....	3,696.82		4,806.95
Repayments of loans by municipalities.....	4,989.47		
Total miscellaneous receipts.....	54,039.56	31,611.42	4,806.95
Total debits.....	176,214.46	204,927.29	4,806.95
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	17,686.58		
Salaries of provincial employees.....	19,118.29		
Repair and construction of buildings.....	4,768.12		
Travelling expenses and per diems.....	3,252.52		
Rental for buildings.....			
Office supplies.....	1,418.10		
Permanent equipment.....			
Clerk of court fees.....			
Sheriff's fees.....	591.89		
Feeding prisoners.....	19,310.12		
Premiums on bonds.....	701.32		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	826.88		
Miscellaneous.....	1,416.86		
Roads and bridges—			
Labor and material.....	10,878.41		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....	37.54		
Repairs and construction of buildings.....	232.45		
Rental for buildings.....	290.00		
Office supplies.....			
Permanent equipment.....	237.47		
Purchase of land.....			
Miscellaneous.....	763.30		
Total expenditures.....	81,529.85		
Miscellaneous credits:			
Exchanges of currency.....	3,696.82		4,806.95
Payments to municipalities.....		203,171.10	
Repayments of loans to insular government.....	2,000.00		
Payments to municipalities, cancellation of loans, act No. 1361.....	2,000.00		
Total miscellaneous credits.....	7,696.82	203,171.10	4,806.95
Balance June 30, 1907.....	86,987.79	1,756.19	
Total credits.....	176,214.46	204,927.29	4,806.95

REPORT OF AUDITOR FOR PHILIPPINE ISLANDS.

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PROVINCE OF BENGUET.

[Population: Christian, 917; non-Christian, 21,828.]

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P9,874.57	P76.00	
Revenues:			
All provincial—			
Registry of property.....	51.67		
Miscellaneous.....			
Mining fees.....	628.00		
Fees, Justice of the peace, act No. 1396.....	488.64		
Road tax, act No. 1396.....	962.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....			
Land, 1906, and previous years.....			
All municipal—			
Fisheries.....			
Cattle registration.....		2,526.00	
Rents, profits, and privileges.....		901.10	
Licenses.....		2,926.58	
Fines.....		364.35	
Sales of estrays.....		96.00	
Cemetery.....			
Miscellaneous.....		717.00	
Property tax.....		3,063.46	
Road tax, 1906.....		33.00	
Internal revenue—			
Cedulas, act No. 1189.....	662.00	662.00	
Licenses, act No. 1189.....		7.50	
Opium certificates, act No. 1461.....		30.00	
Refund from insular treasury, act No. 1189.....	2,030.32		
Refund from insular treasury, act No. 1189, township and settlement portion.....	3,045.49		
Total revenues.....	7,868.12	11,346.99	
Miscellaneous receipts:			
Payments to province—			
Insular payment land lieu tax, acts Nos. 1455 and 1579.....			
General provincial purpose, act No. 1527.....	20,860.00		
Bagulo-Trinidad road, appropriation.....	1,308.35		
Exchanges of currency.....			
Total miscellaneous receipts.....	22,168.35		
Total debits.....	39,911.04	11,422.99	
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	9,143.35		
Salaries of provincial employees.....	2,934.04		
Repair and construction of buildings.....	2,151.73		
Traveling expenses and per diems.....	1,719.56		
Rentals for buildings.....	1,800.00		
Office supplies.....	1,176.31		
Permanent equipment.....	72.08		
Clerk of court fees.....	368.00		
Sheriff's fees.....	157.40		
Feeding prisoners.....	624.60		
Premiums on bonds.....	392.61		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	276.57		
Miscellaneous.....	873.89		
Roads and bridges—			
Labor and material.....	622.90		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	80.88		
Rentals for buildings.....			
Office supplies.....			

PROVINCE OF BENGUET—Continued.

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Provincial funds—Continued.			
Schools—Continued.			
Permanent equipment.....			
Purchase of land.....			
Miscellaneous.....	P 2,209.80		
Road and bridge and public works fund—			
Roads and bridges, labor and material.....	4,595.92		
Total expenditures.....	30,199.44		
Miscellaneous credits:			
Exchanges of currency.....		P 11,317.49	
Payments to townships.....		105.50	
Balance June 30, 1907.....	9,711.60		
Total credits.....	39,911.04	11,422.99	

PROVINCE OF BOHOL.

[Population: Christian, 269,223; non-Christian, none.]

	Provincial.	Municipal.	Provincial.
DEBITS.			
Balance July 1, 1906.....	P 78,243.88	P 12,692.31	262.20
Revenues:			
All provincial—			
Registry of property.....			
Miscellaneous.....	567.20		
Joint provincial and municipal—			
Cedulas, act No. 83.....	690.00	690.00	
Cart.....	58.00	58.00	
Land, 1905 and previous years.....	10,482.53	13,977.09	
All municipal—			
Fisheries.....		5,297.00	
Cattle registration.....		5,470.00	
Rents, profits, and privileges.....		8,030.01	
Licenses.....		5,915.58	
Fines.....		1,710.05	
Sales of estrays.....		260.00	
Cemetery.....		1.50	
Miscellaneous.....			
Internal revenue—			
Cedulas, act No. 1189.....	29,293.50	29,293.50	
Licenses, act No. 1189.....		6,252.50	
Opium certificates, act No. 1461.....		415.00	
Refund from insular treasury, act No. 1189.....	24,993.12	36,048.00	
Refund from insular treasury, act No. 1189, non-Christian portion.....			
Total revenues.....	66,084.35	113,418.23	
Miscellaneous receipts:			
Payments to province—insular payment lieu land tax, acts Nos. 1455 and 1579.....	4,888.89	6,518.52	
To expenditures, schools, provincial fund—refund permanent equipment.....	21.00		
Repayment of loans by municipalities.....	14,948.50		
Exchanges of currency.....	2,681.95		3,232.04
Total miscellaneous receipts.....	22,540.34	6,518.52	3,232.04
Total debits.....	166,868.57	132,629.06	3,494.24

PROVINCE OF BOHOL—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	₱13,551.26		
Salaries of provincial employees.....	20,216.61		
Repair and construction of buildings.....	1,130.91		
Traveling expenses and per diems.....	9,446.99		
Rentals for buildings.....			
Office supplies.....	2,744.01		
Permanent equipment.....	2,705.62		
Clerk of court fees.....	256.00		
Sheriff's fees.....	191.56		
Feeding prisoners.....	2,105.89		
Premiums on bonds.....	720.64		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	1,075.40		
Miscellaneous.....	2,383.80		
Roads and bridges—			
Labor and material.....			
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	122.97		
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....			
Purchase of land.....			
Miscellaneous.....	54.11		
School building fund, act No. 1275, schools, repairs and construction of buildings.....	26,940.00		
School assistance fund, act No. 797, schools, salaries.....	1,320.24		
Total expenditures.....	84,966.01		
Miscellaneous credits:			
Exchanges of currency.....	2,486.19		3,486.54
Payments to municipalities.....		₱131,917.69	
Loans to municipalities.....	550.00		
Repayment of loans to Insular Government.....	18,383.71		
Total miscellaneous credits.....	21,419.90	131,917.69	3,486.54
Balance June 30, 1907.....	60,482.66	711.37	7.70
Total credits.....	166,868.57	132,629.06	3,494.24

PROVINCE OF BULACAN.

[Population: Christian, 223,327; non-Christian, 415.]

DEBITS.			
Balance July 1, 1906.....	₱29,157.51	₱14,286.41	5,023.53
Revenues:			
All provincial—			
Registry of property.....	682.45		
Miscellaneous.....	640.54		.12
Prison labor.....	4.20		
Rental of provincial property.....	40.00		
Mining fees.....	8.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....	171.00	171.00	
Cart.....	170.33	170.32	
Land, 1905 and previous years.....	3,189.13	3,410.40	
All municipal—			
Fisheries.....		1,175.67	
Cattle registration.....		6,710.00	
Rents, profits, and privileges.....		52,769.63	
Licenses.....		10,129.63	
Fines.....		10,107.18	
Sales of estrays.....		2,522.26	
Cemetery.....		735.50	
Miscellaneous.....			

PROVINCE OF BULACAN—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
Internal revenue—			
Cedulas, act No. 1189.....	P25,620.50	P25,620.50	
Licenses, act No. 1189.....		4,611.00	
Opium certificates, act No. 1461.....		175.00	
Refund from insular treasury, act No. 1189.....	25,961.79	29,902.09	
Refund from insular treasury, act No. 1189, non-Christian portion.....	55.55		
Total revenues.....	56,533.49	149,210.78	0.12
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	52,114.14	57,180.15	
Reimbursement to municipality of Hagonoy, act No. 1527.....		8,938.23	
To expenditures, general purposes, provincial funds—			
Refund premiums on bonds.....	419.65		
Refund cost tax sales.....	20.24		
Exchanges of currency.....	4,745.65		1,398.63
Total miscellaneous receipts.....	57,299.69	66,118.38	1,398.63
Total debits.....	142,990.69	228,615.57	6,412.28
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	15,827.01		
Salaries of provincial employees.....	32,439.77		
Repair and construction of buildings.....	1,807.62		
Traveling expenses and per diems.....	4,995.23		
Rentals for buildings.....	168.00		
Office supplies.....	214.45		
Permanent equipment.....	1,881.19		
Clerk of court fees.....	12,704.00		
Sheriff's fees.....	476.40		
Feeding prisoners.....	5,380.88		
Premiums on bonds.....			
Purchase of land.....	43.00		
Cost tax sales.....			
Postage, mail and telegrams.....	2,155.92		
Miscellaneous.....	2,963.65		181.65
Roads and bridges—			
Labor and material.....	20,485.61		
Permanent equipment.....	17,028.65		
Purchase of land.....			
Schools—			
Salaries.....	30.00		
Repairs and construction of buildings.....	2,537.99		
Rentals for buildings.....	15.00		
Office supplies.....			
Permanent equipment.....	637.14		
Purchase of land.....			
Miscellaneous.....	177.19		
Total expenditures.....	121,968.70		181.65
Miscellaneous credits:			
Exchanges of currency.....	1,068.03		6,169.38
Payments to municipalities.....		224,881.35	
Balance June 30, 1907.....	19,933.96	3,734.22	61.25
Total credits.....	142,990.69	228,615.57	6,412.28

PROVINCE OF CAGAYAN.

[Population: Christian, 142,825; non-Christian, 13,414.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P73,622.82	P12,056.45	1,763.38
Revenues:			
All provincial—			
Registry of property.....	150.00		
Miscellaneous.....	5.00		.22
Joint provincial and municipal—			
Cedulas, act No. 83.....	240.00	240.00	
Cart.....	1,378.56	1,378.52	
Land, 1905 and previous years.....	1,251.33	2,460.33	
Industrial.....	3.75	3.75	
All municipal—			
Fisheries.....		2,346.02	
Cattle registration.....		10,833.00	
Rents, profits, and privileges.....		10,686.79	
Licenses.....		5,989.16	
Fines.....		4,634.14	
Sales of estrays.....		780.05	
Cemetery.....		1,802.25	
Miscellaneous.....			
Internal revenue—			
Cedulas, act No. 1189.....	18,989.00	18,939.00	
Licenses, act No. 1189.....		10,909.53	
Opium certificates, act No. 1461.....		1,725.00	
Refund from insular treasury, act No. 1189.....	8,248.52	19,123.74	
Refund from insular treasury, act No. 1189, non-Christian portion.....	1,796.10		
Total revenues.....	32,012.26	91,871.58	.22
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	17,032.77	32,146.11	
Congressional relief to inhabitants Cagayan Province, act No. 1406.....	12,000.00		
Congressional relief to municipalities for schools, act No. 1406.....	15,000.00		
To expenditures, refund clerk of court fees.....	288.00		
Exchanges of currency.....	2,466.92		1,443.40
Total miscellaneous receipts.....	46,787.69	32,146.11	1,443.40
Total debits.....	152,422.77	136,074.14	3,207.00
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	14,432.25		
Salaries of provincial employees.....	13,436.86		
Repair and construction of buildings.....	1,739.16		
Traveling expenses and per diems.....	5,792.67		
Rentals for buildings.....	1,445.50		
Office supplies.....	3,452.81		
Permanent equipment.....	5,129.49		
Clerk of court fees.....			
Sheriff's fees.....	324.00		
Feeding prisoners.....	2,125.92		
Premiums on bonds.....	964.41		
Purchase of land.....			
Cost tax sales.....	10.00		
Postage, mail and telegrams.....	1,437.50		
Miscellaneous.....	1,110.54		
Roads and bridges—			
Labor and material.....	8,528.21		
Permanent equipment.....	227.01		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	178.12		
Rentals for buildings.....	225.00		
Office supplies.....			
Permanent equipment.....	204.20		
Purchase of land.....			
Miscellaneous.....	264.72		

PROVINCE OF CAGAYAN—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Congressional relief fund, act No. 1406—			
General purposes, miscellaneous.....	P3,982.75		
Non-Christian inhabitants fund—			
General purposes, miscellaneous.....	6.17		
School building fund, act No. 1275—			
Schools, repairs and construction of buildings.....	2,628.55		
Provincial building fund, act No. 1416—			
General purposes—			
Repairs and construction of buildings.....	15,185.56		
Permanent equipment.....	93.59		
Total expenditures.....	82,924.99		
Miscellaneous credits:			
Exchanges of currency.....	1,108.70		3,207.00
Payments to municipalities.....		P132,810.70	
Payments to municipalities, Congressional relief, for schools.....	7,900.00		
Total miscellaneous credits.....	9,008.70	132,810.70	3,207.00
Balance June 30, 1907.....	60,489.08	3,263.44	
Total credits.....	152,422.77	136,074.14	3,207.00

PROVINCE OF CAPIZ.

[Population: Christian, 225,092; non-Christian, 5,629.]

DEBITS.			
Balance July 1, 1906.....	P16,236.05	P12,621.28	41.30
Revenues:			
All provincial—			
Registry of property.....	38.04		
Miscellaneous.....	32.25		
Medical certificates, act No. 310.....	12.00		
Prison labor.....	32.70		
Joint provincial and municipal—			
Cedulas, act No. 83.....	103.00	103.00	
Cart.....	17.50	17.50	
Land, 1905 and previous years.....	7,420.37	9,902.40	
All municipal—			
Fisheries.....		2,308.77	
Cattle, registration.....		2,600.00	
Rents, profits, and privileges.....		13,214.48	
Licenses.....		3,220.15	
Fines.....		2,356.98	
Sales of estrays.....		80.20	
Cemetery.....		30.00	
Miscellaneous.....		580.71	
Internal revenue—			
Cedulas, act No. 1189.....	25,543.00	25,543.00	
Licenses, act No. 1189.....		3,077.50	
Opium certificates, act No. 1461.....		120.00	
Refund from insular treasury, act No. 1189.....	20,608.64	30,139.03	
Refund from insular treasury, act No. 1189, non-Chris- tian portion.....	753.71		
Total revenues.....	54,561.21	93,273.72	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	12,497.04	16,662.69	
School building fund, act No. 1275.....	8,000.00		
Public contributions, school building fund, act No. 1275.....	112.90		
Exchanges of currency.....	499.63		656.92
Total miscellaneous receipts.....	21,099.57	16,662.69	656.92
Total debits.....	91,896.83	122,557.69	698.22

PROVINCE OF CAPIZ—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	P13,459.20		
Salaries of provincial employees.....	14,172.26		
Repair and construction of buildings.....	70.71		
Traveling expenses and per diems.....	2,343.31		
Rentals for buildings.....	120.00		
Office supplies.....	756.94		
Permanent equipment.....	1,652.88		
Clerk of court fees.....	800.00		
Sheriff's fees.....	458.02		
Feeding prisoners.....	2,612.80		
Premiums on bonds.....	440.68		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	615.42		
Miscellaneous.....	593.44		
Roads and bridges—			
Labor and material.....	9,418.71		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....	145.33		
Repairs and construction of buildings.....	69.00		
Rentals for buildings.....	13.60		
Office supplies.....			
Permanent equipment.....	.60		
Purchase of land.....			
Miscellaneous.....	251.95		
Total expenditures.....	47,994.85		
Miscellaneous credits:			
Exchanges of currency.....	506.28		636.52
Payments to municipalities.....		P121,248.39	
Allowances under section 42, act No. 1402.....	109.70	56.20	
Total miscellaneous credits.....	614.98	121,304.59	636.52
Balance June 30, 1907.....	43,287.00	1,253.10	61.70
Total credits.....	91,896.83	122,557.69	698.22

PROVINCE OF CAVITE.

[Population: Christian, 134,779; non-Christian, none.]

	DEBITS.		
Balance July 1, 1906.....	P33,787.28	P12,632.64	
Revenues:			
All provincial—			
Registry of property.....	286.50		
Miscellaneous.....			
Rental of provincial property.....	90.00		
Franchise tax, act No. 687.....	10.82		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	14.42	14.43	
Land, 1905 and previous years.....	1,555.54	2,073.87	
All municipal—			
Fishes.....		1,645.61	
Cattle registration.....		2,459.00	
Rents, profits, and privileges.....		35,434.71	
Licenses.....		18,609.02	
Fines.....		6,257.29	
Sales of estrays.....		373.65	
Cemetery.....		159.50	
Miscellaneous.....		117.14	
Internal revenue—			
Cedulas, act No. 1189.....	18,391.50	18,391.50	
Licenses, act No. 1189.....		6,621.34	

PROVINCE OF CAVITE—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
Internal revenue—Continued.			
Opium certificates, act No. 1461.....		P585.00	
Refund from insular treasury, act No. 1189.....	P5,961.62	18,046.42	
Refund from insular treasury, act No. 1189, non-Christian portion.....			
Total revenues.....	26,300.40	110,793.48	
Miscellaneous receipts:			
Payments to province, insular payment lieu land tax, acts Nos. 1455 and 1579.....	27,528.08	37,172.52	
To expenditures, roads and bridges, provincial fund, refund permanent equipment.....	4.65		
Exchanges of currency.....	19.23		25.00
Total miscellaneous receipts.....	27,551.91	37,172.52	25.00
Total debits.....	87,639.59	160,598.64	25.00
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	14,433.31		
Salaries of provincial employees.....	14,069.14		
Repair and construction of buildings.....	1,448.78		
Traveling expenses and per diems.....	1,082.10		
Rentals for buildings.....			
Office supplies.....	92.53		
Permanent equipment.....	1,139.99		
Clerk of court fees.....	937.60		
Sheriff's fees.....	275.42		
Feeding prisoners.....	1,284.08		
Premiums on bonds.....	623.94		
Purchase of land.....			
Cost tax sales.....			
Postage, mail, and telegrams.....	1,008.00		
Miscellaneous.....	571.58		
Roads and bridges—			
Labor and material.....	9,557.35		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....	20.00		
Repairs and construction of buildings.....	18.00		
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....	343.42		
Purchase of land.....			
Miscellaneous.....	356.04		
Congressional relief fund—			
Roads and bridges, labor and material.....	335.53		
Schools, repairs and construction of buildings.....	892.03		
Special road fund, act No. 1478—			
Roads and bridges, labor and material.....	4,781.47		
Total expenditures.....	53,270.31		
Miscellaneous credits:			
Exchanges of currency.....	19.22		25.00
Payments to municipalities.....		126,194.50	
Balance June 30, 1907.....	34,350.06	34,404.14	
Total credits.....	87,639.59	160,598.64	25.00

PROVINCE OF CEBU.

[Population: Christian, 653,727; non-Christian, none.]

DEBITS.			
Balance July 1, 1906.....	P139,229.38	P32,345.31	
Revenues:			
All provincial—			
Registry of property.....	419.55		
Miscellaneous.....	.78		
Mining fees.....	96.00		

PROVINCE OF CEBU—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	P371.76	P371.68	
Land, 1905 and previous years.....	38,882.59	51,843.37	
Industrial.....	5.32	5.31	
Franchise tax, act No. 1303.....	33.07	33.07	
All municipal—			
Fisheries.....		7,827.43	
Cattle registration.....		6,729.00	
Rents, profits, and privileges.....		45,914.01	
Licenses.....		31,837.08	
Fines.....		7,235.17	
Sales of estrays.....		29.75	
Cemetery.....			
Miscellaneous.....		45.68	
Internal revenue—			
Cedulas, act No. 1189.....	81,434.00	81,434.00	
Licenses, act No. 1189.....		26,604.67	
Opium certificates, act No. 1461.....		2,300.00	
Refund from insular treasury, act No. 1189.....	59,471.07	87,531.74	
Refund from insular treasury, act No. 1189, non-Christian portion.....			
Total revenues.....	180,714.14	349,831.96	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	24,497.19	32,666.94	
Insular payment lieu land tax, act No. 1475.....	6,926.04	9,234.72	
Sales of galvanized iron—Congressional relief.....	168.35		
Repayments of loans by municipalities.....	750.00		
Exchanges of currency.....	6,596.59		8,751.48
Total miscellaneous receipts.....	28,938.17	41,901.66	8,751.48
Total debits.....	358,881.60	424,078.93	8,751.48
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	22,031.32		
Salaries of provincial employees.....	49,832.15		
Repair and construction of buildings.....	12,752.42		
Traveling expenses and per diems.....	8,069.02		
Rentals for buildings.....	1,420.00		
Office supplies.....	6,537.03		
Permanent equipment.....	10,741.17		
Clerk of court fees.....	2,785.60		
Sheriff's fees.....	1,358.03		
Feeding prisoners.....	8,347.85		
Premiums on bonds.....	1,416.58		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	2,555.24		
Miscellaneous.....	5,302.82		
Roads and bridges—			
Labor and material.....	20,278.00		
Permanent equipment.....	285.24		
Purchase of land.....			
Schools—			
Salaries.....	203.50		
Repairs and construction of buildings.....	29.75		
Rentals for buildings.....	2,406.00		
Office supplies.....	121.19		
Permanent equipment.....	288.38		
Purchase of land.....	50.00		
Miscellaneous.....	510.15		
Total expenditures.....	157,313.44		
Miscellaneous credits:			
Exchanges of currency.....	6,731.88		8,575.48
Payments to municipalities.....		420,742.13	
Loans to municipalities.....	3,000.00		
Repayments of loans to insular government, act No. 1343.....	7,500.00		

PROVINCE OF CEBU—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Miscellaneous credits—Continued.			
By revenue, joint provincial-municipal—Refund cedulas, act No. 83.....	P9.00		
Total miscellaneous credits.....	17,240.88	P420,742.13	8,575.48
Balance June 30, 1907.....	184,327.37	3,336.80	176.00
Total credits.....	356,881.69	424,078.93	8,751.48

PROVINCE OF ILOCOS NORTE.

[Population: Christian, 176,785; non-Christian, 2,210.]

DEBITS.			
Balance July 1, 1906.....	P19,754.80	P8,782.14	
Revenues:			
All provincial—			
Registry of property.....	80.15		
Miscellaneous.....	1,225.00		
Mining fees.....	124.00		
Rental of provincial property.....	210.00		
Prison labor.....	222.80		
Joint provincial and municipal—			
Cedulas, act No. 83.....	27.00	27.00	
Cart.....	1,037.09	1,037.01	
Land, 1905 and previous years.....	1,212.16	1,628.68	
All municipal—			
Fisheries.....		1,484.63	
Cattle registration.....		15,455.00	
Rents, profits, and privileges.....		15,981.65	
Licenses.....		1,805.70	
Fines.....		2,727.01	
Sales of estrays.....		150.72	
Cemetery.....		104.50	
Miscellaneous.....		416.63	
Internal revenue—			
Cedulas, act No. 1189.....	21,180.50	21,180.50	
Licenses, act No. 1189.....		1,781.00	
Opium certificates, act No. 1461.....		80.00	
Refund from insular treasury, act No. 1189.....	23,513.86	23,670.86	
Refund from insular treasury, act No. 1189, non-Chris- tian portion.....	295.92		
Total revenues.....	49,128.48	87,630.89	
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1455 and 1579.....	10,263.33	13,684.50	
To expenditures, general purposes, provincial fund—Re- fund repairs and construction of buildings.....	126.60		
To expenditures, roads and bridges, Congressional relief— Refund labor and material.....	57.77		
Public contributions, school building fund, act No. 1275.....	6,851.58	32.00	
Transfer from rancherías fund.....			
Exchanges of currency.....			
Total miscellaneous receipts.....	17,299.28	13,716.50	
Total debits.....	86,182.56	110,129.53	
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	13,198.52		
Salaries of provincial employees.....	10,948.12		
Repairs and construction of buildings.....			
Traveling expenses and per diems.....	2,033.43		
Rentals for buildings.....			
Office supplies.....	1,154.25		
Permanent equipment.....	1,336.62		
Clerk of court fees.....	11,189.12		
Sheriff's fees.....	667.66		

PROVINCE OF ILOCOS NORTE—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Provincial funds—Continued.			
General purposes—Continued.			
Feeding prisoners.....	P5,582.42		
Premiums on bonds.....	451.63		
Purchase of land.....			
Cost tax sales.....			
Postage, mail, and telegrams.....	480.10		
Miscellaneous.....	1,182.78		
Roads and bridges—			
Labor and material.....	8,854.47		
Permanent equipment.....	64.10		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	1.00		
Rentals for buildings.....	640.00		
Office supplies.....	.50		
Permanent equipment.....	2.00		
Purchase of land.....			
Miscellaneous.....	140.48		
Congressional relief school fund—			
Schools—Repairs and construction of buildings.....	8.30		
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	836.12		
Office supplies.....	14.45		
Miscellaneous.....	4.25		
Total expenditures.....	58,793.30		
Miscellaneous credits:			
Exchanges of currency.....			
Payments to municipalities.....		P110,064.55	
Transfer to municipal fund.....	32.00		
Balance June 30, 1907.....	27,357.28	64.98	
Total credits.....	86,182.56	110,129.53	

PROVINCE OF ILOCOS SUR.

[Population: Christian, 210,746; non-Christian, 28,525.]

	DEBITS.		
Balance July 1, 1906.....	P49,682.30	P12,054.73	1,764.34
Revenues:			
All provincial—			
Registry of property.....	166.94		
Miscellaneous.....			
Rental of provincial property.....	120.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....	493.50	493.50	
Cart.....	9,438.04	9,437.98	
Land, 1905 and previous years.....	4,734.88	7,356.94	
All municipal—			
Fisheries.....		4,368.30	
Cattle registration.....		22,855.00	
Rents, profits, and privileges.....		25,710.28	
Licenses.....		3,049.32	
Fines.....		8,063.41	
Sales of estrays.....		493.10	
Cemetery.....		94.60	
Miscellaneous.....		203.57	
Property tax.....		2,457.61	
Internal revenue—			
Cedulas, act No. 1189.....	34,044.00	31,281.00	
Licenses, act No. 1189.....		4,664.00	
Opium certificates, act No. 1461.....		290.00	
Refund from insular treasury, act No. 1189.....	27,381.21	28,218.16	
Refund from insular treasury, act No. 1189, non-Christian portion.....	3,819.40		
Cedulas, act No. 1189, non-Christian portion.....	2,663.00		
Total revenues.....	82,860.97	148,637.07	

PROVINCE OF ILOCOS SUR—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1455 and 1579.....	P33,007.05	P43,487.01	
To expenditures, roads and bridges, provincial fund— Refund permanent equipment.....	86.91		
To expenditures, general purposes, provincial fund—Re- fund office supplies.....	1,735.53		
To expenditures, schools, provincial fund—Refund re- pairs and construction of buildings.....	441.84		
Repayments of loans by municipalities.....	1,200.00		
Exchanges of currency.....	2,257.43		1,490.60
Total miscellaneous receipts.....	38,728.76	43,487.01	1,490.60
Total debits.....	171,272.03	204,178.81	3,254.94
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	21,615.47		
Salaries of provincial employees.....	20,478.73		
Repair and construction of buildings.....	3,410.75		
Traveling expenses and per diems.....	4,564.81		
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....	973.27		
Clerk of court fees.....	7,264.00		
Sheriff's fees.....	783.60		
Feeding prisoners.....	4,093.54		
Premiums on bonds.....	540.01		
Purchase of land.....			
Cost tax sales.....	32.62		
Postage, mail and telegrams.....	1,100.00		
Miscellaneous.....	2,451.55		
Roads and bridges—			
Labor and material.....	17,657.61		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....			
Rentals for buildings.....			
Office supplies.....	2.98		
Permanent equipment.....	916.35		
Purchase of land.....			
Miscellaneous.....	582.96		
Congressional relief fund—			
General purposes—			
Repairs and construction of buildings.....	4,935.66		
Miscellaneous.....	64.00		
School building fund, Act No. 1275—			
Schools—			
Repairs and construction of buildings.....	15,788.26		
Miscellaneous.....	215.78		
Non-Christian inhabitants fund—			
General purposes, miscellaneous.....	113.23		
Schools—			
Salaries.....	145.00		
Miscellaneous.....	814.24		
Total expenditures.....	108,089.92		
Miscellaneous credits:			
Exchanges of currency.....	1,146.49		2,934.66
Payments to municipalities.....		201,133.30	
Loans to municipalities.....	6,200.00		
Total miscellaneous credits.....	7,346.49	201,133.30	2,934.66
Balance June 30, 1907.....	55,835.62	3,045.51	320.28
Total credits.....	171,272.03	204,178.81	3,254.94

REPORT OF AUDITOR FOR PHILIPPINE ISLANDS.

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PROVINCE OF ILOILO.

[Population: Christian, 403,932; non-Christian, 6,283.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P 112, 154. 58	P 12, 263. 29	2, 631. 24
Revenues:			
All provincial—			
Registry of property.....	1, 266. 05		
Miscellaneous.....	354. 40		
Mining fees.....	4. 00		
Fares provincial launch.....	41. 00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	94. 80	94. 79	
Land, 1905 and previous years.....	4, 126. 63	4, 618. 74	
All municipal—			
Fishes.....		5, 463. 17	
Cattle registration.....		9, 904. 00	
Rents, profits, and privileges.....		55, 720. 44	
Licenses.....		26, 911. 50	
Fines.....		12, 723. 21	
Sales of estrays.....		1, 471. 70	
Cemetery.....		665. 20	
Miscellaneous.....		456. 95	
Internal revenue.....			
Cedulas, act No. 1189.....	46, 763. 00	46, 763. 00	
Licenses, act No. 1189.....		15, 649. 50	
Opium certificates, act No. 1461.....		680. 00	
Refund from insular treasury, act No. 1189.....	35, 560. 29	54, 065. 09	
Refund from insular treasury, act No. 1189, non-Christian portion.....	854. 66		
Total revenues.....	89, 094. 83	235, 216. 29	
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1455 and 1579.....	40, 791. 33	38, 204. 19	
To expenditures, general purposes, provincial fund—Refund cost tax sales.....	48. 71		
Public contributions school building fund, act No. 1275.....	218. 69		
Exchanges of currency.....	3, 140. 83		1, 942. 93
Repayment of loans by municipalities.....	1, 285. 82		
Total miscellaneous receipts.....	45, 485. 38	38, 204. 19	1, 942. 93
Total debits.....	246, 734. 79	285, 683. 77	4, 574. 17
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	23, 895. 90		
Salaries of provincial employees.....	33, 145. 83		
Repair and construction of buildings.....	1, 658. 43		
Traveling expenses and per diems.....	4, 553. 58		
Rentals for buildings.....	444. 50		
Office supplies.....	974. 76		
Permanent equipment.....	8, 249. 78		
Clerk of court fees.....	962. 74		
Sheriff's fees.....	3, 788. 81		
Feeding prisoners.....	6, 131. 99		
Premiums on bonds.....	2, 315. 88		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	1, 120. 00		
Miscellaneous.....	7, 886. 12		
Roads and bridges.....			
Labor and material.....	29, 543. 78		
Permanent equipment.....	2, 911. 00		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	11, 586. 63		
Rentals for buildings.....	816. 00		
Office supplies.....			
Permanent equipment.....	544. 30		
Purchase of land.....			
Miscellaneous.....	1, 905. 46		

PROVINCE OF ILOILO—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	P49,302.90		
Permanent equipment.....	43.90		
Total expenditures.....	191,812.29		
Miscellaneous credits:			
Exchanges of currency.....	1,494.56		4,063.05
Payments to municipalities.....		P283,686.34	
Loans to municipalities.....	1,000.00		
Total miscellaneous credits.....	2,494.56	283,686.34	4,063.05
Balance June 30, 1907.....	52,427.94	1,987.43	491.12
Total credits.....	246,734.79	285,683.77	4,574.17

PROVINCE OF ISABELA.

[Population: Christian, 68,798; non-Christian, 7,638.]

DEBITS.			
Balance July 1, 1906.....	P28,067.77	P3,576.43	3,645.48
Revenues:			
All provincial—			
Registry of property.....	77.50		
Miscellaneous.....			
Joint provincial and municipal—			
Cedulas, act No. 83.....	15.00	15.00	
Cart.....			
Land, 1905 and previous years.....	1,514.70	2,019.87	
All municipal—			
Fishes.....		222.50	
Cattle registration.....		4,646.00	
Rents, profits, and privileges.....		2,240.74	
Licenses.....		1,750.30	
Fines.....		3,682.53	
Sales of estrays.....		1,771.65	
Cemetery.....		12.00	
Miscellaneous.....		221.00	
Internal revenue—			
Cedulas, act No. 1189.....	11,402.00	11,402.00	
Licenses, act No. 1189.....		5,790.00	
Opium certificates, act No. 1461.....		730.00	
Refund from insular treasury, act No. 1189.....	9,150.59	9,211.14	
Refund from insular treasury, act No. 1189, non-Christian portion.....	1,022.69		
Total revenues.....	23,182.48	43,714.73	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	5,898.51	7,800.24	
Congressional relief to inhabitants of Isabela.....	4,000.00		
Public contributions school building fund, act No. 1275....	142.60		
Exchanges of currency.....	4,326.75		2,932.10
Total miscellaneous receipts.....	14,367.86	7,800.24	2,932.10
Total debits.....	65,618.11	55,151.40	6,577.58
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	12,423.26		
Salaries of provincial employees.....	6,322.11		
Repair and construction of buildings.....	18.60		
Traveling expenses and per diems.....	2,571.34		
Rental for buildings.....	975.00		
Office supplies.....	1,067.32		
Permanent equipment.....	1,218.21		
Clerk of court fees.....	4,728.53		

PROVINCE OF ISABELA—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Provincial funds—Continued.			
General purposes—Continued.			
Sheriff's fees.....	P480.10		
Feeding prisoners.....	1,574.62		
Premiums on bonds.....	783.55		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	600.00		
Miscellaneous.....	197.10		
Roads and bridges—			
Labor and material.....	6,202.18		
Permanent equipment.....	118.60		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	2.50		
Rental for buildings.....	61.83		
Office supplies.....			
Permanent equipment.....			
Purchase of land.....			
Miscellaneous.....	80.00		
Congressional relief fund, act No. 1406—			
General purposes, miscellaneous.....	1,689.40		
Roads and bridges, labor and material.....	453.17		
School building fund, act No. 1275—			
Schools, repairs and construction of buildings.....	10,707.26		
Non-Christian Inhabitant fund—			
General purposes, miscellaneous.....	73.25		
Total expenditures.....	52,367.93		
Miscellaneous credits:			
Exchanges of currency.....	2,255.25		5,624.78
Payments to municipalities.....		P54,650.77	
Balance June 30, 1907.....	10,994.93	500.63	952.80
Total credits.....	65,618.11	55,151.40	6,577.58

PROVINCE OF LA LAGUNA.

[Population: Christian, 148,606; non-Christian, none.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P98,247.59	P15,180.75	1,756.76
Revenues:			
All provincial—			
Registry of property.....	665.88		
Miscellaneous.....	666.29		.12
Mining fees.....	16.00		
Prison labor.....	3,214.00		
Bay-San Pablo toll road.....	510.25		
Joint provincial and municipal—			
Cedulas, act No. 83.....	465.00	465.00	
Cart.....	254.31	254.44	
Land, 1905 and previous years.....	25,128.74	33,505.23	
All municipal—			
Fisheries.....		690.89	
Cattle registration.....		4,300.00	
Rents, profits, and privileges.....		37,992.73	
Licenses.....		7,125.36	
Fines.....		5,658.31	
Sales of estrays.....		360.85	
Cemetery.....		2,928.45	
Miscellaneous.....		8.91	
Internal revenue—			
Cedulas, act No. 1189.....	23,853.50	23,853.50	
Licenses, act No. 1189.....		5,577.50	
Opium certificates, act No. 1461.....		435.00	
Refund from insular treasury, act No. 1189.....	19,993.04	19,897.80	
Refund from insular treasury, act No. 1189, non-Christian portion.....			
Weights and measures, act No. 1519.....	189.84	189.86	
Total revenues.....	74,956.85	143,243.83	.12

PROVINCE OF LA LAGUNA—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS--continued.			
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.	P66,262.16	P88,336.12	
Special appropriation, relief to municipality of Mav- tac, act No. 1527	321.87		
School building fund, act No. 1275	10,000.00		
To expenditures, general purposes, provincial fund—Re- fund cost tax sales	4.70		
Loans to province, act No. 1637	60,000.00		
Exchanges of currency	1,738.20		546.08
Repayments of loans by municipalities	521.87		
Total miscellaneous receipts	138,838.80	88,336.12	546.08
Total debits	312,043.24	246,740.70	2,302.96
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials	16,358.68		
Salaries of provincial employees	36,732.16		
Repair and construction of buildings	20,118.13		
Traveling expenses and per diems	5,880.95		
Rentals for buildings	1,970.00		
Office supplies	3,173.06		
Permanent equipment	6,165.56		
Clerk of court fees	17,744.00		
Sheriff's fees	496.80		
Feeding prisoners	3,656.94		
Premiums on bonds	148.73		
Purchase of land			
Cost tax sales			
Postage, mail and telegrams	2,495.32		
Miscellaneous	3,918.73		
Roads and bridges—			
Labor and material	74,075.11		
Permanent equipment	5,511.67		
Purchase of land	125.00		
Schools—			
Salaries	1,075.51		
Repairs and construction of buildings			
Rentals for buildings	1,400.00		
Office supplies	29.04		
Permanent equipment	187.48		
Purchase of land	960.00		
Miscellaneous	514.57		
Bay-San Pablo toll road fund, act No. 1617—			
Roads and bridges—			
Labor and material	1,446.82		
Permanent equipment	829.44		
Total expenditures	205,013.70		
Miscellaneous credits:			
Exchanges of currency	419.73		2,259.66
Payments to municipalities		241,796.38	
Loans to municipalities	5,000.00		
Allowances under section 42, act No. 1402	321.87		
Total miscellaneous credits	5,741.60	241,796.38	2,259.66
Balance June 30, 1907	101,287.94	4,944.32	43.30
Total credits	312,043.24	246,740.70	2,302.96

REPORT OF AUDITOR FOR PHILIPPINE ISLANDS.

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PROVINCE OF LA UNION.

[Population: Christian, 127,789; non-Christian, 10,050.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P 33,191.73	P 27,784.58	
Revenues:			
All provincial—			
Registry of property.....	83.50		
Miscellaneous.....			
Rental of provincial property.....	275.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	1,728.12	1,728.13	
Land, 1906 and previous years.....	2,415.93	3,212.48	
All municipal—			
Fishes.....		2,731.14	
Cattle registration.....		7,661.00	
Rents, profits, and privileges.....		13,772.76	
Licenses.....		1,755.46	
Fines.....		3,060.14	
Sales of estrays.....		27.80	
Cemetery.....		4.50	
Miscellaneous.....			
Internal revenue—			
Cedulas, act No. 1189.....	15,204.00	15,204.00	
Licenses, act No. 1189.....		2,683.75	
Opium certificates, act No. 1461.....		215.00	
Refund from insular treasury, act No. 1189.....	15,602.70	17,110.48	
Refund from insular treasury, act No. 1189, non-Christian portion.....	1,345.67		
Total revenues.....	36,554.92	69,166.64	
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1456 and 1579.....	21,457.44	28,609.74	
To expenditures, general purposes, provincial fund—			
Refund repairs and construction of buildings.....	99.55		
Refund permanent equipment.....	705.90		
Exchanges of currency.....	7,337.38		9,538.60
Total miscellaneous receipts.....	29,600.27	28,609.74	9,538.60
Total debits.....	99,346.92	125,660.96	9,538.60
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	13,394.96		
Salaries of provincial employees.....	15,296.59		
Repair and construction of buildings.....			
Traveling expenses and per diems.....	3,086.11		
Rentals for buildings.....			
Office supplies.....	1,936.97		
Permanent equipment.....			
Clerk of court fees.....	9,244.00		
Sheriff's fees.....	347.64		
Feeding prisoners.....	1,903.90		
Premiums on bonds.....	405.05		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	432.74		
Miscellaneous.....	2,029.64		
Roads and bridges—			
Labor and material.....	7,820.92		
Purchase of land.....			
Permanent equipment.....	296.40		
Schools—			
Salaries.....			
Repairs and construction of buildings.....			
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....	84.45		
Purchase of land.....			
Miscellaneous.....	107.17		
Congressional relief fund—			
General purposes, repairs and construction of buildings.....	208.64		

PROVINCE OF LA UNION—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	P8,471.62		
Miscellaneous.....	192.25		
School fund, act No. 1603—			
Schools—			
Repairs and construction of buildings.....	11,824.76		
Permanent equipment.....	26.13		
Miscellaneous.....	61.53		
Total expenditures.....	76,920.47		
Miscellaneous credits:			
Exchanges of currency.....	7,337.38		9,538.60
Payments to municipalities.....		P122,362.10	
Balance June 30, 1907.....	15,089.07	3,178.86	
Total credits.....	99,346.92	125,560.96	9,538.60

PROVINCE OF LEPANTO-BONTOC.

[Population: Christian, 2,467; non-Christian, 70,283.]

	Provincial.	Township.	Provincial.
DEBITS.			
Balance July 1, 1906.....	P20,070.12	P1,177.89	932.50
Revenues:			
All provincial—			
Registry of property.....	2.96		
Miscellaneous.....			
Mining fees.....	322.00		
Rental of provincial property.....	276.00		
Fees justice of peace, act No. 1396.....	57.67		
Road tax, act No. 1396.....	10,044.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	12.50	12.50	
Land, 1905 and previous years.....			
All municipal—			
Fisheries.....		2.20	
Cattle registration.....		3,394.00	
Rents, profits, and privileges.....		766.95	
Licenses.....		229.10	
Fines.....		173.10	
Sales of estrays.....		28.00	
Cemetery.....			
Miscellaneous.....			
Property tax.....		2,064.82	
Internal revenue—			
Cedulas, act No. 1189.....	6,240.00	6,240.00	
Licenses, act No. 1189.....		102.50	
Opium certificates, act No. 1461.....		5.00	
Refund from insular treasury, act No. 1189.....	6,763.05		
Refund from insular treasury, act No. 1189, township and settlement portion.....	9,740.99		
Total revenues.....	33,459.17	13,008.17	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....			
General provincial purpose, act No. 1527.....	25,350.00		
Transfer from township and settlement fund.....		3,252.00	
Exchanges of currency.....	769.23		362.20
Total miscellaneous receipts.....	26,119.23	3,252.00	362.20
Total debits.....	79,648.52	17,438.06	1,324.70

PROVINCE OF LEPANTO-BONTOC—Continued.

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	P 17,751.07		
Salaries of provincial employees.....	8,554.73		
Repair and construction of buildings.....	667.78		
Traveling expenses and per diems.....	2,694.18		
Rentals for buildings.....			
Office supplies.....	1,284.07		
Permanent equipment.....	1,602.62		
Clerk of court fees.....	192.00		
Sheriff's fees.....	268.04		
Feeding prisoners.....	1,203.92		
Premiums on bonds.....	148.87		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	395.20		
Miscellaneous.....	1,986.16		
Roads and bridges—			
Labor and material.....	13,637.37		
Permanent equipment.....	197.39		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	1,774.00		
Rentals for buildings.....			
Office supplies.....	22.50		
Permanent equipment.....	2.82		
Purchase of land.....			
Miscellaneous.....	1,690.97		
Township and settlement fund—			
General purposes, repairs and construction of buildings.....	176.57		
Roads and bridges, labor and material.....	1,400.00		
Total expenditures.....	55,630.26		
Miscellaneous credits:			
Exchanges of currency.....	301.69		1,000.00
Payment to townships.....		P 15,619.10	
Transfer to township fund.....	3,262.00		
Total miscellaneous credits.....	3,563.69	15,619.10	1,000.00
Balance June 30, 1907.....	20,464.57	1,818.96	324.70
Total credits.....	79,648.52	17,438.06	1,324.70

PROVINCE OF LEYTE.

[Population: Christian, 368,922; non-Christian, none.]

	Provincial.	Municipal.	Provincial.
DEBITS.			
Balance July 1, 1906.....	P 41,241.13	P 22,103.99	780.40
Revenues:			
All provincial—			
Registry of property.....	346.56		
Miscellaneous.....	3.12		1.00
Mining fees.....	2.00		
Fares, provincial launch.....	650.50		
Rental of provincial property.....	100.00		
Prison labor.....	3,907.46		
Joint provincial and municipal—			
Cedulas, act No. 83.....	2.50	2.50	
Cart.....	299.90	299.90	
Land, 1905 and previous years.....	1,705.99	2,274.55	
All municipal—			
Fisheries.....		7,713.49	
Cattle registration.....		6,812.00	
Rents, profits, and privileges.....		23,719.91	
Licenses.....		33,838.03	
Fines.....		10,909.95	
Sales of estrays.....			
Cemetery.....		242.75	
Miscellaneous.....		2,054.44	

PROVINCE OF LEYTE—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
Internal revenue—			
Cedulas, act No. 1189.....	P66,596.50	P66,596.50	
Licenses, act No. 1189.....		22,571.00	
Opium certificates, act No. 1461.....		2,125.00	
Refund from insular treasury, act No. 1189.....	41,421.81	52,075.29	
Refund from insular treasury, act No. 1189, non-Christian portion.....			
Total revenues.....	114,936.34	231,235.31	1.00
Miscellaneous receipts:			
Payments to province, insular payment lieu land tax, acts Nos. 1456 and 1579.....	28,902.60	38,574.00	
Exchanges of currency.....	1,473.07		1,165.70
Total miscellaneous receipts.....	30,375.67	38,574.00	1,165.70
Total debits.....	186,553.14	291,913.30	1,947.10
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	17,459.69		
Salaries of provincial employees.....	26,760.71		
Repair and construction of buildings.....	2,546.98		
Traveling expenses and per diems.....	11,279.95		
Rentals for buildings.....	516.00		
Office supplies.....	3,220.64		
Permanent equipment.....	3,079.25		
Clerk of court fees.....	16,696.00		
Sheriff's fees.....	4,362.42		
Feeding prisoners.....	6,307.27		
Premiums on bonds.....	1,382.32		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	3,342.44		
Miscellaneous.....	8,158.92		
Roads and bridges—			
Labor and material.....	9,700.73		
Permanent equipment.....	237.50		
Purchase of land.....			
Schools—			
Salaries.....	520.00		
Repairs and construction of buildings.....			
Rentals for buildings.....	950.00		
Office supplies.....	23.39		
Permanent equipment.....	677.42		
Purchase of land.....			
Miscellaneous.....	81.92		
Special school fund—			
Schools—			
Repairs and construction of buildings.....	52.70		
Purchase of land.....	41.00		
Total expenditures.....	115,296.15		
Miscellaneous credits:			
Exchanges of currency.....	896.65		1,915.00
Payments to municipalities.....		239,832.25	
By revenue, joint provincial-municipal, refund stamps previous years.....	40.82	40.83	
Total miscellaneous credits.....	937.47	239,873.08	1,915.00
Balance June 30, 1907.....	70,319.52	2,040.22	82.10
Total credits.....	186,553.14	291,913.30	1,947.10

REPORT OF AUDITOR FOR PHILIPPINE ISLANDS.

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PROVINCE OF MINDORO.

[Population: Christian, 32,318; non-Christian, 7,264.]

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P26,294.51	P161.76	.....
Revenues:			
All provincial—			
Registry of property.....	3.00		
Miscellaneous.....			
Mining fees.....	82.00		
Fares, provincial launch.....	19.98		
Fees, justice of the peace, act No. 1396.....	212.00		
Fees, provincial sheriff, act No. 176.....	37.44		
Road tax.....	10,222.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	1.25	1.25	
Land, 1906 and previous years.....			
Industrials.....	2.56	2.56	
All municipal—			
Fisheries.....		2,236.34	
Cattle registration.....		4,830.00	
Rents, profits, and privileges.....		2,296.22	
Licenses.....		976.90	
Fines.....		2,167.72	
Sales of estrays.....		150.00	
Cemetery.....			
Miscellaneous.....			
Property tax.....		5,584.92	
Cedulas, act No. 1397.....		92.64	
Internal revenue—			
Cedulas, act No. 1189.....	4,939.00	4,939.00	
Licenses, act No. 1189.....		632.50	
Opium certificates, act No. 1461.....		35.00	
Refund from insular treasury, act No. 1189.....	3,539.26		
Refund from insular treasury, act No. 1189—town- ship and settlement portion.....	5,290.86		
Total revenues.....	24,361.35	23,952.06	
Miscellaneous receipts:			
Payments to province—			
Insular payment lien land tax, acts Nos. 1455 and 1579.....			
General provincial purpose, act No. 1327.....	28,500.00		
Sales of rice, Congressional relief.....	5.97		
To expenditures, refund office supplies.....	186.67		
Transfer from township and settlement fund.....		1,000.01	
Exchange of currency.....			
Total miscellaneous receipts.....	28,692.64	1,000.01	
Total debits.....	79,348.50	25,113.81	
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	13,497.28		
Salaries of provincial employees.....	8,322.00		
Repair and construction of buildings.....	3.81		
Traveling expenses and per diems.....	7,563.73		
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....	562.07		
Clerk of court fees.....	191.16		
Sheriff's fees.....	230.48		
Feeding prisoners.....	1,633.44		
Premiums on bonds.....	209.98		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	200.00		
Miscellaneous.....	130.91		
Roads and bridges—			
Labor and material.....			
Permanent equipment.....			
Purchase of land.....			

PROVINCE OF MINDORO—Continued.

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Provincial funds—Continued.			
Schools—			
Salaries.....			
Repairs and construction of buildings.....			
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....			
Purchase of land.....			
Miscellaneous.....			
Road and bridge and public work fund—			
General purposes, repairs and construction of build- ings.....	P 19,507.68		
Roads and bridges, labor and material.....	125.20		
Congressional relief fund, act No. 1406—			
General purposes—			
Repairs and construction of buildings.....	1,661.37		
Permanent equipment.....	19.98		
Roads and bridges, labor and material.....	2.09		
Township and settlement fund—			
General purposes, miscellaneous.....	30.21		
Roads and bridges, labor and material.....	925.00		
Schools, salaries.....	244.00		
Total expenditures.....	55,063.30		
Miscellaneous credits:			
Exchanges of currency.....		P 25,063.36	
Payments to townships.....			
Payments to townships, township and settlement fund.....	800.00		
Transfer to township fund.....	1,000.01		
Total miscellaneous credits.....	1,800.01	25,063.36	
Balance June 30, 1907.....	23,485.19	60.45	
Total credits.....	79,348.50	25,113.81	

PROVINCE OF MISAMIS.

[Population: Christian, 132,601; non-Christian, 21,473.]

	Provincial.	Municipal.	Provincial.
DEBITS.			
Balance July 1, 1906.....	P 23,390.12	P 9,607.57	
Revenues:			
All provincial—			
Registry of property.....	80.50		
Miscellaneous.....	4.74		
Mining fees.....	2.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....	7.00	7.00	
Cart.....	198.00	198.00	
Land, 1905 and previous years.....	3,870.61	5,052.05	
All municipal—			
Fisheries.....		1,664.49	
Cattle registration.....		1,504.00	
Rents, profits, and privileges.....		7,057.69	
Licenses.....		7,439.17	
Fines.....		3,467.44	
Sales of estrays.....		164.16	
Miscellaneous.....		1,204.90	
Cattle registration, non-Christian inhabitants.....	556.00		
Internal revenue—			
Cedulas, act No. 1189.....	17,828.00	17,828.00	
Licenses, act No. 1189.....		9,439.00	
Opium certificates, act No. 1461.....		660.00	
Refund from insular treasury, act No. 1189.....	22,621.01	17,754.80	
Refund from insular treasury, act No. 1189, non- Christian portion.....	2,875.17		
Total revenues.....	48,043.03	73,410.70	

REPORT OF AUDITOR FOR PHILIPPINE ISLANDS.

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PROVINCE OF MISAMIS—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1455 and 1579.....	₱10,613.70	₱14,148.45	181.50
Exchanges of currency.....	139.61		
Total miscellaneous receipts.....	10,753.31	14,148.45	181.50
Total debits.....	81,186.46	97,166.72	181.50
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	11,942.82		
Salaries of provincial employees.....	7,884.56		
Repair and construction of buildings.....	404.94		
Traveling expenses and per diems.....	3,800.16		
Rentals for buildings.....			
Office supplies.....	638.55		
Permanent equipment.....	2,921.98		
Clerk of court fees.....	5,248.00		
Sheriff's fees.....	579.70		
Feeding prisoners.....	6,763.27		
Premiums on bonds.....	157.00		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	748.70		
Miscellaneous.....	774.59		
Roads and bridges—			
Labor and material.....	285.52		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	4.00		
Rentals for buildings.....	766.66		
Office supplies.....			
Permanent equipment.....			
Purchase of land.....			
Miscellaneous.....	116.12		
Congressional relief fund—			
General purposes, miscellaneous.....	54.23		
Non-Christian inhabitants fund—			
General purposes, salaries of provincial employees.....	66.72		
Total expenditures.....	43,147.52		
Miscellaneous credits:			
Exchanges of currency.....	139.62		181.50
Payments to municipalities.....		88,966.35	
Balance June 30, 1907.....	37,869.32	8,210.37	
Total credits.....	81,186.46	97,166.72	181.50

PROVINCE OF MORO.

[Population: Christian, 66,376; non-Christian, 335,401.]

	DEBITS.		
Balance July 1, 1906.....	₱135,270.47	₱1,778.70	27.20
Revenues:			
All provincial—			
Registry of property.....	410.05		
Firearms permits.....	1,939.60		
Sales of products of the trade school.....	1,566.07		
Tribal ward court fines.....	549.10		
Cedulas (Moro, act No. 5).....	21,408.00		
Licenses.....	275.00		
Land (Moro, act No. 42).....	33,354.28		
Sales of products of the San Ramon farm.....	12,538.15		
Moro exchange.....	8,688.78		
Rental of provincial property.....	130.00		
Prison labor.....	45.00		
Shell-fishing licenses.....	4,500.00		
Sales of Chinese tobacco.....	13,880.69		
Customs.....	369,029.89		
Customs—Arrastre plant, Joio, act No. 1432.....	3,037.96		
Miscellaneous.....	8.88		

PROVINCE OF MORO—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
All municipal—			
Fisheries.....		P124.65	
Cattle registration.....		5,029.00	
Rents, profits, and privileges.....		24,131.67	
Licenses.....		57,172.53	
Fines.....		25,684.78	
Sales of stray animals.....		38.20	
Frontage.....		3,066.72	
Litrine.....		1,996.82	
Building permits.....		3.00	
Street cleaning.....		571.00	
Internal revenue—			
Cedulas, act No. 1189.....	P24,157.00		
Licenses, act No. 1189.....		P5,722.30	
Opium certificates, act No. 1461.....		1,295.00	
Refund from insular treasury, act No. 1189.....	97,686.42		
Total revenues.....	593,214.83	124,835.77	
Miscellaneous receipts:			
Exchanges of currency.....	20.92		
Total debits.....	728,506.22	126,614.47	27.20
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	49,706.00		
Salaries of provincial employees.....	107,289.72		
Repair and construction of buildings.....	89,839.40		
Traveling expense and per diems.....	12,803.07		
Rentals for buildings.....	4,455.00		
Office supplies.....	8,465.65		
Permanent equipment.....	13,258.84		
Clerk of court fees.....	2,720.00		
Sheriff's fees.....	701.08		
Feeding prisoners.....	12,954.53		
Premiums on bonds.....	2,201.77		
Purchase of land.....	319.95		
Cost tax sales.....	4,130.78		
Postage, mail and telegrams.....	74,252.27		
Miscellaneous.....	12,326.16		
Roads and bridges—	44.36		
Labor and material.....			
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....	83,134.90		
Repairs and construction of buildings.....	1,333.59		
Rentals for buildings.....	6,468.78		
Office supplies.....	8,876.26		
Permanent equipment.....	7,895.98		
Purchase of land.....	4,500.00		
Miscellaneous.....	4,736.32		
Congressional relief fund—			
General purposes, postage, mail and telegrams.....	27.92		
Roads and bridges—			
Labor and material.....	32,181.80		
Permanent equipment.....	664.42		
Total expenditures.....	536,298.55		
Miscellaneous credits:			
Advances to customs officers.....	81,263.23		
Advances to customs officers, arrastre.....	1,500.00		
Payments to municipalities.....		126,614.47	
Exchanges of currency.....			27.20
Total miscellaneous credits.....	82,763.23	126,614.47	27.20
Balance June 30, 1907.....	109,454.44		
Total credits.....	728,506.22	126,614.47	27.20

REPORT OF AUDITOR FOR PHILIPPINE ISLANDS.

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PROVINCE OF NUEVA ECIJA.

[Population: Christian, 132,900; non-Christian, 1,143.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P29,873.19	P7,463.34	
Revenues:			
All provincial—			
Registry of property.....	246.55		
Miscellaneous.....			
Mining fees.....	26.00		
Prison labor.....	1.60		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	2,494.10	2,494.10	
Land, 1906 and previous years.....	1,019.98	1,049.30	
All municipal—			
Fishes.....		5,356.32	
Cattle registration.....		3,884.00	
Rents, profits, and privileges.....		11,396.32	
Licenses.....		3,794.40	
Fines.....		3,169.13	
Sales of estrays.....		2,456.70	
Cemetery.....		391.85	
Miscellaneous.....		379.53	
Internal revenue—			
Cedulas, act No. 1189.....	15,983.00	15,983.00	
Licenses, act No. 1189.....		2,930.83	
Opium certificates, act No. 1461.....		180.00	
Refund from insular treasury, act No. 1189.....	4,292.18	17,808.11	
Refund from insular treasury, act No. 1189, non-Christian portion.....	153.72		
Total revenues.....	24,217.13	71,263.59	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	23,812.47	24,110.82	
Congressional relief to inhabitants of Nueva Ecija Province, act No. 1406.....	500.00		
To expenditure, Congressional relief, general purposes—			
Refund permanent equipment.....	101.00		
Exchanges of currency.....			
Total miscellaneous receipts.....	24,413.47	24,110.82	
Total debits.....	78,503.79	102,837.75	
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	10,473.55		
Salaries of provincial employees.....	12,265.89		
Repair and construction of buildings.....	244.74		
Traveling expenses and per diems.....	2,750.62		
Rentals for buildings.....			
Office supplies.....	1,370.92		
Permanent equipment.....	324.61		
Clerk of court fees.....	648.00		
Sheriff's fees.....	433.22		
Feeding prisoners.....	2,878.51		
Premiums on bonds.....	439.97		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	841.71		
Miscellaneous.....	2,111.49		
Roads and bridges—			
Labor and material.....	4,728.66		
Permanent equipment.....	94.07		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	65.62		
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....	8.00		
Purchase of land.....			
Miscellaneous.....			

PROVINCE OF NUEVA ECLJA—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Congressional relief fund—			
General purposes—			
Repairs and construction of buildings.....	P516. 49		
Miscellaneous.....	131. 55		
Schools, repairs and construction of buildings.....	624. 09		
School building fund, act 1275—			
Schools—			
Repairs and construction of buildings.....	1,300. 85		
Miscellaneous.....	5. 20		
Non-Christian inhabitants fund—			
Schools, repairs and construction of buildings.....	50. 00		
Total expenditures.....	42,307. 56		
Miscellaneous credits:			
Exchanges of currency.....		P100,053. 43	
Payments to municipalities.....	6,000. 00		
Repayments of loans to insular government, act No. 681.....	30,196. 23	2,784. 32	
Balance June 30, 1907.....	78,503. 79	102,837. 75	
Total credits.....	78,503. 79	102,837. 75	

PROVINCE OF NUEVA VIZCAYA.

[Population: Christian, 16,026; non-Christian, 46,515.]

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P11,191. 29	P2,960. 36	
Revenues:			
All provincial—			
Registry of property.....			
Miscellaneous.....	99. 79		
Road tax, act No. 1396.....	6,366. 00		
Fees, justice of the peace, act No. 1396.....	72. 00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	727. 61	727. 63	
Land, 1906 and previous years.....			
All municipal—			
Fisheries.....		33. 00	
Cattle registration.....		853. 00	
Rents, profits, and privileges.....		960. 70	
Licenses.....		968. 36	
Fines.....		358. 40	
Sales of estrays.....		331. 00	
Cemetery.....			
Miscellaneous.....			
Property tax.....		6,440. 70	
Internal revenue—			
Cedulas, act No. 1189.....	2,971. 50	2,971. 50	
Licenses, act No. 1189.....		374. 50	
Opium certificates, act No. 1461.....			
Refund from insular treasury, act No. 1189.....	5,562. 68		
Refund from insular treasury, act No. 1189, township and settlement portion.....	8,374. 02		
Total revenues.....	24,193. 60	13,838. 79	

PROVINCE OF NUEVA VIZCAYA—Continued.

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Miscellaneous receipts:			
Payments to province—			
Insular payment lien land tax, acts Nos. 1455 and 1579.			
General provincial purpose, act No. 1827.	P20,600.00		
School building fund, act No. 1275.	5,500.00		
To expenditures, general purposes, provincial funds—Re-			
fund premiums on bonds.	64.72		
Transfer from township and settlement fund.		P2,743.79	
Exchanges of currency.			
Total miscellaneous receipts.	26,164.72	2,743.79	
Total debits.	61,549.61	19,642.94	
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.	9,553.33		
Salaries of provincial employees.	7,147.26		
Repair and construction of buildings.	818.34		
Traveling expenses and per diems.	1,448.06		
Rentals for buildings.	249.00		
Office supplies.	1,161.46		
Permanent equipment.	908.99		
Clerk of court fees.	48.00		
Sheriff's fees.	181.94		
Feeding prisoners.	363.36		
Postage, mail and telegrams.	427.76		
Miscellaneous.	421.75		
Roads and bridges—			
Labor and material.	217.01		
Permanent equipment.	190.10		
Schools—			
Salaries.	3.33		
Repairs and construction of buildings.	8.00		
Rentals for buildings.	225.00		
Miscellaneous.	3.00		
Road and bridge and public works fund—			
General purposes, repairs and construction of build-	279.57		
ings.			
Roads and bridges, labor and material.	6,251.99		
Provincial building fund—			
General purposes, repairs and construction of build-	5,057.26		
ings.			
School building fund, act No. 1275—			
Schools, repairs and construction of buildings.	7,531.89		
Township and settlement fund—			
General purposes, salaries of provincial employees.	1,854.00		
Villaverde trail fund—			
Roads and bridges, labor and material.	2,610.63		
Total expenditures.	46,970.03		
Miscellaneous credits:			
Exchanges of currency.			
Payments to townships.		19,589.94	
Transfer to township fund.	2,743.79		
Balance June 30, 1907.	11,835.79	53.00	
Total credits.	61,549.61	19,642.94	

PROVINCE OF OCCIDENTAL NEGROS.

[Population: Christian, 303,660; non-Christian, 4,612.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P97,996.35	P22,890.74	1,407.05
Revenues:			
All provincial—			
Registry of property.....	2,578.73		
Miscellaneous.....	12.22		
Prison labor.....	1,180.59		
Rental of provincial property.....	12.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	969.85	969.44	
Land, 1906 and previous years.....	10,940.02	13,551.44	
All municipal—			
Fisheries.....		3,694.58	
Cattle registration.....		6,180.00	
Rents, profits, and privileges.....		15,439.19	
Licenses.....		7,046.02	
Fines.....		4,117.53	
Sales of estrays.....		961.45	
Cemetery.....		3,902.01	
Miscellaneous.....		129.55	
Internal revenue—			
Cedulas, act No. 1189.....	40,553.00	40,553.00	
Licenses, act No. 1189.....		9,583.00	
Opium certificates, act No. 1461.....		940.00	
Refund from insular treasury, act No. 1189.....	27,542.66	40,658.98	
Refund from insular treasury, act No. 1189, non-Christian portion.....	617.54		
Total revenues.....	84,427.21	147,746.19	
Miscellaneous receipts:			
Payments to province, insular payment lieu land tax, acts Nos. 1455 and 1579.....	39,007.71	47,796.21	
Public contributions school building fund, act No. 1275.....	7,865.24		
Sales of rice, Congressional relief.....	742.96		
Exchanges of currency.....	1,062.35		
Total miscellaneous receipts.....	48,198.26	47,796.21	
Total debits.....	230,621.82	218,423.14	1,407.05
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	17,748.61		
Salaries of provincial employees.....	26,158.13		
Repair and construction of buildings.....	23,746.84		
Traveling expenses and per diems.....	3,754.63		
Rentals for buildings.....	850.00		
Office supplies.....	1,904.39		
Permanent equipment.....	3,521.05		
Clerk of court fees.....	2,359.12		
Sheriff's fees.....	2,122.28		
Feeding prisoners.....	3,494.13		
Premiums on bonds.....	1,158.71		
Purchase of land.....	1,000.00		
Cost tax sales.....	141.56		
Postage, mail, and telegrams.....	2,187.52		
Miscellaneous.....	1,932.66		
Roads and bridges—			
Labor and material.....	25,583.71		
Permanent equipment.....	5,365.42		
Purchase of land.....			
Schools—			
Salaries.....	67.50		
Repairs and construction of buildings.....	62.53		
Rentals for buildings.....	2,272.00		
Office supplies.....			
Permanent equipment.....			

PROVINCE OF OCCIDENTAL NEGROS—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Provincial funds—Continued.			
Schools—Continued.			
Purchase of land.....	P8. 28		
Miscellaneous.....	704. 19		
Congressional relief fund—			
Schools, repairs and construction of buildings.....	700. 00		
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	20,700. 70		
Miscellaneous.....	13. 95		
Total expenditures.....	147,547. 61		
Miscellaneous credits:			
Exchanges of currency.....			1,407. 05
Payments to municipalities.....		P204,457. 79	
Balance June 30, 1907.....	83,074. 21	13,965. 35	
Total credits.....	230,621. 82	218,423. 14	1,407. 05

PROVINCE OF ORIENTAL NEGROS.

[Population: Christian, 184,889; non-Christian, 16,605.]

DEBITS.			
Balance July 1, 1906.....	P78,364. 78	P9,667. 48	
Revenues:			
All provincial—			
Registry of property.....	152. 25		
Miscellaneous.....	16. 19		
Prison labor.....	3. 10		
Joint provincial and municipal—			
Cedulas, act No. 83.....	329. 00	329. 00	
Cart.....	38. 05	38. 05	
Land, 1905 and previous years.....	15,877. 87	19,739. 33	
All municipal—			
Fisheries.....		1,170. 03	
Cattle registration.....		4,663. 00	
Rents, profits, and privileges.....		8,596. 23	
Licenses.....		2,494. 71	
Fines.....		1,720. 59	
Sales of estrays.....		17. 00	
Cemetery.....		32. 10	
Miscellaneous.....			
Internal revenue—			
Cedulas, act No. 1189.....	23,813. 50	23,813. 50	
Licenses, act No. 1189.....		7,857. 00	
Opium certificates, act No. 1461.....		575. 00	
Refund from insular treasury, act No. 1189.....	18,725. 13	24,755. 96	
Refund from insular treasury, act No. 1189, non-Christian portion.....	2,223. 35		
Total revenues.....	61,178. 44	95,791. 50	
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1455 and 1579.....	12,370. 95	15,768. 45	
Public contributions school building fund, act No. 1275.....	1,500. 00		
Repayments of loans by municipalities.....	2,582. 50		
Exchanges of currency.....	1,698. 85		2,208. 62
Total miscellaneous receipts.....	18,152. 30	15,768. 45	2,208. 62
Total debits.....	157,715. 52	121,227. 43	2,208. 62

PROVINCE OF ORIENTAL NEGROS—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	P12,317.44		
Salaries of provincial employees.....	12,260.77		
Repair and construction of buildings.....	3,067.50		
Traveling expenses and per diems.....	3,550.96		
Rentals for buildings.....	1,123.33		
Office supplies.....	1,228.90		
Permanent equipment.....	4,103.88		
Clerk of court fees.....	864.00		
Sheriff's fees.....	319.00		
Feeding prisoners.....	2,281.18		
Premiums on bonds.....	272.05		
Purchase of land.....	7,300.00		
Cost tax sales.....			
Postage, mail and telegrams.....	1,022.02		
Miscellaneous.....	1,557.13		
Roads and bridges—			
Labor and material.....	2,851.18		
Permanent equipment.....	11.50		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	12.00		
Rentals for buildings.....	3,845.83		
Office supplies.....			
Permanent equipment.....			
Purchase of land.....			
Miscellaneous.....	6.58		
Congressional relief fund—			
Roads and bridges, labor and material.....	744.81		
Schools, repairs and construction of buildings.....	1,908.90		
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	21,084.32		
Permanent equipment.....	110.14		
Miscellaneous.....	58.36		
Total expenditures.....	81,931.87		
Miscellaneous credits:			
Exchanges of currency.....	1,696.91		2,208.62
Payments to municipalities.....		P117,235.81	
Repayments of loans to Insular government, act No. 1018.....	4,000.00		
Total miscellaneous credits.....	5,696.91	117,235.81	2,208.62
Balance June 30, 1907.....	70,084.74	3,991.62	
Total credits.....	157,715.52	121,227.43	2,208.62

PROVINCE OF PALAWAN.

[Population: Christian, 28,852; non-Christian, 6,844.]

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P15,536.83	P4,335.89	611.09
Revenues:			
All provincial—			
Registry of property.....			
Miscellaneous.....	548.11		
Prison labor.....	4,288.00		
Road tax, act No. 1396.....	180.58		
Justice of peace fees, act No. 1396.....	116.55		
Fares, provincial launch.....			

PROVINCE OF PALAWAN—Continued.

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....			
Land, 1905 and previous years.....			
All municipal—			
Fisheries.....		P308.45	
Cattle registration.....		1,629.00	
Rents, profits, and privileges.....		511.76	
Licenses.....		624.65	
Fines.....		352.00	
Sales of estrays.....			
Cemetery.....			
Miscellaneous.....		1.00	
Property tax.....		1,287.16	
Internal revenue—			
Cedulas, act No. 1189.....	P3,785.00	3,740.50	
Licenses, act No. 1189.....		412.50	
Opium certificates, act No. 1461.....		55.00	
Refund from insular treasury, act No. 1189.....	4,014.76		
Refund from insular treasury, act No. 1189, township and settlement portion.....	4,779.56		
Cedulas, act No. 1189, township and settlement portion.....	44.50		
Opium certificates, act No. 1461, township and settle- ment portion.....	5.00		
Total revenues.....	17,762.06	9,012.02	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....			
General provincial purpose, act No. 1527.....	18,070.00		
To expenditures, roads and bridges, provincial fund—			
Refund labor and material.....	1,278.39		
To expenditures, schools, provincial fund—			
Refund repairs and construction of buildings.....	335.13		
Exchanges of currency.....	616.62		190.50
Transferred from township and settlement fund.....		3,860.78	
Total miscellaneous receipts.....	20,300.14	3,860.78	190.50
Total debits.....	53,599.03	17,208.69	801.59
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	7,179.96		
Salaries of provincial employees.....	3,746.16		
Repair and construction of buildings.....	2,115.35		
Traveling expenses and per diems.....	3,545.45		
Office supplies.....	360.28		
Permanent equipment.....	1,078.09		
Clerk of court fees.....	640.00		
Sheriff's fees.....	76.00		
Feeding prisoners.....	764.54		
Premiums on bonds.....	136.12		
Postage, mail and telegrams.....	188.12		
Miscellaneous.....	9,325.12		
Roads and bridges, permanent equipment.....	721.24		
Schools, permanent equipment.....	309.29		
Road and bridge and public works fund—			
General purposes, repairs and construction of build- ings.....	764.46		
Roads and bridges—			
Labor and material.....	1,345.43		
Permanent equipment.....	.45		
Schools, repairs and construction of buildings.....	468.90		
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	1,065.69		
Office supplies.....	.35		
Miscellaneous.....	142.09		
Provincial launch fund, act No. 1478—			
General purposes, permanent equipment.....	1,516.42		
Industrial and agricultural school fund, act No. 1361—			
Schools, repairs and construction of buildings.....	73.46		

PROVINCE OF PALAWAN—Continued.

	Provincial (Philippine currency).	Township (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Township and settlement fund—			
General purposes—			
Salaries of employees.....	P130.00		
Miscellaneous.....	18.74		
Total expenditures.....	35,711.71		
Miscellaneous credits:			
Exchanges of currency.....	146.54		801.50
Payments to townships.....		P16,386.74	
Transferred to township fund.....	3,880.78		
Total miscellaneous credits.....	4,007.32	16,386.74	801.50
Balance June 30, 1907.....	13,880.00	821.95	
Total credits.....	53,599.03	17,208.69	801.50

PROVINCE OF PAMPANGA.

[Population: Christian, 212,656; non-Christian, 1,068.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P146,006.91	P17,236.44	
Revenues:			
All provincial—			
Registry of property.....	413.21		
Miscellaneous.....	160.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	1,584.96	1,584.94	
Land, 1905 and previous years.....	7,287.66	8,461.45	
All municipal—			
Fisheries.....		1,813.80	
Cattle registration.....		3,301.00	
Rents, profits, and privileges.....		20,758.50	
Licenses.....		8,467.54	
Fines.....		3,093.83	
Sales of estrays.....		83.50	
Cemetery.....		2,506.65	
Miscellaneous.....		2,057.95	
Internal revenue—			
Cedulas, act No. 1189.....	25,641.00	25,641.00	
Licenses, act No. 1189.....		3,287.50	
Opium certificates, act No. 1461.....		415.00	
Refund from insular treasury, act No. 1189.....	19,973.25	29,812.82	
Refund from insular treasury, act No. 1189, non-Christian portion.....	147.02		
Total revenues.....	55,197.10	111,295.48	
Miscellaneous receipts:			
Payments to province, insular payment lieu-land tax, acts Nos. 1455 and 1579.....	70,822.17	85,375.17	
To expenditures, general purposes, refund cost tax sales.....	376.85		
To expenditures, schools, refund miscellaneous, school building fund, act No. 1275.....	161.07		
Public contributions, school building fund, act No. 1275.....	13.90		
Exchanges of currency.....			
Total miscellaneous receipts.....	71,373.99	85,375.17	
Total debits.....	272,578.00	213,907.09	

PROVINCE OF PAMPAGNA—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	P14,481.42		
Salaries of provincial employees.....	27,887.67		
Repair and construction of buildings.....	3,011.12		
Traveling expenses and per diems.....	2,932.13		
Rentals for buildings.....	1,945.00		
Office supplies.....	1,093.60		
Permanent equipment.....	1,592.11		
Clerk of court fees.....	656.00		
Sheriff's fees.....	528.88		
Feeding prisoners.....	4,752.40		
Premiums on bonds.....	830.44		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	1,503.74		
Miscellaneous.....	2,278.21		
Roads and bridges—			
Labor and material.....	26,029.73		
Permanent equipment.....	2,574.84		
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....	609.53		
Rentals for buildings.....	1,210.16		
Office supplies.....			
Permanent equipment.....	1,077.48		
Purchase of land.....			
Miscellaneous.....	857.57		
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	10,925.50		
Permanent equipment.....	200.00		
Total expenditures.....	106,990.53		
Miscellaneous credits:			
Exchanges of currency.....			
Payments to municipalities.....		P204,238.91	
Loans to municipalities.....	3,000.00		
Balance June 30, 1907.....	162,587.47	9,668.18	
Total credits.....	272,578.00	213,907.09	

PROVINCE OF PANGASINAN.

[Population: Christian, 439,135; non-Christian, 3,386.]

	DEBITS.		
Balance July 1, 1906.....	P83,004.02	P33,442.05	1,806.01
Revenues:			
All provincial—			
Registry of property.....	6,579.47		
Miscellaneous.....	5.88		.01
Mining fees.....	36.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	8,639.63	8,639.58	
Land, 1905 and previous years.....	8,076.06	10,365.90	
All municipal—			
Fisheries.....		17,287.64	
Cattle registration.....		28,373.00	
Rents, profits, and privileges.....		49,062.58	
Licenses.....		11,708.55	
Fines.....		18,471.63	
Sales of estrays.....		2,703.97	
Cemetery.....		1,614.45	
Miscellaneous.....		2,167.76	
Internal revenue—			
Cedulas, act No. 1189.....	58,724.50	58,724.50	
Licenses, act No. 1189.....		12,536.66	
Opium certificates, act No. 1461.....		705.00	
Refund from insular treasury, act No. 1189.....	39,501.34	58,798.63	
Refund from insular treasury, act No. 1189, non-Christian portion.....	453.36		
Total revenues.....	122,016.24	281,159.85	.01

PROVINCE OF PANGASINAN—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS- continued.			
Miscellaneous receipts:			
Payments to province, insular payment lieu-land tax, acts Nos. 1455 and 1579.....	P58,950.18	P75,924.36	.....
Public contributions, school building fund, act No. 1275.....	14,162.38		.....
Repayments of loans by municipalities.....	500.00		.....
Exchanges of currency.....	3,020.96		2,392.93
Total miscellaneous receipts.....	76,633.52	75,924.36	2,392.93
Total debits.....	281,653.78	300,526.26	4,188.95
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	20,554.94		
Salaries of provincial employees.....	54,996.11		
Repair and construction of buildings.....	11,727.87		
Traveling expenses and per diems.....	5,332.16		
Rentals for buildings.....	300.00		
Office supplies.....	1,483.46		
Permanent equipment.....	16,603.09		
Clerk of court fees.....	2,705.96		
Sheriff's fees.....	1,121.48		
Feeding prisoners.....	4,416.63		
Premiums on bonds.....	1,339.42		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	1,752.58		
Miscellaneous.....	6,221.14		
Roads and bridges—			
Labor and material.....	87,032.70		
Permanent equipment.....	6,755.54		
Purchase of land.....			
Schools—			
Salaries.....	945.19		
Repairs and construction of buildings.....	304.41		
Rentals for buildings.....	2,123.00		
Office supplies.....			
Permanent equipment.....	165.59		
Purchase of land.....			
Miscellaneous.....	811.19		
Total expenditures.....	226,692.46		
Miscellaneous credits:			
Exchanges of currency.....	1,833.03		3,927.29
Payments to municipalities.....		384,322.07	
Loans to municipalities.....	3,500.00		
Losses, act No. 1808.....	948.74		154.26
Total miscellaneous credits.....	6,281.77	384,322.07	4,081.55
Balance June 30, 1907.....	48,679.55	6,204.19	107.40
Total credits.....	281,653.78	300,526.26	4,188.95

PROVINCE OF RIZAL.

[Population: Christian, 148,502; non-Christian, 2,421.]

DEBITS.			
Balance July 1, 1906.....	P43,798.65	P14,197.68	.....
Revenues:			
All provincial—			
Registry of property.....	1,057.24		
Miscellaneous.....	1,500.00		
Mining fees.....	64.00		
Joint provincial and municipal—			
Cedulas, act No. 53.....			
Cart.....	139.37	139.25	
Land, 1906 and previous years.....	15,792.49	19,504.60	

PROVINCE OF RIZAL—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
All municipal—			
Fishes.....		P4,275.82	
Cattle registration.....		2,214.00	
Rents, profits, and privileges.....		47,480.80	
Licenses.....		17,677.49	
Fines.....		8,597.06	
Sales of estrays.....		219.15	
Cemetery.....		984.10	
Miscellaneous.....		399.82	
Franchise tax, act No. 1112.....		1,601.11	
Internal revenue—			
Cedulas, act No. 1189.....	P17,829.00	17,829.00	
Licenses, act No. 1189.....		15,999.25	
Opium certificates, act No. 1461.....		160.00	
Refund from insular treasury, act No. 1189.....	13,472.03	19,883.91	
Refund from insular treasury, act No. 1189, non-Christian portion.....	324.16		
Total revenues.....	50,178.29	156,945.42	
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1455 and 1579.....	35,596.61	42,202.85	
Loans to province, act No. 1637.....	75,000.00		
Exchanges of currency.....			
Total miscellaneous receipts.....	110,596.61	42,202.85	
Total debits.....	204,573.55	213,345.95	
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	13,677.06		
Salaries of provincial employees.....	21,082.72		
Repair and construction of buildings.....	1,633.40		
Travelling expenses and per diems.....	2,654.25		
Rentals for buildings.....	1,378.90		
Office supplies.....	2,622.73		
Permanent equipment.....	2,351.52		
Clerk of court fees.....	4,023.40		
Sheriff's fees.....	391.56		
Feeding prisoners.....	4,696.98		
Premiums on bonds.....	239.09		
Purchase of land.....			
Cost tax sales.....	580.00		
Postage, mail and telegrams.....	1,121.43		
Miscellaneous.....			
Roads and bridges—			
Labor and material.....	27,186.90		
Permanent equipment.....	440.00		
Purchase of land.....			
Schools—			
Salaries.....	71.28		
Repairs and construction of buildings.....	182.40		
Rentals for buildings.....	190.00		
Office supplies.....			
Permanent equipment.....	26.27		
Purchase of land.....			
Miscellaneous.....	10.50		
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	4,799.30		
Miscellaneous.....	90.48		
Total expenditures.....	89,430.17		
Miscellaneous credits:			
Exchanges of currency.....		210,781.36	
Payments to municipalities.....		2,594.59	
Balance June 30, 1907.....	115,143.38		
Total credits.....	204,573.55	213,345.95	

PROVINCE OF ROMBLON.

[Population: Christian, 52,848.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P19,663.01	P2,378.02	298.00
Revenues:			
All provincial—			
Registry of property.....	33.00		
Miscellaneous.....			
Mining fees.....	2.00		
Fares provincial launch.....	22.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....	589.00	589.00	
Cart.....	17.50	17.50	
Land, 1906 and previous years.....	622.94	749.58	
Industrial.....	7.50	7.50	
All municipal—			
Fishes.....		687.64	
Cattle registration.....		4,145.00	
Rents, profits, and privileges.....		4,598.75	
Licenses.....		1,584.30	
Fines.....		2,268.53	
Sales of estrays.....		61.21	
Cemetery.....		227.00	
Miscellaneous.....			
Internal revenue—			
Cedulas, act No. 1189.....	7,557.50	7,557.50	
Licenses, act No. 1189.....		928.00	
Opium certificates, act No. 1461.....		95.00	
Refund from insular treasury, act No. 1189.....	5,276.43	7,076.13	
Refund from insular treasury, act No. 1189, non-Chris- tian portion.....			
Total revenues.....	14,127.87	30,592.64	
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1455 and 1579.....	4,505.67	4,819.23	
Public contributions school building fund.....	61.40		
Exchanges of currency.....	229.23		
Total miscellaneous receipts.....	4,796.30	4,819.23	
Total debits.....	38,587.18	37,789.89	298.00
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	6,814.20		
Salaries of provincial employees.....	4,975.99		
Repair and construction of buildings.....	512.25		
Traveling expenses and per diems.....	1,305.47		
Rentals for buildings.....			
Office supplies.....	502.37		
Permanent equipment.....	626.19		
Clerk of court fees.....	2,523.00		
Sheriff's fees.....	224.00		
Feeding prisoners.....	1,337.50		
Premiums on bonds.....	130.98		
Purchase of land.....			
Post tax sales.....			
Postage, mail and telegrams.....	250.00		
Miscellaneous.....	900.28		
Roads and bridges—			
Labor and material.....	225.68		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....	67.80		
Repairs and construction of buildings.....	24.61		
Rental for buildings.....			
Office supplies.....			
Permanent equipment.....	9.00		
Purchase of land.....			
Miscellaneous.....	.85		
School-building fund, act No. 1275—			
Schools, repairs and construction of buildings.....	7,210.33		
Total expenditures.....	27,645.40		

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PROVINCE OF ROMBLON—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Miscellaneous credits:			
Exchanges of currency.....			298.00
Payments to municipalities.....		P 37,410.73	
Balance June 30, 1907.....	P 10,941.78	379.16	
Total credits.....	38,887.18	37,789.89	298.00

PROVINCE OF SAMAR.

(Population: Christian, 265,540; non-Christian, 688.)

DEBITS.			
Balance July 1, 1906.....	P 19,256.79	P 19,867.22	50.55
Revenues:			
All provincial—			
Registry of property.....	227.30		
Miscellaneous.....			
Joint provincial and municipal—			
Cedulas, act No. 83.....			
Cart.....	30.00	30.00	
Land, 1906 and previous years.....	5,648.14	7,307.26	
Industrial.....	9.19	9.19	
All municipal—			
Fisheries.....		3,559.77	
Cattle registration.....		1,381.00	
Rents, profits, and privileges.....		3,731.73	
Licenses.....		16,132.63	
Fines.....		4,827.26	
Sales of estrays.....		85.00	
Cemetery.....		854.06	
Miscellaneous.....		667.90	
Internal revenue—			
Cedulas, act No. 1189.....	35,635.60	35,635.60	
Licenses, act No. 1189.....		8,593.82	
Opium certificates, act No. 1461.....		2,105.00	
Refund from insular treasury, act No. 1189.....	29,173.87	35,550.05	
Refund from insular treasury, act No. 1189, non-Christian portion.....	92.12		
Total revenues.....	70,716.02	120,566.17	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1465 and 1579.....	13,918.86	18,558.27	
Reimbursement to municipality of Borongan, act No. 1478.....		493.95	
Exchanges of currency.....	255.41		281.50
Sales of rice, Congressional relief.....	2,539.77		
Total miscellaneous receipts.....	17,014.04	19,052.22	281.50
Total debits.....	108,986.85	159,485.61	332.05
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	15,301.67		
Salaries of provincial employees.....	24,341.30		
Repair and construction of buildings.....	699.48		
Traveling expenses and per diems.....	8,047.22		
Rentals for buildings.....	2,156.68		
Office supplies.....	109.27		
Permanent equipment.....	2,020.62		
Clerk of court fees.....			
Sheriff's fees.....	515.48		
Feeding prisoners.....	5,403.68		
Premiums on bonds.....	782.96		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	3,491.36		
Miscellaneous.....	13,421.35		

PROVINCE OF SAMAR—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
Provincial funds—Continued.			
Roads and bridges—			
Labor and material.....	P9,902.66		
Permanent equipment.....	32.50		
Purchase of land.....			
Schools—			
Salaries.....	60.00		
Repairs and construction of buildings.....			
Rentals for buildings.....	840.00		
Office supplies.....			
Permanent equipment.....	166.50		
Purchase of land.....			
Miscellaneous.....	38.85		
Congressional relief fund—			
Roads and bridges, labor and material.....	7.50		
Congressional relief school-building fund, Gandara Valley—			
Schools, repairs and construction of buildings.....	1,790.13		
Total expenditures.....	90,029.21		
Miscellaneous credits:			
Exchanges of currency.....	216.50		332.05
Payments to municipalities.....		P 181,800.68	
By revenue, all provincial—refund miscellaneous.....	1,352.95		
By revenue, joint provincial-municipal—refund cedulae, act No. 83.....	136.15	136.15	
Total miscellaneous credits.....	1,705.60	152,027.03	332.05
Balance June 30, 1907.....	15,252.04	7,458.66	
Total credits.....	106,986.85	159,485.61	332.05

PROVINCE OF SORSOGON.

[Population: Christian, 164,129; non-Christian, 41.]

	Provincial.		Municipal.
	Sorsogon proper.	Subprovince of Masbate.	
DEBITS.			
Balance July 1, 1906.....	P30,229.25	P5,497.42	P22,438.94
Revenues:			
All provincial—			
Registry of property.....	769.43		
Miscellaneous.....	152.30	30.50	
Mining fees.....	247.20	576.80	
Fares provincial launch.....	.25	.25	
Joint provincial and municipal—			
Cedulas, act No. 83.....	94.30	.70	95.00
Cart.....	1.50	3.50	5.00
Land, 1906 and previous years.....	6,473.89	1,835.87	13,243.76
All municipal—			
Fisheries.....			7,621.85
Cattle registration.....			3,897.00
Rents, profits, and privileges.....			16,658.91
Licenses.....			12,080.35
Fines.....			8,078.88
Sales of estrays.....			184.26
Miscellaneous.....			134.00
Internal revenue—			
Cedulas, act No. 1189.....	19,571.50	3,846.50	23,418.00
Licenses, act No. 1189.....			11,715.05
Opium certificates, act No. 1461.....			1,080.00
Refund from insular treasury, act No. 1189.....	14,912.47	3,343.63	21,576.31
Refund from insular treasury, act No. 1189, non-Christian portion.....	5.48		
Total revenues.....	42,228.32	9,637.75	120,178.36

PROVINCE OF SORSOGON—Continued.

	Provincial.		Municipal.
	Sorsogon proper.	Subprovince of Masbate.	
DEBITS—continued.			
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579	P26,959.68	P3,601.71	P44,256.06
School-building fund, act No. 1275		8,000.00	
Public contributions school-building fund, act No. 1275	2,013.55	2.50	
Loans to province, act No. 1554	20,000.00		
Exchanges of currency			
To expenditures, general purposes, provincial fund—			
Refund office supplies	6,790.63		
Refund premiums on bonds	18.98		
Total miscellaneous receipts	55,782.84	11,604.21	44,256.06
Total debits	128,240.41	26,739.38	186,873.36
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials	18,293.74	1,506.66	
Salaries of provincial employees	19,855.72	3,820.50	
Repair and construction of buildings	10,002.69	1,025.26	
Traveling expenses and per diems	2,603.38	1,507.25	
Rentals for buildings	1,330.00	167.50	
Office supplies		1,187.04	
Permanent equipment	4,068.70	1,300.34	
Clerk of court fees			
Sheriff's fees	196.58	17.19	
Feeding prisoners	2,846.45	1,185.30	
Premium on bonds			
Purchase of land			
Cost tax sales			
Postage, mail and telegrams	656.53	289.55	
Miscellaneous	10,670.45	1,061.17	
Roads and bridges—			
Labor and material	1,346.56		
Permanent equipment	13,212.93		
Purchase of land			
Schools—			
Salaries			
Repairs and construction of buildings	571.46	44.19	
Rentals for buildings			
Office supplies			
Permanent equipment	1.58		
Purchase of land			
Miscellaneous			
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings	11,913.78		
Purchase of land	3,895.00		
Miscellaneous	11.00		
School building fund, act No. 1554—			
Schools—			
Repairs and construction of buildings	19,833.57		
Permanent equipment	166.43		
Total expenditures	121,476.55	13,091.95	
Miscellaneous credits:			
Exchanges of currency			
Payments to municipalities			174,228.41
Balance June 30, 1907	6,763.86	13,647.43	12,644.95
Total credits	128,240.41	26,739.38	186,873.36

PROVINCE OF SURIGAO.

[Population: Christian, 99,298; non-Christian, 15,814.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P48,515.06	P4,771.50	945.72
Revenues:			
All provincial—			
Registry of property.....	76.75		
Miscellaneous.....	157.84		.68
Rental of provincial property.....	852.50		
Mining fees.....	14.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....	12.00	12.00	
Cart.....			
Land, 1906 and previous years.....	827.41	1,086.91	
All municipal—			
Fisheries.....		1,255.78	
Cattle registration.....		1,889.00	
Rents, profits, and privileges.....		1,175.74	
Licenses.....		4,332.35	
Fines.....		6,006.30	
Sales of estrays.....			
Cemetery.....			
Miscellaneous.....		1,376.10	
Internal revenue—			
Cedulas, act No. 1189.....	13,161.50	13,161.50	
Licenses, act No. 1189.....		1,635.00	
Opium certificates, act No. 1461.....		85.00	
Refund from insular treasury, act No. 1189.....	12,981.96	13,278.24	
Refund from insular treasury, act No. 1189, non-Christian portion.....	2,117.45		
Total revenues.....	30,151.43	44,293.92	.68
Miscellaneous receipts:			
Payments to province—Insular payment lieu land tax, acts Nos. 1455 and 1579.....	10,062.82	13,076.46	
To expenditures, general purposes, provincial fund—Refund office supplies.....	1,746.76		
Public contributions school building fund, act No. 1275.....	609.50		
Repayments of loans by municipalities.....	81.69		
Exchanges of currency.....	793.00		84.50
Total miscellaneous receipts.....	13,283.77	13,076.46	84.50
Total debits.....	91,950.25	62,141.88	1,030.90
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	11,246.92		
Salaries of provincial employees.....	10,191.72		
Repair and construction of buildings.....	351.34		
Traveling expenses and per diems.....	5,937.21		
Rentals for buildings.....			
Office supplies.....			
Permanent equipment.....	4,038.93		
Clerk of court fees.....	640.00		
Sheriff's fees.....	583.36		
Feeding prisoners.....	820.66		
Premiums on bonds.....	431.63		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	506.86		
Miscellaneous.....	572.15		
Roads and bridges—			
Labor and material.....	2,685.94		
Permanent equipment.....	6.15		
Purchase of land.....			
Schools—			
Salaries.....	90.00		
Repairs and construction of buildings.....	510.20		
Rentals for buildings.....	300.00		
Office supplies.....			
Permanent equipment.....	7.90		
Purchase of land.....	224.00		
Miscellaneous.....	186.22		

PROVINCE OF SURIGAO—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Expenditures—Continued.			
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	P12,607.20		
Miscellaneous.....	9,754.25		
Total expenditures.....	61,602.64		
Miscellaneous credits:			
Exchanges of currency.....	64.82		1,030.90
Payments to municipalities.....		P59,542.67	
Allowances under section 42, act No. 1402.....	9.00		
Total miscellaneous credits.....	73.82	59,542.67	1,030.90
Balance June 30, 1907.....	30,183.79	2,590.21	
Total credits.....	91,950.25	62,141.88	1,030.90

PROVINCE OF TARLAC.

[Population: Christian, 133,513; non-Christian, 1,594.]

DEBITS.			
Balance July 1, 1906.....	P80,389.45	P8,618.89	2,602.20
Revenues:			
All provincial—			
Registry of property.....	300.80		
Miscellaneous.....	16.46		.04
Joint provincial and municipal—			
Cedulas, act No. 83.....	81.00	81.00	
Cart.....	3,194.15	3,194.15	
Land, 1905 and previous years.....	1,682.64	2,263.33	
All municipal—			
Fishes.....		5,127.85	
Cattle registration.....		5,897.00	
Rents, profits, and privileges.....		10,946.67	
Licenses.....		3,182.68	
Fines.....		2,835.39	
Sales of estrays.....		2,628.63	
Cemetery.....		377.10	
Miscellaneous.....		55.75	
Internal revenue—			
Cedulas, act No. 1189.....	16,925.50	16,925.50	
Licenses, act No. 1189.....		6,061.36	
Opium certificates, act No. 1461.....		185.00	
Refund from insular treasury, act No. 1189.....	12,879.54	17,876.90	
Refund from insular treasury, act No. 1189, non-Christian portion.....	213.43		
Total revenues.....	35,293.52	77,658.31	.04
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	17,027.10	21,342.33	
Congressional relief funds, construction Tarlac dike, act No. 1406.....	10,000.00		
To expenditures, general purposes, provincial fund—Refund repairs and construction of buildings.....	312.43		
Public contributions Tarlac dike fund.....	2,252.75		
Public contributions school building fund, act No. 1275.....	4,500.00		
Exchanges of currency.....	3,001.99		1,300.36
Total miscellaneous receipts.....	37,094.27	21,342.33	1,300.36
Total debits.....	152,757.24	107,619.53	3,902.60

PROVINCE OF TARLAC—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	P13,487.44		
Salaries of provincial employees.....	13,382.38		
Repair and construction of buildings.....			
Traveling expenses and per diems.....	2,807.76		
Rentals for buildings.....	772.50		
Office supplies.....	2,729.18		
Permanent equipment.....	2,145.97		
Clerk of court fees.....	2,952.00		
Sheriff's fees.....	488.56		
Feeding prisoners.....	2,957.08		
Premiums on bonds.....	488.74		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	548.84		
Miscellaneous.....	444.94		
Roads and bridges—			
Labor and material.....	7,073.31		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....	93.99		
Repairs and construction of buildings.....	99.58		
Rentals for buildings.....			
Office supplies.....	12.60		
Permanent equipment.....	213.84		
Purchase of land.....			
Miscellaneous.....	469.91		
Congressional relief fund—			
General purpose, repairs and construction of buildings.....	19.00		
Schools, repairs and construction of buildings.....	283.00		
Tarlac dike fund, act No. 1406—			
Roads and bridges—			
Labor and material.....	20,401.84		
Permanent equipment.....	4,702.27		
Total expenditures.....	76,574.76		
Miscellaneous credits:			
Exchanges of currency.....	1,000.27		3,902.60
Payments to municipalities.....		P106,433.85	
Repayments of loans to insular government.....	50,000.00		
Total miscellaneous credits.....	51,000.27	106,433.85	3,902.60
Balance June 30, 1907.....	25,182.21	1,185.68	
Total credits.....	152,757.24	107,619.53	3,902.60

PROVINCE OF TAYABAS.

[Population: Christian, 201,936; non-Christian, 2,803.]

	DEBITS.		
Balance July 1, 1906.....	P65,410.93	P30,729.09	753.06
Revenues:			
All provincial—			
Registry of property.....	243.93		
Miscellaneous.....	10.02		6.50
Mining fees.....	94.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....	134.00	134.00	
Cart.....	208.60	208.60	
Land, 1905 and previous years.....	16,874.32	22,366.52	
Industrial.....	2.19	2.19	
All municipal—			
Fisheries.....		4,569.78	
Cattle registration.....		14,914.00	
Rents, profits, and privileges.....		17,549.45	
Licenses.....		18,903.81	
Fines.....		13,007.04	
Sales of estrays.....		335.35	
Cemetery.....		203.10	
Miscellaneous.....		3,027.85	

PROVINCE OF TAYABAS—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS—continued.			
Revenues—Continued.			
Internal revenue—			
Cedulas, act No. 1189.....	P29,749.00	P29,749.00	
Licenses, act No. 1189.....		9,677.00	
Opium certificates, act No. 1461.....		460.00	
Refund from insular treasury, act No. 1189.....	26,654.08	27,038.55	
Refund from insular treasury, act No. 1189, non-Christ- tian portion.....	375.33		
Total revenues.....	74,345.47	162,196.24	6.50
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	81,371.61	106,312.93	
Congressional relief for Baler and Kasiguran, act No. 1406.....	2,000.00		
Sales of rice, Congressional relief.....	2,342.48		
Sales of galvanized iron—Congressional relief.....	52.94		
Repayments of loans by municipalities.....	6,996.77		
Loans to province, act No. 1637.....	60,000.00		
Exchanges of currency.....			1,485.93
Total miscellaneous receipts.....	152,763.80	106,312.93	1,485.93
Total debits.....	292,520.20	301,238.26	2,245.48
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	16,027.64		
Salaries of provincial employees.....	35,471.75		
Repair and construction of buildings.....	105.20		
Traveling expenses and per diems.....	6,600.66		
Rentals for buildings.....	3,030.00		
Office supplies.....	1,910.22		
Permanent equipment.....	1,950.00		
Clerk of court fees.....	12,418.90		
Sheriff's fees.....	842.78		
Feeding prisoners.....	2,704.11		
Premiums on bonds.....	2,346.92		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	2,250.16		
Miscellaneous.....	8,104.79		
Roads and bridges—			
Labor and material.....	16,882.12		
Permanent equipment.....	2,259.74		
Purchase of land.....			
Schools—			
Salaries.....	251.67		
Repairs and construction of buildings.....	73.23		
Rentals for buildings.....	2,013.84		
Office supplies.....			
Permanent equipment.....	222.05		
Purchase of land.....			
Miscellaneous.....	256.00		
Congressional relief fund—			
Roads and bridges, labor and material.....	1,310.48		
Schools, repairs and construction of buildings.....	1,032.00		
Congressional relief fund, act No. 1406, general purposes, miscellaneous.....	1,350.00		
School building fund, act No. 1275, schools, repairs and construction of buildings.....	1,036.00		
Total expenditures.....	120,451.26		
Miscellaneous credits:			
Exchanges of currency.....	1,143.03		
Payments to municipalities.....		296,127.74	
Loans to municipalities.....	10,000.00		
Total miscellaneous credits.....	11,143.03	296,127.74	
Balance June 30, 1907.....	160,925.91	5,110.52	2,245.48
Total credits.....	292,520.20	301,238.26	2,245.48

PROVINCE OF ZAMBALES.

[Population: Christian, 56,762; non-Christian, 2,166.]

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
DEBITS.			
Balance July 1, 1906.....	P23,400.13	P3,775.41	505.14
Revenues:			
All provincial—			
Registry of property.....	8.27		
Miscellaneous.....	.04		
Mining fees.....	2.00		
Joint provincial and municipal—			
Cedulas, act No. 83.....	30.00	30.00	
Cart.....	1,049.80	1,049.80	
Land, 1905 and previous years.....	4,807.42	5,143.44	
All municipal—			
Fisheries.....		2,847.33	
Cattle registration.....		2,719.00	
Rents, profits, and privileges.....		3,744.69	
Licenses.....		2,736.62	
Fines.....		1,800.40	
Sales of estrays.....		2.78	
Cemetery.....		305.00	
Miscellaneous.....			
Internal revenue—			
Cedulas, act No. 1189.....	7,612.00	7,612.00	
Licenses, act No. 1189.....		1,277.50	
Opium certificates, act No. 1461.....		75.00	
Refund from insular treasury, act No. 1189.....	4,308.84	7,600.26	
Refund from insular treasury, act No. 1189, non-Christian portion.....	424.19		
Total revenues.....	18,242.56	36,944.82	
Miscellaneous receipts:			
Payments to province—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	7,442.28	8,174.34	
Public contributions school building fund, act No. 1275.....	222.38		
Exchanges of currency.....	522.26		112.80
Total miscellaneous receipts.....	8,186.92	8,174.34	112.80
Total debits.....	49,829.61	48,897.57	678.94
CREDITS.			
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	9,380.11		
Salaries of provincial employees.....	5,202.44		
Repairs and construction of buildings.....			
Traveling expenses and per diems.....	942.81		
Rentals for buildings.....	500.00		
Office supplies.....	843.93		
Permanent equipment.....	144.72		
Clerk of court fees.....	256.00		
Sheriff's fees.....	106.86		
Feeding prisoners.....	1,073.20		
Premiums on bonds.....	204.97		
Purchase of land.....			
Cost tax sales.....			
Postage, mail and telegrams.....	460.94		
Miscellaneous.....	257.35		
Roads and bridges—			
Labor and material.....	2,354.77		
Permanent equipment.....			
Purchase of land.....			
Schools—			
Salaries.....			
Repairs and construction of buildings.....			
Rentals for buildings.....	417.00		
Office supplies.....			
Permanent equipment.....			
Purchase of land.....			
Miscellaneous.....	30.00		
Non-Christian inhabitant fund—			
Schools—			
Repairs and construction of buildings.....	11.50		
Total expenditures.....	22,268.60		

PROVINCE OF ZAMBALES—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
CREDITS—continued.			
Miscellaneous credits:			
Exchanges of currency.....	P86.72		678.94
Payments to municipalities.....		P48,542.66	
Balance June 30, 1907.....	27,474.29	354.91	
Total credits.....	49,829.61	48,897.57	678.94

PROVINCE OF ABRA.*

DEBITS.			
Balance July 1, 1906.....	P1.60		
Miscellaneous receipts:			
Payments to province, general provincial purpose act. No. 1306.....	346.15		
Total debits.....	347.75		
CREDITS.			
Miscellaneous credits:			
Repayment of balance of loans to insular government, acts Nos. 541 and 761.....	346.15		
Refund unexpended balance of appropriation, act No. 1306.....	1.60		
Total credits.....	347.75		

*By act No. 1306 the Province of Abra was annexed to the Province of Ilocos Sur as a subprovince, effective April 1, 1903, and its indebtedness assumed by the insular government, with exception of the loan of P6,000 made by the insular government from Congressional relief funds for construction of the loan of public schools which was assumed by the Province of Ilocos Sur. Upon discontinuance of the province as a separate entity the treasurer of the Province of Ilocos Sur became its treasurer ex officio for the closing up of its financial affairs.

Consolidation of provincial statements.

DEBITS.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
Balance July 1, 1906.....	P1,961,219.64	P493,797.36	27,757.44
Revenues:			
All provincial—			
Registry of property.....	20,040.71		
Mining fees.....	2,576.00		
Rental of provincial property.....	5,406.67		
Prison labor.....	9,014.56		
Fares provincial launches.....	860.53		
Medical certificates, act No. 310.....	12.00		
Bay-San Pablo toll road.....	510.25		
Franchise tax, act No. 667.....	10.82		
Fees justice of the peace, act No. 1396.....	1,010.89		
Road tax, act No. 1396.....	31,882.00		
Fees provincial sheriff, act No. 176.....	37.44		
Various taxes pertaining exclusively to the Moro Prov- ince (see statement Moro Province).....	96,874.65		
Customs (Moro).....	369,029.89		
Customs arrastre plant Jolo, act No. 1432 (Moro).....	3,037.96		
Miscellaneous.....	5,135.34		8.69
Joint provincial municipal—			
Cedulas, act No. 83.....	5,230.40	5,256.30	
Cart.....	35,340.54	35,339.80	
Land, 1906 and previous years.....	247,745.28	317,858.22	
Industrial.....	30.51	30.50	
Dist franchise, act No. 1111.....	118.13	236.22	
Franchise tax, act No. 1303.....	33.07	33.07	

Consolidation of provincial statements—Continued.

DEBITS—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
Revenues—Continued.			
All municipal—			
Fisheries.....		P142,290.62	
Cattle registration.....		234,660.00	
Rents, profits, and privileges.....		658,582.98	
Licenses.....		361,286.52	
Fines.....		207,581.29	
Sales of stray animals.....		19,894.78	
Cemetery.....		19,180.32	
Property tax.....		20,918.67	
Road tax.....		33.00	
Cedulas, act No. 1397.....		92.64	
Franchise tax, act No. 1112.....		1,601.11	
Various taxes pertaining exclusively to the Moro Province (see statement Moro Province).....		5,637.64	
Cattle registration, non-Christian inhabitants.....	P566.00		
Miscellaneous.....		17,455.09	
Internal revenue—			
Cedulas, act No. 1189.....	905,047.00	878,182.50	
Licenses, act No. 1189.....		254,960.72	
Opium certificates, act No. 1461.....		22,175.00	
Refund from insular treasury, act No. 1189.....	782,094.88	886,384.51	
Refund from insular treasury, act No. 1189, non-Chris- tian portion.....	21,488.02		
Refund from insular treasury, act No. 1189, township and settlement portion.....	31,239.92		
Cedulas, act No. 1189, non-Christian portion.....	2,663.00		
Cedulas, act No. 1189, township and settlement portion.....	44.50		
Opium certificates, act No. 1461, township and settle- ment portion.....	5.00		
Weights and measures, act No. 1519.....	189.84	189.86	
Total revenues.....	2,579,255.80	4,069,861.36	8.69
Miscellaneous receipts:			
Payments to provinces—			
Insular payment lieu land tax, acts Nos. 1455 and 1579.....	882,076.36	1,102,545.90	
Congressional relief, act No. 1406.....	44,600.00		
School building funds, act No. 1275.....	36,500.00		
General provincial purposes, act No. 1527.....	113,380.00		
Insular payment lieu land tax, act No. 1475.....	6,928.04	9,234.72	
Relief for municipality of Mavita, act No. 1527.....	321.87		
Cancellation of loans, act No. 1361.....	2,000.00		
Baguio-Trinidad road appropriation.....	1,308.35		
General provincial purposes, act No. 1306.....	346.15		
Relief for municipality of Hagonoy, act No. 1527.....		8,938.23	
Reimbursement municipality of Borongan, act No. 1478.....		493.95	
Loans to provinces.....	246,000.00		
Repayment of loans by municipalities.....	34,325.85		
Public contributions school building fund, act No. 1275.....	42,611.79		
Public contributions Tarlac dike fund.....	2,282.75		
Sale of rice, Congressional relief.....	5,931.18		
Sale of galvanized iron, Congressional relief.....	221.29		
To expenditures—			
Provincial funds, general purposes, refund cost tax sales.....	1,083.17		
Tabaco-Ligao road fund, roads and bridges, refund permanent equipment.....	312.00		
Congressional relief fund, general purposes, refund per- manent equipment.....	101.00		
Transfer from rancherias fund.....		32.00	
Transfer from township and settlement fund.....		10,856.58	
Exchanges of currency.....	53,121.13		47,010.02
Total miscellaneous receipts.....	1,473,418.93	1,132,101.38	47,010.02
Total debits.....	6,013,894.37	5,715,780.10	74,776.15

Consolidation of provincial statements—Continued.

CREDITS.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
Expenditures:			
Provincial funds—			
General purposes—			
Salaries of provincial officials.....	P586,929.57		
Salaries of provincial employees.....	803,976.40		
Repairs and construction of buildings.....	209,700.42		
Traveling expenses and per diems.....	171,834.93		
Rentals for buildings.....	27,560.91		
Office supplies.....	53,466.11		
Permanent equipment.....	111,993.24		
Clerk of court fees.....	139,324.28		
Sheriff's fees.....	26,401.52		
Feeding prisoners.....	142,270.09		
Premiums on bonds.....	25,530.39		
Purchase of land.....	8,343.00		
Cost tax sales.....			
Postage, mail and telegrams.....	46,255.46		
Miscellaneous.....	186,067.67		181.65
Roads and bridges—			
Labor and material.....	606,484.72		
Permanent equipment.....	60,630.46		
Purchase of land.....	125.00		
Schools—			
Salaries.....	87,014.74		
Repairs and construction of buildings.....	19,536.34		
Rentals for buildings.....	27,476.45		
Office supplies.....	1,068.36		
Permanent equipment.....	14,946.77		
Purchase of land.....	5,830.39		
Miscellaneous.....	17,983.79		
Congressional relief funds—			
General purposes—			
Repairs and construction of buildings.....	5,236.40		
Postage, mail and telegrams.....	27.92		
Miscellaneous.....	266.78		
Roads and bridges—			
Labor and material.....	34,929.39		
Permanent equipment.....	664.42		
Schools, repairs and construction of buildings.....	5,428.32		
Congressional relief fund, act No. 1406—			
General purposes—			
Repairs and construction of buildings.....	1,661.37		
Permanent equipment.....	19.98		
Miscellaneous.....	7,805.35		
Roads and bridges, labor and material.....	747.17		
Tarlac dike fund, act No. 1406—			
Roads and bridges—			
Labor and material.....	20,401.84		
Permanent equipment.....	4,702.27		
Bay-San Pablo road fund, act No. 1617—			
Roads and bridges—			
Labor and material.....	1,446.82		
Permanent equipment.....	829.44		
School building fund, act No. 1275—			
Schools—			
Repairs and construction of buildings.....	218,966.24		
Office supplies.....	14.80		
Permanent equipment.....	354.04		
Purchase of land.....	3,865.00		
Miscellaneous.....	10,326.54		
Tabaco-L. gao road fund, act No. 1260—			
Roads and bridges, labor and material.....	997.62		
Special road fund, act No. 1478—			
Roads and bridges, labor and material.....	4,781.47		
School fund, act No. 1603—			
Schools—			
Repairs and construction of buildings.....	11,824.76		
Permanent equipment.....	26.13		
Miscellaneous.....	61.53		
School building fund, act No. 1554—			
Schools—			
Repairs and construction of buildings.....	19,833.57		
Permanent equipment.....	166.43		
Non-Christian inhabitants fund—			
General purposes—			
Salaries of employees.....	66.72		
Miscellaneous.....	192.65		

Consolidation of provincial statements—Continued.

CREDITS—Continued.

	Provincial (Philippine currency).	Municipal (Philippine currency).	Provincial (Mexican and Spanish- Filipino currency).
Expenditures—Continued.			
Non-Christian inhabitants fund—Continued.			
Schools—			
Salaries of employees.....	P265.00		
Repairs and construction of buildings.....	61.50		
Miscellaneous.....	814.24		
Township and settlement fund—			
General purposes—			
Salaries of employees.....	1,984.00		
Repairs and construction of buildings.....	176.57		
Miscellaneous.....	48.95		
Roads and bridges, labor and material.....	2,325.00		
Schools, salaries of employees.....	244.00		
Road and bridge and public work fund, Act No. 1306—			
General purposes, repairs and construction of build- ings.....	20,551.71		
Roads and bridges—			
Labor and material.....	12,321.44		
Permanent equipment.....	.45		
Schools, repairs and construction of buildings.....	468.90		
Provincial building fund, act No. 1416—			
General purposes—			
Repairs and construction of buildings.....	15,185.56		
Permanent equipment.....	93.50		
School-assistance fund, act No. 797—			
Schools, salaries of employees.....	1,320.24		
Special provincial building fund—			
General purposes, repairs and construction of build- ings.....	5,057.26		
Villaverde trail fund—			
Roads and bridges, labor and material.....	2,610.63		
Provincial launch fund, act No. 1478—			
General purposes, permanent equipment.....	1,516.42		
Industrial and agricultural school fund, act No. 1361—			
Schools, repairs and construction of buildings.....	73.46		
Congressional relief fund, Gandara Valley—			
Schools, repairs and construction of buildings.....	1,790.13		
Total expenditures.....	3,703,415.03		181.65
Miscellaneous credits:			
Payments to municipalities.....		P5,466,292.32	
Payments to townships.....		87,968.63	
Allowances under section 42, act No. 1402.....	440.57	53.20	
Loans to municipalities.....	32,500.00		
Repayments of loans to insular government.....	88,229.86		
Payment to municipality for cancellation loans.....	2,000.00		
Payment to municipality from Congressional relief fund.....	7,900.00		
Transfer to township and settlement fund.....	10,556.58		
Exchanges of currency.....	36,157.03		69,057.62
Transfer to municipal fund from rancherias fund.....	32.00		
Payment to township from township and settlement fund.....	800.00		
Allowance for losses, act No. 1608.....	948.74		154.26
Advances to customs officers (Moro).....	81,263.23		
Advances to customs officers arrastre plant (Moro).....	1,500.00		
By revenue, joint provincial municipal, stamps previous years.....	40.82	40.83	
Refund unexpended balance appropriation act No. 1306.....	1.60		
Total miscellaneous credits.....	262,670.43	5,554,355.96	69,211.88
Balance June 30, 1907.....	2,047,808.91	161,404.12	5,382.62
Total credits.....	6,013,894.37	5,715,760.10	74,776.15

NOTE.—Statements showing the revenues and expenditures of the following municipalities for the fiscal year ended December 31, 1906, have been omitted from this report and are on file in the War Department:

Province of Albay.—Albay, Bacacay, Bagamanoc, Baras, Bato, Calolbon, Camalig, Caramoran, Daraga, Guinobatan, Jovellar, Legaspi, Libog, Libon, Ligao, Malilipot, Malinao, Manito, Oas, Pandan, Payo, Polangui, Rapu-Rapu, Tabaco, Tiwi, Viga, Virac; consolidated statement, municipalities, Albay.

Province of Ambos Camarines.—Bao, Bato, Buhi, Bula, Calabanga, Capalonga, Caramoan, Daet, Gainza, Goa, Indan, Iriga, Labo, Lagonoy, Libmanan, Lupi, Magarao, Mambulao, Milaor, Minalabac, Nabua, Nueva Caceres, Pamplona, Paracale, Pasacao, Pili, Ragay, Sagnay, San Fernando, San Jose, San Vicente, Sipocot, Siruma, Tigaon, Tinambao; consolidated statement, municipalities, Ambos Camarines.

Province of Antique.—Bugasong, Culasi, Dao, Lauaan, Pandan, Patnongon, San Jose, San Remigio, Sibalom, Tibiao, Valderrama; consolidated statement, municipalities, Antique.

Province of Bataan.—Abucay, Bagac, Balanga, Dinalupijan, Mariveles, Moron, Orani, Orion; consolidated statement, municipalities, Bataan.

Province of Batangas.—Balayan, Batangas, Bauan, Calaca, Cuenca, Ibaan, Lipa, Loboc, Nasugbu, Rosario, San Jose, San Juan, Santo Tomas, Taal, Tanauan; consolidated statement, municipalities, Batangas.

Province of Benguet.—Adaoay, Atok, Baguio, Balakbak, Bokod, Buguias, Cabayan, Capangan, Daklan, Disdis, Itogon, Kayapa, Kibungan, Palina, Trinidad, Tublay; consolidated statement, townships, Benguet.

Province of Bohol.—Alburquerque, Anda, Antequera, Baclayon, Balilihan, Batuan, Bilar, Calape, Candijay, Carmen, Corella, Cortes, Dauis, Dimiao, Duero, Garcia Hernandez, Guindulman, Inabanga, Jagna, Jetafe, Loay, Loboc, Loon, Mabini, Maribojoc, Panglao, Sevilla, Sierra-Bullones, Tagbilaran, Talibon, Tubigon, Ubay, Valencia; consolidated statement, municipalities, Bohol.

Province of Bulacan.—Angat, Baliuag, Bocaue, Bulacan, Calumpit, Hagonoy, Malolos, Meycauayan, Paombong, Polo, Quingua, San Miguel, Santa Maria; consolidated statement, municipalities, Bulacan.

Province of Cagayan.—Abulug, Alcala, Amulung, Aparri, Baggao, Basco, Calayan, Camalaniugan, Claveria, Enrile, Gattaran, Iguig, Lal-lo, Mauanan, Pamplona, Peña Blanca, Piat, Sanchez Maria, Santo Nifo, Solana, Tuao, Tuguegarao; consolidated statement, municipalities, Cagayan.

Province of Capiz.—Buruanga, Calibo, Capiz, Dao, Dumalag, Dumarao, Ibajay, Ivisan, Jamindan, Libacao, Malinao, Mambusao, Nabas, New Washington, Panay, Panitan, Pilar, Pontevedra, Sapián, Sigma, Taft, Tapas; consolidated statement, municipalities, Capiz.

Province of Cavite.—Alfonso, Carmona, Cavite, Corregidor, Imus, Indan, Maragondon, Naic, Novleta, San Francisco de Malabon, Silang; consolidated statement, municipalities, Cavite.

Province of Cebu.—Alegria, Alonguinean, Argao, Asturias, Badian, Balamban, Bantayan, Barili, Bogo, Boljo-on, Borbon, Carcar, Carmen, Catmon, Cebu, Daan Bantayan, Dalaguete, Danao, Dumanjug, Ginatilan, Liloan, Malabuyoc, Mandaue, Medellin, Minglanilla, Moalbual, Naga, Opon, Oslob, Pilar, Pinamungajan, Samboan, San Fernando, San Francisco, San Remigio, Sibonga, Tabogon, Talisay, Toledo, Tuburan, Tudela; consolidated statement, municipalities, Cebu.

Province of Ilocos Norte.—Bacarra, Badoc, Bangui, Batac, Dingras, Laoag, Paoy, Pasuquin, Piddig, San Miguel; consolidated statement, municipalities, Ilocos Norte.

Province of Ilocos Sur.—Bangued, Bucay, Cabugao, Candon, Danglas, Dolores, Lagangilan, Lagayan, Langiden, La Paz, Lepog, Magaingal, Manabo, Narvacan, Pefiarubia, Pilar, San Quintin, Santa, Santa Cruz, Santa Lucia, Santa Maria, Santiago, Santo Domingo, Sinait, Tagudin, Vigan, Villaviciosa; consolidated statement, municipalities, Ilocos Sur.

Province of Iloilo.—Arevalo, Balasan, Banate, Barotac Nuevo, Buenavista, Cabatuan, Guimbal, Iloilo, Janiway, Leon, Miagao, Oton, Passi, Pototan, Santa Barbara, Sara, Tigbauan; consolidated statement, municipalities, Iloilo.

Province of Isabela.—Cabagan Nuevo, Cauayan, Echague, Gamu, Ilagan, Naguilian, Santa Maria, Tagle, Tumauni; consolidated statement, municipalities, Isabela.

Province of La Laguna.—Biñan, Cabuyao, Calamba, Calauan, Lilio, Los Baños, Luisiana, Lumban, Magdalena, Majayjay, Mavita, Nagcarlan, Paete, Paganjan, Pangil, Pila, San Pablo, Santa Cruz, Santa Rosa, Siniloan; consolidated statement, municipalities, La Laguna.

Province of La Union.—Agoo, Aringay, Bacnotan, Balaoan, Bangar, Bauang, Luna, Naguilian, San Fernando, San Juan, Santo Tomas, Tubao; consolidated statement, municipalities, La Union.

Province of Lepanto-Bontoc.—Alilem, Ampusungan, Angaqui, Bacun, Bagnen, Banaao, Baucó, Bontoc, Cayan, Cervantes, Concepcion, Mancayan, Sabangan, Sagada, San Emilio, San Gabriel, Santol, Sigay, Sudipen, Sugpon, Suyo; consolidated statement, townships, Lepanto-Bontoc.

Province of Leyte.—Abuyog, Alangalang, Almeria, Babatungan, Barugo, Bato, Baybay, Burauen, Cabalian, Carigara, Caybiran, Dagami, Dulag, Hilongos, Hinunanga,

Hindang, Inopacan, Jaro, Leyte, Liloan, Maasin, Malitbog, Matalom, Merida, Naval, Ormoc, Palo, Palompon, San Isidro, San Ricardo, Sogod, Tacloban, Tanauan, Tolosa; consolidated statement, municipalities, Leyte.

Province of Mindoro.—Bulalacao, Calapan, Caluya, Lubang, Mamburao, Naujan, Pinamalayan, Sablayan; consolidated statement, townships, Mindoro.

Province of Misamis.—Balingasag, Cagayan, Jimenez, Langaran, Mambajao, Misamis, Oroquieta, Tagoloan, Talisayan, Ynita; consolidated statement, municipalities, Misamis.

Province of Moro.—Baganga, Caraga, Cateel, Cotobato, Dapitan, Davao, Iligan, Jolo, Malabang, Mati, Parang, Siasi, Zamboanga; consolidated statement, municipalities, Moro.

Province of Nueva Ecija.—Aliaga, Bongabon, Cabanatuan, Carranglan, Cuyapo, Gapan, Licab, Pantabangan, Pefaranda, San Antonio, San Isidro, San Jose, San Juan, Talavera; consolidated statement, municipalities, Nueva Ecija.

Province of Nueva Vizcaya.—Bagabag, Bambang, Bayombong, Dupax, Quiangan, Solano; consolidated statement, townships, Nueva Vizcaya.

Province of Occidental Negros.—Bacolod, Bago, Binalbagan, Cadiz, Cauayan, Escalante, Ilog, Isabela, Jimamaylan, Jinigaran, La Carlota, Manapla, Murcia, Pontevedra, Sagay, San Carlos, Saravia, Silay, Talisay, Valladolid, Victorias; consolidated statement, municipalities, Occidental Negros.

Province of Oriental Negros.—Ayuquitan, Bacong, Bais, Dauin, Dumaguete, Guijulan, Lacy, Larena, Luzuriaga, Siaton, Siquijor, Tanjay, Tayasan, Tolon; consolidated statement, municipalities, Oriental Negros.

Province of Palawan.—Cagayancillo, Coron, Cuyo, Puerto Princessa, Taytay; consolidated statement, townships, Palawan.

Province of Pampanga.—Angeles, Apalit, Arayat, Bacolor, Candaba, Floridablanca, Guagua, Lubao, Mabalacat, Macabebe, Magalan, Mexico, Porac, San Fernando, San Luis, Santa Rita; consolidated statement, municipalities, Pampanga.

Province of Pangasinan.—Aguila, Alaminos, Alcala, Anda, Asingan, Banf, Bautista, Bayambang, Binalonan, Binmaley, Bolinao, Calasiao, Dagupan, Infanta, Lingayen, Malasiqui, Manaoag, Mangaldan, Mangatarem, Pozorrubio, Rosales, Salasa, San Carlos, San Fabian, San Isidro, San Nicolas, San Quintin, Sual, Tayug, Umingan, Urdaneta, Villasis; consolidated statement, municipalities, Pangasinan.

Province of Rizal.—Antipolo, Binangonan, Calocan, Malabon, Mariquina, Morong, Navotas, Parañaque, Pasay, Pasig, Pililla, San Felipe Neri, San Mateo, San Pedro Macati, Tanay, Taguig, Taytay; consolidated statement, municipalities, Rizal.

Province of Romblon.—Badajoz, Cajidiocan, Looc, Odiongan, Romblon, San Fernando; consolidated statement, municipalities, Romblon.

Province of Samar.—Allen, Almagro, Balangiga, Basey, Borongan, Calbayog, Calbiga, Capul, Catarman, Catbalogan, Catubig, Gandara, Guiuan, Laoang, Lavezares, Llorente, Oquendo, Oras, Palapag, Pambujan, Santo Nino, Taft, Villareal, Wright, Zumarraga; consolidated statement, municipalities, Samar.

Province of Sorsogon.—Aroray, Bacon, Barcelona, Bulan, Bulusan, Casiguran, Castilla, Cataingan, Dimasalang, Donsol, Gubat, Irosin, Juban, Magallanes, Mandaon, Masbate, Matnog, Milagros, Mobo, Pilar, Placer, Prieto-Diaz, Pulanduta, San Fernando, San Jacinto, San Pascual, Santa Magdalena, Sorsogon, Uson; consolidated statement, municipalities, Sorsogon.

Province of Surigao.—Butuan, Cabadbaran, Cantilan, Dapá, Dinagat, Gigaquit, Hinatuan, Lianga, Placer, Surigao, Talacogon, Tandag; consolidated statement, municipalities, Surigao.

Province of Tarlac.—Bamban, Camiling, Capas, Concepción, Moncada, Paniqui, Pura, Tarlac, Victoria; consolidated statement, municipalities, Sorsogon.

Province of Tayabas.—Alabat, Atimonan, Baler, Boac, Calauag, Catanauan, Gasan, Guinayangan, Gumacá, Infanta, Kasiguran, Lopez, Lucban, Lucena, Mauban, Mulanay, Pagbilao, Pitogo, Polillo, Sampaloc, Santa Cruz, Sariaya, Tayabas, Tiaon, Torrijos; consolidated statement, municipalities, Tayabas.

Province of Zambales.—Botolan, Iba, Masinloc, Olongapó, Santa Cruz, San Marcelino, San Narciso, Subic; consolidated statement, municipalities, Zambales.

Consolidation of municipal statements.

DEBITS.

	General fund.	School fund.	Cemetery fund.
Balance January 1, 1906.....	P 606,047.02	P 447,550.96	
Revenues:			
Internal revenue—			
Refund from insular treasurer, act No. 1189.....	733,213.21	361,806.00	
Cedulas, act No. 1189.....	823,888.32		
Licenses, act No. 1189.....	233,601.78		
Opium certificates, act No. 1461.....	30,313.00		
Joint provincial and municipal—			
Cart.....	22,565.14		
Land, 1906 and previous years.....	224,693.76	256,746.89	
Industrial tax.....	383.63		
Municipal—			
Fisheries.....	129,211.77		
Cattle registration.....	251,390.46		
Rents, profits, and privileges.....	662,682.09		
Licenses.....	349,071.89		
Fines.....	219,572.84		
Sales of estrays.....	32,319.16		
Miscellaneous.....	12,325.71	6,274.81	
Cemetery.....			P 10,899.36
Property tax.....	15,775.08		
Cedulas, act No. 63.....	7,105.97		
Cedulas, act No. 1397.....	546.00		
Stamp tax (Spanish).....	13.69		
Forestry, 1904.....	955.57		
Franchise tax, act No. 1111.....	219.65		
Franchise tax act No. 1112.....	1,820.55		
Building permit (Moro).....	3.00		
Latrine (Moro).....	1,091.04		
Frontage (Moro).....	2,063.57		
Street cleaning (Moro).....	582.10		
Total revenues.....	2,755,408.98	624,829.70	10,899.36
Miscellaneous receipts:			
Insular payment in lieu of land tax, act No. 1455.....	576,078.85	690,757.56	
Insular payment in lieu of land tax, act No. 1475.....	8,453.61	8,453.63	
Loans from province.....	10,574.00	8,800.00	
Transfers.....	1,427.47	116,385.86	515.00
Special appropriation, act No. 1527.....	12,374.66		
Police aid fund, act No. 681.....	968.00		
Public contributions Tarlac dike.....	450.80		
Allotment township and settlement fund.....	800.00		
School assistance fund, act No. 797.....		1,097.81	
Insular aid to schools, resolution Commission, January 16, 1906.....		13,877.68	
Received from insular government, act No. 1416.....		250.00	
Total miscellaneous receipts.....	611,145.39	840,222.54	515.00
Total debits.....	4,972,601.39	1,912,603.20	11,414.36

CREDITS.

Expenditures:			
Salaries of officials.....	P 884,207.70		
Salaries of employees.....	719,340.60	P 845,446.11	
Salaries and maintenance of police.....	1,085,844.59		
Furniture, office supplies, etc.....	202,495.74	27,982.06	
Rent.....	41,292.89		
Construction, repairs, and improvements.....	461,789.63	151,101.20	
Street lighting.....	62,359.10		
Miscellaneous.....	320,323.18	52,550.68	
Cemetery.....			P 609.30
Construction, repairs, and improvements, act No. 1527.....	3,756.23		
School assistance fund, act No. 797.....		1,552.33	
Total expenditures.....	3,731,409.66	1,078,632.40	609.30
Miscellaneous credits:			
Repayment of loans to province.....	26,858.35	11,344.20	
Transfers.....	116,900.86	1,427.47	
Payment to province, act No. 1275.....	4,500.00	15,000.00	
Payment to province, Tarlac dike.....	1,000.00		
Looses, section 41, act No. 1402.....	2,024.81	642.89	
Looses, section 42, act No. 1402.....	90.50		
Total miscellaneous credits.....	150,874.52	28,414.56	
Balance December 31, 1906.....	1,090,317.21	805,556.24	10,805.06
Total credits.....	4,972,601.39	1,912,603.20	11,414.36

Loans to provinces from insular and Congressional relief funds.

Provinces.	Balance due insular government July 1, 1906.	Loans made during fiscal year.	Loans paid during fiscal year.	Balance due insular government June 30, 1907.
FROM INSULAR FUNDS.				
Abra.....	P346.15		P346.15	P85,000.00
Albay.....	60,000.00	P25,000.00		50,000.00
Amboe Camarines.....	50,000.00			22,500.00
Antique.....	22,500.00			12,000.00
Bataan a.....	6,000.00	6,000.00		49,664.47
Batangas b.....	49,664.47			55,000.00
Capiz c.....	55,000.00			43,461.53
Cavite.....	43,461.53			85,000.00
Cebu d.....	85,000.00		7,500.00	50,000.00
Iloilo e.....	50,000.00			60,000.00
La Laguna.....		60,000.00		37,000.00
La Union f.....	37,000.00			5,000.00
Mindoro.....	5,000.00			27,000.00
Nueva Ecija g.....	27,000.00		6,000.00	16,000.00
Occidental Negros.....	16,000.00			20,000.00
Oriental Negros.....	20,000.00		4,000.00	5,000.00
Pangasinan.....	5,000.00			75,000.00
Rizal.....		75,000.00		44,230.77
Samar.....	44,230.77			20,000.00
Sorsogon h.....	20,000.00	20,000.00		50,000.00
Tarlac.....	50,000.00		50,000.00	10,065.00
Tayabas.....	10,065.00	60,000.00		10,000.00
Zambales.....	10,000.00			
Total.....	666,287.92	246,000.00	67,846.15	844,441.77
FROM CONGRESSIONAL RELIEF FUNDS.				
Albay.....	65,000.00			2,000.00
Batangas.....	2,000.00		2,000.00	18,383.71
Bohol.....	18,383.71		18,383.71	10,000.00
Bulacan i.....	10,000.00			25,000.00
Cavite.....	25,000.00			19,333.23
Ilocos Sur.....	19,333.23			6,000.00
Romblon j.....	6,000.00			
Total.....	145,717.04		20,383.71	125,333.33

a P6,000 canceled upon condition that province provide an equal amount for expenditure for construction of school buildings prior to January 1, 1909. (Act No. 1601.)

b Canceled upon condition that province provide an equal amount for expenditure for purchase, construction, and repair of school buildings and permanent equipment therefor, in ten annual installments terminating June 1, 1916. (Act No. 1622.)

c Canceled upon condition that province provide an equal amount for expenditure for purchase, construction, and repair of school buildings and permanent equipment therefor, in six annual installments terminating June 1, 1912. (Act No. 1622.)

d P42,500 canceled upon condition that province and municipalities that received aid from loans expend from their general funds for school purposes an amount equal to one-half the amount received by them. (Act No. 1560.)

e Canceled upon condition that province provide an equal amount for expenditure for purchase, construction, and repair of school buildings and permanent equipment therefor, in six annual installments terminating November 30, 1912. (Act No. 1622.)

f Canceled upon condition that province provide P50,000 for expenditure for construction and preparation of suitable buildings for schools of arts and trades, domestic science and agriculture, in seven annual installments terminating June 30, 1913. (Act No. 1603.)

g P15,000 canceled upon condition that province provide P20,000 for expenditure for school purposes, in four annual installments terminating June 30, 1911. (Act No. 1603.)

h P20,000 canceled upon condition that province expend an equal amount in the acquisition of land, construction of permanent school buildings, and purchase of equipment for school purposes prior to January 1, 1909. (Act No. 1603.)

i Canceled upon condition that province devote an equal amount from its general funds to construction of roads and bridges prior to December 31, 1909. (Act No. 1679.)

j Canceled upon condition that province provide an equal amount for expenditure for purchase, construction, and repair of school buildings and permanent equipment therefor, in six annual installments terminating June 30, 1913. (Act No. 1622.)

Respectfully submitted.

W. H. CLARKE, *Acting Auditor.*

The SECRETARY OF WAR.

The GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS.

The PHILIPPINE COMMISSION.

EXHIBIT NO. 4.

REPORT OF THE MUNICIPAL BOARD OF THE CITY OF MANILA.

MUNICIPAL BOARD, CITY OF MANILA,
Manila, P. I., July 1, 1907.

SIR: The municipal board has the honor to submit herewith its annual report covering the fiscal year ended June 30, 1907.

Very respectfully,

FELIX M. ROXAS,
President.
P. G. McDONNELL,
MIGUEL VELASCO,
A. W. HASTINGS,
W. P. WYLIE,
Members.

The GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS,
Manila, P. I.

OFFICE OF THE SECRETARY.

There have been no changes in the personnel of the board, and the distribution of the committee work remains the same as last year.

The board held 304 regular sessions and considered and acted upon 3,280 different items of municipal business.

The board executed 24 leases, entered into 14 contracts, and passed 11 ordinances, list of which follows: *

Ordinances enacted by the municipal board during the fiscal year 1907.

No.	Object.	Date of enactment.
86	Sanitary code.....	Oct. 20, 1906
87	Amending No. 31, pound ordinance.....	Nov. 5, 1906
88	Amending No. 11, use of streets and plazas.....	Nov. 10, 1906
89	Amending No. 78, building code.....	Dec. 12, 1906
90	Amending No. 31, pound ordinance.....	Dec. 15, 1906
91	Amending No. 68, electric ordinance.....	Jan. 22, 1907
92	Repealing section 5, No. 47, regulating manufacture, storage, sale, transportation; and use of explosives.....	do.
93	License and permit ordinance.....	Feb. 11, 1907
94	Electric ordinance.....	Feb. 15, 1907
95	Amending No. 38, license and permit ordinance.....	Apr. 12, 1907
96	Amending No. 78, building code.....	May 16, 1907

Below is presented a list of various parcels of property purchased by the city during the year, all of which, with the exception of block 42, in Tondo, for the new Tondo school, two sites for sewer pumping stations, and the pipe line right of way, are for widening and straightening the various narrow and crooked streets in the city.

A list of the property sold by the city is also shown.^b

* Tables showing property leased have been omitted and are on file in the Bureau of Insular Affairs, War Department.

^b These lists have been omitted and are on file in the Bureau of Insular Affairs, War Department.

The contracts with San Juan de Dios Hospital and St. Paul's Hospital for the care of the indigent sick were continued in force during the year, with satisfactory results, the total cost for the year being ₱51,074.80. Under these contracts the two hospitals provide all medical attention, medicine, food, and hospital accommodations at ₱1.40 per day for each patient.*

Total cost for the year:

San Juan de Dios Hospital.....	₱25,524.80
St. Paul's Hospital.....	25,550.00

The contract with the Hospicio de San José for the care of juvenile offenders was likewise continued, the cost to the city having been ₱10,386, or 40 centavos per day for each child. During the year there were periodical outbreaks among the youthful offenders confined in the hospicio, and on more than one occasion a number of them escaped. Conditions have been remedied there, however, and it is believed there will be no further complaint on that score.

On February 18 the municipal board pardoned 32 of these youthful malefactors, of whom 7 immediately returned to their evil ways and were apprehended by the police and resented. A statement is submitted showing the number, sex, and the average age.^a

On February 17 the secretary of the board, with the superintendent of buildings and plumbing inspection and the assistant chief of police, was appointed a committee to make a study of the election law, and to submit a report with recommendations respecting the details of the things which the board was charged with doing under said law. This committee was afterwards directed to take charge of the election and to provide everything necessary for its successful operation.

The committee's first duty was to district the city, or rather to divide the two districts provided for by the election law into voting precincts. This was done by dividing the first district, including Tondo, Binondo, San Nicolas, and Intramuros, and the vessels and cascos in the river and harbor, and having a population of 112,123, into 23 election precincts. The second district, comprising Ermita, Malate, Paco, Pandacan, Quiapo, Sampaloc, San Miguel, Santa Ana, and Santa Cruz, and having a population of 107,712, was divided into 25 precincts, making a total of 48 in all. Provision was thus made for 19,220 voters. According to the census there are actually 41,028 literate American and Filipino males over 21 years of age. The result of the registration shows either that the number of voters was largely overestimated or that the voters were very apathetic, for there were only 7,902 voters registered, or a trifle over 3½ per cent of the population. A table showing the number of voters in each precinct follows:

Result of the four days of registration, June 21, 22, 28, and 29, 1907, in the first and second assembly districts of the city of Manila.

FIRST ASSEMBLY DISTRICT.

Precinct.	Filipinos.	Americans.	Total.	Precinct.	Filipinos.	Americans.	Total.
1.....	220	3	223	14.....	184	11	195
2.....	165	2	167	15.....	65	16	81
3.....	225	5	230	16.....	54	21	75
4.....	205	.....	205	17.....	223	30	253
5.....	162	14	176	18.....	66	7	73
6.....	118	3	121	19.....	28	5	33
7.....	171	7	178	20.....	33	1	34
8.....	141	1	142	21.....	47	27	74
9.....	184	4	188	22.....	166	31	197
10.....	224	3	227	23.....	129	33	162
11.....	126	2	128				
12.....	52	.....	52				
13.....	158	3	161	Total.....	3,101	219	3,320

* Omitted and filed in the Bureau of Insular Affairs, War Department.

SECOND ASSEMBLY DISTRICT.

Precinct.	Filipi- nos.	Amer- icans.	Total.	Precinct.	Filipi- nos.	Amer- icans.	Total.
24.....	85	13	98	39.....	164	23	187
25.....	248	34	282	39.....	61	10	71
26.....	206	34	240	40.....	185	15	200
27.....	220	16	236	41.....	71	24	95
28.....	177	10	187	42.....	102	83	245
29.....	142	3	145	43.....	47	50	97
30.....	133	5	138	44.....	277	53	330
31.....	82	17	99	45.....	190	100	290
32.....	189	25	164	46.....	331	37	368
33.....	240	10	250	47.....	136	2	138
34.....	111	8	119	48.....	130	7	137
35.....	87	29	116				
36.....	147	13	160				
37.....	171	10	181				
				Total.....	3,945	637	4,482

Precincts.....	48
Filipinos.....	7,046
Americans.....	856
Total Filipinos and Americans.....	7,902

It is estimated that the cost to the city of holding the election will be approximately ₱10,000; this will be paid out of the appropriation for the coming fiscal year. The estimate includes rent of polling places, salaries of the officers of election (four to each precinct), printing, lighting, stationery, etc.

The collections of this office for furnishing and certifying to copies of public documents were insignificant, amounting to ₱43.50.

REPORT ON FINANCE.

The following comparative itemized statements of receipts and expenditures, and other exhibits herewith submitted, form the better and more interesting part of the report under this head.

Receipts and expenditures, fiscal year 1907.

[Not including sewer and waterworks construction.]

Account.	Net expendi- ture.	Account.	Net receipts.
To municipal board, advisory board, public charities, etc.....	₱199,547.93	By city assessor and collector, as per itemized statement.....	₱2,560,254.30
To law department (including city attorney's office, sheriff's office, register of deeds, municipal court, and justice of the peace courts).....	76,513.08	By register of deeds.....	13,474.74
To office of prosecuting attorney.....	38,600.03	By insular treasurer:	
To fire department.....	278,630.17	Miscellaneous collec- tions.....	₱4,872.84
To police department.....	794,130.80	70 per cent of the in- terest collected on balances belong- ing to sewer and waterworks ac- count on deposit in New York.....	100,102.21
To department of engineering and public works.....	843,437.10		104,975.08
To department of sanitation and transportation.....	734,253.02	By disbursing officer:	
To department of assessments and collections.....	142,236.54	Transportation serv- ice insular gov- ernment.....	106,567.24
To department of city schools (not including cost of reconstruction of Cuartel Melsie, other repairs, and water and electric light).....	265,394.15	Interdepartment col- lections.....	139,980.92
To permanent public improve- ments.....	143,356.03		246,548.16
To Luneta extension.....	49,009.03	Total collections.....	2,965,252.28
Total net expenditures by disbursing officer.....	3,565,157.68	Less refunds paid by dis- bursing officer.....	3,567.82
To interest on sewer and water- works bonds.....	160,000.00	Less refunds paid by auditor.....	10,053.14
To sinking fund.....	38,740.00	Total refunds.....	13,620.96
To insular government for New York exchange.....	1,500.00	Net collections.....	2,941,631.32
To insular government balance due on purchase of land transporta- tion, etc.....	106,567.24	By insular government contribu- tion, 30 per cent of ₱3,871,964.92.....	1,161,589.48
Total net expenditures.....	3,871,964.92	Total.....	4,103,220.80
Excess of receipts over expenditures.....	231,255.88	By balance brought down.....	231,255.88
Total.....	4,103,220.80		

* See disbursing officer's Exhibits A and B, p. 601.

REPORT OF THE PHILIPPINE COMMISSION.

Sewer and waterworks construction account.

Item.	Amount.	Item.	Amount.
DEBIT.		CREDIT.	
To amounts previously expended and reported	P597,840.76	By proceeds of sale of \$1,000,000 gold bonds of the issue of June 1, 1905	P2,191,250.00
To sundry expenditures during fiscal year 1907, as shown by report of disbursing officer ^a	2,113,895.82	By proceeds of sale of \$2,000,000 gold bonds of the issue of January 1, 1907	4,284,010.70
To balance on deposit in New York at 4 per cent.	3,000,000.00		
To balance on deposit in New York at 3 per cent.	414,010.70		
To balance in Treasury here	290,513.42		
Total	6,425,260.70	Total	6,425,260.70
		By balance brought down	8,713,524.13

^a See disbursing officer's Exhibit C p. 601.

^b In addition to this balance there are \$1,000,000 of gold bonds authorized to be sold January 1, 1908, for this account.

Sewer and waterworks bonds.

[United States currency.]

Item.	Amount.	Item.	Amount.
To series of June 1, 1905, sold on that date	\$1,000,000.00	By amount authorized by act No. 1323	\$4,000,000.00
To series of January 2, 1907, sold on that date	2,000,000.00		
To balance on hand to be sold January 1, 1908	1,000,000.00		
Total	4,000,000.00	Total	4,000,000.00
		By balance brought down	1,000,000.00

Sewer and waterworks sinking fund.

First installment, paid December 8, 1905	\$19,370.00
Second installment, paid December 10, 1906	19,370.00
Interest earned to June 30, 1907	1,558.83
Total (United States currency)	40,298.83

This fund is on deposit at 4 per cent interest with the International Banking Corporation at Washington.

Comparative statement of collections for the fiscal years 1906 and 1907 and the estimated collections for 1908.

Source of revenue.	Fiscal year—		
	1906.	1907.	1908 (estimated.)
Real-estate tax.....	P1,208,265.31	P1,302,855.00	P1,250,000.00
Matadero fees.....	180,049.25	184,982.53	170,000.00
Market fees.....	289,430.88	238,064.41	270,550.00
Municipal licenses.....	217,958.16	216,860.40	230,000.00
Live stock, registered and transferred.....	785.80	771.40	800.00
Vehicle equipment.....	1,231.30	1,215.80	1,200.00
Rents, city property.....	18,730.29	19,960.32	20,000.00
Municipal court fines and fees.....	68,500.77	53,331.43	50,000.00
Weights and measures.....	6,410.40	715.40	
Miscellaneous, burial funds (bureau of health).....	4,985.60	4,012.00	4,000.00
Justice of the peace fees.....	6,757.90	5,968.57	6,000.00
Sheriff fees.....	13,689.88	16,762.65	15,000.00
Sales, city land.....	2,644.30	18,397.63	25,000.00
City attorney fees.....	192.28		200.00
Electrician fees.....	7,808.70	5,495.75	5,000.00
Pound fees.....	4,077.00	4,065.14	5,000.00
Franchise tax (Manila Electric Railroad and Light Co.).....	28,062.85	40,861.54	45,000.00
Secretary, municipal board fees.....	60.00	43.50	50.00
Internal-revenue dividend.....	74,876.98	135,656.76	140,000.00
Miscellaneous.....	13,811.70	5,123.10	7,000.00
Industrial tax.....	1,191.81		
Certificates of registration.....	846.00		
Pail system.....	59,327.16	48,508.26	50,000.00
Vault cleaning.....	38,091.85	39,199.00	35,000.00
Transportation of meat.....	3,470.74	8,965.16	9,000.00
Cementerio del Norte.....	13,425.09	10,906.50	10,000.00
Rent of niches (bureau of health).....	10,112.40	9,752.60	10,000.00
Building permits.....	17,958.90	15,314.47	15,000.00
Water rents.....	210,738.69	221,187.98	225,000.00
Boiler inspector fees.....	1,070.00	1,212.00	1,200.00
Total collections by city assessor and collector.....	2,465,780.40	2,560,254.30	2,600,000.00
Register of deeds.....	14,860.11	13,474.74	14,000.00
Miscellaneous collections by insular treasurer.....	60.00	4,872.84	
70 per cent of internal revenue, collected by insular treasurer.....		100,102.24	86,000.00
Land transportation furnished the insular government.....			96,000.00
Grand total.....	2,480,600.51	2,708,704.12	2,796,000.00

The above totals do not include interdepartment collections by disbursing officer.

Comparative statement of expenditures for 1906 and 1907 and estimate for 1908.

Item.	Fiscal year—		
	1906.	1907.	1908 (estimated.)
Municipal board, advisory board, disbursing office, public charities, and care of city prisoners.....	P204,828.74	P199,547.98	P208,000.00
Department of law (including office of city attorney, prosecuting attorney, office of sheriff, office of register of deeds, municipal court, and justice of the peace courts).....	151,396.91	115,113.11	109,240.00
Fire department.....	295,030.63	278,630.17	297,920.00
Police department.....	1,153,380.85	794,130.60	750,000.00
Engineering and public works.....	1,102,897.49	943,487.10	721,455.00
Sanitation and transportation (including street sprinkling, street cleaning, care of parks, cemeteries, and public grounds).....	907,147.61	734,253.02	742,700.00
Department of assessments and collections.....	116,372.45	142,236.54	100,000.00
City schools (not including rents, repairs, water, and electric light for 1906-7).....	272,771.42	265,394.15	344,728.00
Public works.....	782,610.59	148,356.08	45,000.00
Luneta extension.....	260,020.08	49,009.08	50,000.00
Interest on bonds.....		160,000.00	260,000.00
Sinking fund.....		38,740.00	116,220.00
Exchange.....		1,500.00	2,820.00
Payment on account of purchase of land transportation.....	114,796.73	106,567.24	
Total.....	5,366,253.49	3,871,964.92	3,744,083.00

Sewer and waterworks construction account not included in the above.

Inventory of real estate belonging to the city of Manila June 30, 1907, summarized by districts.

Location.	Value.	Location.	Value.
District:		District—Continued.	
Intramuros.....	P1,364,178	Paco.....	P208,369
Binondo.....	861,578	Pandacan.....	7,443
San Nicolas.....	889,424	Santa Ana.....	586
Santa Cruz.....	425,146	Reclaimed tract of land, known	
Quilapo.....	100,033	as the "Luneta extension," hav-	
San Miguel.....	12,569	ing a superficial area of 247,000	
Sampaloc.....	155,368	square meters; estimated value..	1,235,000
Tondo.....	840,804	Total.....	6,789,777
Ermita.....	1,485,009		
Malate.....	224,426		

Summary of nonexpendable personal property belonging to the city of Manila, June 30, 1907, listed by departments.

Municipal board.....	P9,365.39
City disbursing office.....	4,898.57
Department of engineering and public works.....	426,554.08
Police department.....	179,159.30
Fire department.....	254,088.71
Department of schools.....	72,363.20
Law department.....	27,112.65
Department of sanitation and transportation.....	607,851.35
Total.....	1,581,393.25

Assets and liabilities of the city of Manila, June 30, 1907.

ASSETS.

Real estate, as per statement.....	P6,789,777.00
Personal property, as per statement.....	1,581,393.25
Accrued interest on balance in New York (see sewer and water-works account, p. 596).....	26,067.72
Internal-revenue dividends withheld by auditor waiting adjustment of certain claims in favor of the insular government.....	77,778.80
Claim against insular government for reimbursement for police service rendered by the city.....	277,550.00
Claim against San Lazaro estate for taxes from 1901 to 1907, inclusive, estimated at.....	200,000.00
94 shares of the capital stock of the Banco Español-Filipino.....	23,500.00
Deferred payments on sales of city real estate.....	67,552.62
Insular government—tentative agreement to take over from the city the care and maintenance of the river walls and to reimburse the city for all expenditures made by the city upon said walls, about.....	300,000.00
Total.....	9,343,619.39

NOTE.—Total assessed valuation of real estate subject to taxation, P81,689,785.

LIABILITIES.

Sewer and waterworks bonds, 30-year 4 per cents:	
Issue of June 1, 1905.....	P 2,000,000.00
Issue of January 2, 1907.....	4,000,000.00
Total.....	6,000,000.00
Less sinking fund, as provided by act No. 1323.....	80,597.66
Net funded debt.....	5,919,402.34
To the above may be added, as a contingent liability, two claims made by the insular government, both of which are denied by the board as valid claims against the city.....	77,778.80

Assets and Liabilities of the city of Manila, June 30, 1907—Continued.

LIABILITIES—continued.

One claim is for care and maintenance of prisoners in Bilibid, between dates of July 1, 1904, and December 31, 1905, amounting to the sum of.....	46, 562. 80
The other claim is for court costs and fees accruing prior to the passage of act No. 1335 amounting to the sum of.....	31, 216. 00
Total.....	77, 778. 80

Action has been taken by both the honorable Commission and the municipal board, with the view of reaching an amicable adjustment of these claims.

The municipal board has been confronted during the past two years with the difficult problem of reshaping the expenditures of the city so as to fit the greatly reduced revenues, which followed the repeal of the old industrial-tax law and the old stamp-tax law, whereby the city's income was reduced about ₱900,000.

It has been no easy task to bring the expenditures to a point within the reduced income, since public works planned and underway prior to the repeal of said laws had to be carried to completion, as well as other necessary improvements which had to be made and paid for.

The trimming process has been constantly but carefully applied, and with reasonably gratifying results, both as to the saving effected and the standard of maintenance and permanent improvements accomplished.

The authorized expenditures for the city of Manila for the fiscal year 1907, exclusive of sewer and waterworks construction, aggregated ₱3,732,388, as follows:

For the municipal board, advisory board, public charities, and disbursing officer.....	₱ 203, 000. 00
For the law department.....	117, 000. 00
For the fire department.....	290, 000. 00
For the police department.....	837, 500. 00
For the department of schools.....	292, 000. 00
For the department of assessments and collections.....	107, 500. 00
For the department of engineering and public works.....	864, 500. 00
For the department of sanitation and transportation.....	770, 000. 00
For public improvements.....	42, 148. 00
For the Luneta extension.....	50, 000. 00
For the interest on sewer and water bonds.....	120, 000. 00
For the sinking fund.....	38, 740. 00
Total.....	3, 732, 388. 00
To the above should be added contingent liabilities on account of unexpended appropriations for public improvements brought forward from the fiscal year 1906.....	193, 951. 44
Also the balance due on account of purchase from the insular government of land transportation and corral.....	106, 569. 24

Making a total of..... 4, 032, 908. 68

As appears from the foregoing statement, the board entered upon the fiscal year 1907 with authority to spend the sum of ₱4,032,908, exclusive of the sewer and waterworks construction. The board, however, was resolved that the expenditures should not exceed the receipts. The latter being somewhat of a doubtful quantity, economy became the watchword and the head of each and every department cooperated with the board in keeping the expenses down to a minimum without danger of serious impairment or prejudice to the efficiency of the service and best interests of the public. In other words, all the departments of the city got right close down to a real business basis. As a result the city had at the close of the year an unexpended balance of receipts over expenditures of ₱231,255.88, as shown by the balance sheet presented as a part of this report, and no obligations left over to be carried forward to the new year.

The increased receipts over those of 1906, upon which, to a very considerable degree, the estimates or authorized expenditures were based, accounts for no small share of this balance.

In making the comparison of expenditures for 1907 with the expenditures for 1906, it should be borne in mind that of the amount expended in 1907 the sum of ₱200,240 was absorbed for interest on the sewer and waterworks bonds and the sinking fund for same, a charge not before appearing. This item will continue to increase until all the bonds are sold, when the total annual charge for interest and sinking fund will become fixed at ₱474,900.

The income for 1907 from all sources (not including the government's contribution), amounting to ₱2,708,704.12, shows a net gain of ₱228,013.61 as compared with 1906. The principal items showing a gain are:

Real-estate tax.....	₱94,589.69
Water rents.....	10,449.29
Franchise tax.....	12,188.60
Internal-revenue dividends.....	60,779.83
Sales of city land.....	15,753.33

The market receipts show a falling off of nearly 12 per cent, owing, in part, to the suspension of collections at bay and estero landings and at church fiestas, but under new regulations and a better distribution of space in the markets, it is believed that collections for 1908 will exceed those of 1906, and without increasing the stall rents.

The new license ordinance (No. 93) which went into effect April 15, 1907, repealing all other license ordinances, will materially increase the income from this source. It is hoped and believed that the registration or cedula tax will be increased from ₱1 to ₱2, whereby the revenues of the city will be augmented ₱50,000 annually. Ninety per cent or more of those paying this tax make no other contribution to the city in return for the many benefits received. The city is in urgent need of a larger income to adequately keep pace with its growing needs, and it is believed that the current expenses for the upkeep and maintenance of the several departments of the city can not be further reduced without sacrifice to the best interests of the service.

The level reached as between receipts and expenditures for the past year shows a good margin on the side of receipts, which at first thought might subject the board to criticism for not having expended more for permanent public improvements, but not until at or near the close of the year is it possible to calculate at all closely what the excess balance, if any, may be. Furthermore, it should be remembered that, as a business proposition, a fair balance should be kept in sight for an emergency, and that will be the aim of the board in the future. Then, too, a considerable contribution from the city revenues will be required to complete the system of distribution pipes throughout the city for the new water supply, since the fund realized by the sale of bonds has been impaired by the imposition of customs duties on every dollar of material imported entering into the work of construction, together with a charge, also imposed by the insular government, of from three-quarters to 1½ per cent for the transfer of all moneys realized from the sale of the bonds. These are charges that were not counted upon by the chief engineer, and will increase the cost of the work by nearly a quarter of a million pesos. However, the board contemplates a much larger expenditure for permanent public improvements the coming year than would appear from the foregoing estimate, ₱46,000, which covers only such items as could be definitely determined upon at the time the estimates were under consideration, and before the exact financial status of the city could be calculated. A supplementary estimate calling for the appropriation of an additional ₱100,000 for public works is now under consideration.

EXHIBIT A.—Recapitulation of expenditures from appropriations for the fiscal year ended June 30, 1907.

By whom expended.	Salaries and wages.	Contingent expenses.	Tax refunds.	Public works.	Aggregate.
Municipal board.....	P90,327.63	P113,322.74			P203,650.37
Law department (office city attorney).....	67,552.26	9,234.66			76,786.92
Office prosecuting attorney.....	30,241.25	9,374.48			39,615.73
Fire department.....	233,137.86	46,068.78			279,206.64
Department of engineering and public works.....	374,984.04	469,900.18			844,884.22
Department of sanitation and transportation.....	464,654.13	269,819.21			734,473.34
Department of sewer and waterworks construction.....	91,072.70	2,023,083.07			2,114,155.77
Department of assessments and collection.....	112,712.87	29,991.85	P3,567.82		146,272.54
Department of police.....	744,989.99	58,758.07			803,748.06
Department of city schools.....	196,281.67	70,115.50			266,397.17
Public works, city of Manila.....				P143,356.03	143,356.03
Construction of extension to Lueta.....				49,009.03	49,009.03
Total.....	2,404,951.42	3,099,648.52	3,567.82	192,365.06	5,700,532.82

Disbursements by city disbursing officer and settlements by insular auditor P5,235,769.95
 Supplies purchased from bureau of supply..... 422,511.70
 10 per cent surcharge paid on supplies purchased from bureau of supply... 42,251.17

Total gross expenditures..... 5,700,532.82
Less expenditures from bond-issue funds sewer and waterworks construction (P2,114,105.77), repayments (P17,701.55), and tax refunds (P3,567.82)..... 2,135,375.14
Total net expenditures..... 3,565,157.68

EXHIBIT B.—Public works, city of Manila.

By balance, in act No. 830, July 1, 1906.....	P1,104.17
By balance, in acts Nos. 1421 and 1488, July 1, 1906.....	179,721.13
By appropriation, act No. 1546.....	42,148.80
By appropriation, act No. 1661.....	6,130.76
	229,104.86
To unexpended balances relinquished.....	P1.28
To purchase of grounds for and construction of markets in Sampaloc and Paco.....	1,104.17
To construction, including incidental expenses of Ayala Bridge.....	21,338.15
To repairs to and reconstruction of Pasig River walls below the bridge of Spain.....	83,013.49
To straightening and widening of streets as may be necessary to meet obligations heretofore incurred.....	36,901.15
For the erection of permanent street monuments.....	999.07
To unexpended balance.....	85,747.55
	229,104.86
	Gross. Net.
Total expenditures.....	P143,356.03 P143,356.03

EXHIBIT C.—Department of sewer and waterworks construction.

By appropriation, act No. 1547.....	P1,834,000.00
By appropriation, act No. 1656.....	400,000.00
By unexpended balance, act No. 1422.....	144,359.54
By collections and repayments.....	209.95
By amount taken credit for, owing to duplicate charges in amount advanced under provisions of act No. 1323.....	10,326.64
	2,388,896.13

EXHIBIT C.—*Department of sewer and waterworks construction*—Continued.

Expenditures:

Services rendered by disbursing office, municipal board, act No. 1422-----	₱3,900.00	
Salaries and wages—		
Classified employees-----	58,536.52	
Hire of temporary inspectors-----	1,821.17	
Labor-----	28,815.01	
Contingent expenses—		
Purchase and repair of field equipment, furniture, supplies, and tools-----	7,009.23	
Advertising, cablegrams, postage, and telegrams-----	672.70	
Printing and binding-----	96.72	
Official vehicle transportation-----	6,174.72	
Street-car transportation-----	256.00	
Maintenance of road along pipe line-----	390.34	
Expropriation of property sites for sewer pumping station-----	17,939.29	
Expropriation of property sites along water-supply pipe line-----	3,170.63	
Payments on contracts for sewer construction-----	1,050,782.40	
Payments on contracts for waterworks construction-----	834,559.74	
Customs duties on sewer-system materials-----	23,992.19	
Customs duties on waterworks system materials-----	41,663.87	
Construction of storm-water sewers and drains-----	11,691.47	
Travelling expenses-----	387.50	
Telephone service-----	1,046.20	
Payments of exchange premiums on transfers of funds-----	20,386.90	
Incidental expenses-----	2,804.17	
Unexpended balance-----	274,790.36	
		2,388,896.13
Net expenditures-----		2,113,895.82

ENGINEERING AND PUBLIC WORKS.

The department is organized under the following branches: Street construction and bridges, water supply and sewers, drafting and surveys, building and plumbing inspection, and city repair shops (abolished March 31, 1907).

STREET CONSTRUCTION AND BRIDGES.

The street area within the city limits embraces 91 miles of streets (146.54 kilometers), with a total area under repair of 1,360,354 square meters, of which 17,433 are paved with wood blocks, 34,932 with granite blocks, and 1,307,989 are paved with macadam. The material for macadam paving is secured by the city from its own quarries at Talim Island, Laguna de Bay, and during the year the stone quarried for city use was 44,891 cubic meters. The transportation to the city is conducted by the launches *Washington* and *Jan* and a fleet of 24 scows, the distance hauled being approximately 27 miles, all water transportation. The cost to the department for crushed stone delivered on the banks of the Pasig River for the year was as follows:

Quarrying:

Labor-----	₱36,907.75	
Materials and repairs-----	10,371.52	
		₱47,279.27

Towing:

Labor-----	9,794.65	
Materials and repairs-----	12,823.58	
		22,618.23

Loading and unloading, including repair of scows:

Labor-----	₱37,550.70	
Materials and repairs-----	20,795.05	₱58,345.75
Total-----		<u>128,243.25</u>

Unit cost per cubic meter:

Quarrying-----	1.05
Towing-----	.43
Loading and unloading-----	<u>1.09</u>
	2.57

For March this cost was ₱1.98; for April, ₱2.56; for May, ₱2.24, and for June ₱2.25.

In addition to the 44,891 cubic meters used for street repair, 4,193 cubic meters of crushed stone were sold during the year, the department being credited with ₱10,407.05, showing a net cost to the city of ₱2.40 per cubic meter.

The launches made 315 trips, covering a distance of 17,010 miles. The cost of hauling paving materials from the river bank to street was ₱50,623.77.

Steam rollers.—During the year three steam rollers and one traction engine have been used on street work. The average number of days worked by each roller was 281. Each roller has been overhauled and the engine put in good condition. It will be necessary, however, during the coming year to renew the driving wheels and large gears. In order to handle the 1,307,989 square meters of macadam area to advantage it is necessary that one more 15-ton roller be provided. Another roller will do away with the expensive hand rolling required at the present time, owing to the lack of sufficient steam rollers.

The traction engine was used to advantage during the dry season, but was laid up during the rainy season, owing to the excessive wear and tear on the road surface. A careful account kept during the year shows that the cost of hauling per ton-mile with traction engine is 13 cents, as against 40 cents per ton-mile by wagon.

The cost of operating the three road rollers was ₱8,898.43, or ₱11.36 per day for one road roller, and of operating the traction engine ₱2,902.77, or ₱21.99 per day.

Sidewalks and curbing.—By city ordinance the abutting owner is required to build and the city to maintain sidewalks, but on account of the suspension of this ordinance nothing has been done during the past year in this important branch of street maintenance; the result is that the walks throughout the city are in a dilapidated, and sometimes dangerous, condition. The city is certainly not in a position to undertake the outlay of the enormous amount necessary for this purpose. In Calle Rosario and the Escolta, where the abutting owners reimbursed the city for the building of the walks, they have reaped the benefit of clean, well-paved streets, and it would appear advantageous to follow the plan throughout the principal business streets. A healthy public sentiment in favor of this method would do much to enhance the beauty of the city.

There were installed 1,477 linear meters of curbing, at an average cost of ₱1.80 per linear meter. This amount should be increased, as the cost of maintaining a paved street is greatly reduced by curbing and guttering.

Permanent paving.—The experience gained by this department in the matter of suitable permanent paving for the principal business streets goes to show that the Australian wood block is a failure, on account of its liability to rot. The substitution of molave, or possibly some other native hard wood, would without doubt give entirely different results, as indicated by the excellent results obtained with molave block paving on the Maura and Blanco bridges. The Blanco in particular probably has the heaviest traffic of any bridge in the city of Manila. During the past year only ₱83.58 were spent in repairing this bridge, and all of this amount on repairing and painting the railing. It is quite possible that there are other Philippine woods which would prove suitable for wood-block paving, if treated with creosote and resin, and arrangements are now being made to determine by actual trial the wearing qualities of some of the softer Philippine woods.

The asphalt paving on the Ayala Bridge has now stood the test of one year's service, and while perhaps too soon to speak with authority on the subject, it appears to be a success. If no sign of rotting is evident at the end of the present rainy season, we may fairly state that the mixture used on this bridge is suit-

able for secondary business streets on practically level stretches. Its slippery nature, however, would prevent its use on bridge inclines or other steep grades.

The question of permanent paving must be held in abeyance until all underground constructions are completed in any section it is desired to thus pave. It is estimated that an area of nearly 350,000 square meters will cover those streets where permanent paving is desirable for some years to come. The various classes of suitable paving for these areas are as follows:

Material.	Estimated cost per square meter for—	
	Construc- tion.	Annual main- tenance.
Vitrified brick on concrete foundation.....	₱11.41	₱1.08
Molave blocks on concrete foundation.....	16.48	.95
Stone blocks on concrete foundation.....	9.53	.57
Asphalt on concrete foundation.....	5.86	1.07
Bitulithic, or tar macadam paving.....	3.99	.85
Oreosinate block on concrete foundation.....	11.50	1.07
Australian wood block on concrete (actual cost).....	9.89	2.06

During the year vast damage has been done to the street surface in various portions of the city by the necessary excavations for the new sewer work, and the same conditions must be expected in other portions of the city during the ensuing year. It will probably take some two years after the work is completed before the average street can be brought into its former condition. It must be expected, therefore, that the cost of repairing and maintaining streets will increase, not only directly on account of these excavations but also indirectly from the fact that the traffic is temporarily confined to those portions of the street not disturbed by the excavations. A still more serious damage to street paving in certain districts of the city is due to the lack of a tire law, and some action should be taken to compel the use of tires of a width to be determined by the nature of the vehicle and the load upon it.

The total amount expended for street construction and maintenance was ₱338,570.21.

Bridges.—Within the city limits there are 54 bridges and 17 culverts under constant supervision and repair. Of these, 5 are steel bridges, 29 masonry-arch bridges, 16 of wood, 1 with wood floor carried on I-beams, and 2 are of I-beams and concrete arches.

In addition to those above enumerated, the suspension bridge crossing the Pasig River is owned and operated by a private corporation, but is subject to inspection by this department.

On August 13, 1906, the Ayala Bridge was opened to public traffic without ceremony. The total cost of the bridge was:

Contract for substructure.....	₱78,714.00
Contract for superstructure.....	129,726.00
Inspection and incidentals.....	3,686.67
Approaches, bridge proper.....	1,528.60
Total	213,655.27

In addition, the approaches were widened and new retaining walls built at a cost of ₱18,221.31, this being charged to street construction.

The heaviest repairs on bridges during the year were as follows: Chinesco Bridge, reflooring; Palomar Bridge, reflooring and repairing abutments and piers; Azcarraga Bridge, relaying floors and minor repairs; San Sebastian Bridge, reconstruction (completed October 17, 1906; cost, ₱3,105.77); Bridge of Spain, repairs to steel arches, foundation, and sidewalks; Aviles, concrete abutments installed and bridge widened 2.5 meters.

The general inspection of all bridges and supervision of bridge work, which formerly was performed by a special bridge inspector, is now carried on by the district street inspectors in addition to their other duties. The maintenance of wooden bridges throughout the city is a serious and constant source of expense, and as soon as funds are available for the purpose they should be replaced by reinforced-concrete arches. It is proposed, during the ensuing year, to widen Paco Bridge, the Escolta Bridge, and, if possible, the San Marcelino Bridge, all

of which are at present too narrow to properly carry the traffic with safety. New bridges are much needed on Calle Moriones over the Reyna Canal, and in Calle Soler over the Trozo and San Jacinto Esteros.

Estero improvements.—Owing to lack of appropriation no work has been done toward the improvement, dredging, or cleaning of the esteros of the city, which should be the subject of special appropriation, as, when developed, the cost of water transportation of merchandise within the city limits can be greatly reduced.

WATER SUPPLY AND SEWERS.

Pumping station, Santolan.—The equipment of Santolan pumping station, consisting of four pumping engines, was greatly improved during the year by extensive repairs, the principal item of which was the substitution of metal valves for the rubber valves previously used, which resulted in large economy not only in the maintenance but also in the effectiveness of the pumps.

As a result of these repairs a reduction of 28 per cent in the average number of pump-hours per day has been possible. The engines have been speeded up from 22 revolutions per minute to 29 revolutions per minute. The net result of repairs and alterations made in the engines was shown conclusively during the dry season, as at no time was there the slightest danger of any shortage of water.

The total pumpage for the year was 7,471,762 cubic meters by a coal consumption of 2,241 tons, as against 8,443,455 cubic meters for the preceding year by a coal consumption of 2,771 tons—that is, with a reduction in pumpage of 11.5 per cent, the saving of coal was 19.1 per cent.

The boilers gave no trouble, and are in as good condition practically as at the beginning of the year. The buildings and grounds are in first-class condition and present a neat and attractive appearance. The dam is in fairly good condition; the only repairs of any importance needed were made by the contractor for the Montalban Dam, on account of slight injuries caused by hauling his material over the dam at Santolan.

The conduit leading from the river to the pump wells was cleaned out and repaired, and a new intake constructed to allow a greater quantity of water to enter the conduit.

A cave-in which threatened serious results occurred in the tunnel leading to the pump wells within a few yards of the station. Prompt action with all the available force of the department averted danger, and the repair was made before there was any danger of shortage of water.

Conduit and deposito.—The conduit leading from the pumping station to the deposito is a construction difficult of access, and in the past has been given little attention. A careful examination made in the early portion of the year showed that portions of the conduit were filled with mud and debris that had caved in from the roof, and that there were many cracks in the masonry through which roots protruded into the conduit. The effect of these conditions was twofold—during the dry season water escaped from the conduit in large quantities and in the rainy season seepage water entered the conduit in large quantities. There was, therefore, a shortage of water when it was most needed, and in the wet season polluted water could enter the conduit near the point of consumption, with very little chance of purification through sedimentation and aeration. The tunnel was cleaned from end to end of all debris, and the cracks and other defects repaired, nearly a thousand cubic yards of material being removed during the operation. This work has very materially improved conditions, as is seen by the fact that the pumpage decreased 11.5 per cent without any diminution of the storage in the deposito. Incidentally it may be noted that there has been a notable reduction in the prevalence of water-borne diseases since the tunnel was cleaned.

The deposito grounds are in good condition.

The Santolan road was maintained in as good condition as the traffic demands upon it justify. Its principal use is for hauling coal to the pumping station. The practice of sacking the coal for hauling to Santolan has been discontinued, as it involved an expense of ₱1.75 per ton, or 14 per cent of the original cost, and it is believed that the loss in transportation will not amount to more than 7 per cent.

Distribution system.—The distribution system has been maintained at a high state of efficiency. No serious breaks occurred; the chief breaks being occasioned in small mains by the construction of the new sewer works, and these

were repaired by the contractor, care being taken by this department that every facility was given for prompt work. Repairs to the number of 1,292 were made by the force of the department, and it is believed that the loss from leakage in mains in Manila is far below the average loss from this cause in cities working under similar conditions. The main 26-inch pipe line was kept in good condition.

Installations.—Seven installations of pipe, amounting to 2,179 linear meters, were made, at a cost of ₱14,737.55, all of which, with the exception of a 2-inch main on Calle Balic-Balic, are of a permanent nature and will form part of the new distribution system. Four of the installations were in outlying districts, where previously no water mains existed; the other three were installed to increase the flow through existing pipes and cut out dead ends. Twelve new fire hydrants were installed, bringing the total number of modern post fire hydrants up to 265. Repairs and relocations of many hydrants were made to increase efficiency in case of fire. During the month of June serious danger to the fire efficiency was caused by vandals stealing brass lock nuts from the hydrants, and a device has been installed to render this species of robbery more difficult.

Public hydrants.—Nine public hydrants were installed for the benefit of the poorer class who can not afford house installations. To decrease the excessive wastage from the existing pipe hydrants, improvements have been introduced by which the hydrants are now automatic.

Services.—Installations to the number of 272 were made and 69 discontinued, 4 permits issued and 10 discontinued for launch service, etc., leaving a net increase of 197 services, the total on June 30, 1907, being 4,245.

Of these, 100 services are free, being installations to various government buildings and charitable institutions. A strong effort is being made to have all these installations metered, especially as the showing from those already metered indicates that the consumption has been estimated in the past far below the actual amount used. The free service of water granted to the charitable institutions and government bureaus amounts in the aggregate to nearly ₱40,000 per annum.

Meters.—There are in use in the city of Manila 20 different kinds of water meters, 2 or 3 makes predominating. As long as the meter is to be purchased by the consumer, no restriction can be placed upon the style of meter to be installed. Experience has shown, however, that disk meters generally give poor service. As a result of this experience, the importation of disk meters has practically ceased, and, as a consequence, it is almost impossible to secure new disks to repair broken meters of this type, which compels the owner to purchase a new meter of another type, a hardship upon the owner. During the year 883 meters were repaired in the water-supply shops.

Sewers.—There were expended on the maintenance, repair, and cleaning of existing sewers ₱6,019.56, as against ₱16,295.60 for the preceding year. This reduction of cost is due to the fact that many of the old sewers have been replaced during the last two years with properly designed and constructed storm-water drains, which so far have not required expense for maintenance. There is, however, much yet to be done in rebuilding the old sewers, inadequate and badly built. One sewer in particular, which will certainly require extensive alteration in the near future, is that in the moat—a temporary structure which can not last much longer. New storm-water drains were constructed at a cost of ₱11,937.40, of which amount ₱3,776.36 was paid from cleaning and repair funds and the remainder from the new sewer-construction funds.

Work on private sewers to the amount of ₱224.05 was done by the city and paid for by the owners.

BOILER INSPECTION.

The number of boilers inspected was 158, as compared with 186 in 1906, a decrease of 28. The horsepower increased from 8,548 to 10,219. The fees for inspection amounted to ₱1,054. The expense in connection with this service amounted to ₱2,294.27, or more than twice the amount of fees received for this work. The decrease in cost of boiler inspection is due to the fact that the boiler inspector now devotes nearly half his time to the management of the Santolan pumping station, combining two offices in one.

PLUMBING INSPECTION.

The conditions under which plumbing is done in the city of Manila have changed radically. The sanitary code (ordinance No. 86) became effective on

January 1, 1907, under the provisions of which rules covering all plumbing work are laid down in detail, and on April 1, 1907, ordinance No. 93 became effective, which places all plumbing work under the supervision of duly licensed plumbers whose qualifications are passed upon by a board of three examiners. The result of the passing of these two ordinances is already apparent in the great improvement in sanitary installations. No work of sanitary installation can be commenced without permit being secured by a master plumber, and final certificate of inspection must be issued before the work is accepted. As a natural consequence all plumbing done in the city is completely under the control of the department. The installations made during the year were covered by 528 permits, 477 certificates for work completed being issued; 166 plans for new work were approved; 250 tests of plumbing systems applied; 330 vaults of various descriptions constructed, and fixtures to the number of 2,988 installed. The approximate cost to house owners of the work thus done was ₱130,000; this exclusive of plumbing done by city, insular, and military governments.

DRAFTING AND SURVEYS.

With a decrease in the amount available for public works the demand upon the office of drafting and surveys has been limited principally to the routine work of adjusting street lines and grades and checking descriptions of property entered in the court of land registration. More time was therefore available than hitherto for the preparation of district plans of the city, and street maps of the districts of San Nicolas, Binondo, Santa Cruz, Quiapo, San Miguel, Ermita, Malate, and Paco have now been completely compiled on a scale of 1 to 1,000, and those of the districts of Sampaloc and Tondo are partially complete. The preparation of plans of the outlying districts are being compiled as rapidly as possible. In addition to this city map of scale of 1 to 1,000, detail block maps on a scale of 1 to 400 have been prepared, covering the districts of San Nicolas, Binondo, Santa Cruz, and Quiapo on which it is proposed eventually to show all details of house lines, service mains, conduits, sewers, and public utility constructions.

A very important work started was the location of permanent street monuments, for which purpose ₱1,000 was allotted. A cheap form of concrete monument was adopted, with an iron spike for centering the station point. These monuments are located on a range line 50 centimeters from the approved building lines and have already been installed in the principal streets of San Nicolas, south Tondo, and Binondo, and the most important streets of other districts throughout the city. This work was necessarily stopped when the appropriation for the same had been expended. It is anticipated that a more liberal appropriation will be made for this purpose during the ensuing year, as the work is of great importance, not only to the definite location of street lines upon the ground, but also as a basis upon which to establish all surveys of private property throughout the city for registration in the land court.

The driveways in the Cementerio del Norte have been laid out as required by the development of the cemetery, both as to line and grade.

The only sums expended for public work, exclusive of street monuments, were devoted to the purchase of lands expropriated for street widening and straightening, the necessary surveys for which, accompanied by their proper technical description, were made by this department.

BUILDING INSPECTION.

This office is charged with the inspection of all buildings, public and private, throughout the city, and the maintenance and repair of buildings belonging to the municipality. All the city buildings are now in good condition with one or two exceptions noted below. Most of the market buildings were painted, as was also the city hall and the high school building on Calle Victoria. The Cuartel Meisic was converted into a school building capable of accommodating 1,750 scholars, a portion being reserved for a police station.

The only exceptions to city buildings in good condition at the close of the fiscal year are the hose tower of the Santa Cruz fire station, which will have to be removed and rebuilt before long, and the Paco fire station, on which extensive repairs and alterations were commenced just prior to the close of the fiscal year. This building will be converted into a modern fire station by the addition of a second story for the accommodation of the firemen, leaving the main building below for the exclusive use of the fire apparatus.*

*A table showing cost of repairs to public buildings has been omitted and is on file in the Bureau of Insular Affairs, War Department.

Building permits.—Permits were issued during the year as follows:

Item.	Permits.	Value.
Strong materials:		
New buildings.....	809	P968,097
Repairs.....	946	248,569
Light materials:		
New buildings.....	1,119	150,718
Repairs.....	8,079	146,837
Total.....	5,963	1,498,716

CITY SHOPS.

On March 31, 1907, the city repair shops were transferred to the insular government and consolidated with the prison shops at Bilibid. The carpenter and water-supply shops were retained by the department, it being impracticable to carry on the work of maintaining the city buildings and water-supply distribution system with prison labor. The buildings vacated by the transfer of the shops to Bilibid were turned over to the bureau of education for use by the school of arts and trades. During the nine months' operation of the shop the value of work turned out was P60,271.70, consisting of repairs to all equipment of the department of engineering and public works, the fire department, department of sanitation and transportation, and miscellaneous work of the several city departments. The department finds itself considerably handicapped through lack of a blacksmith and an ironworking shop for emergency work. The cost of repair and maintenance of city buildings has been considerably increased through having to saw and dress lumber by hand.

GENERAL OFFICE.

The force of American clerks and inspectors has been gradually replaced by Filipinos, and on June 30, from a force of 7 American clerks, only 2 remain—the chief clerk and the stenographer. The entire force of American building inspectors has been replaced by Filipinos.

During the year 1,490 vouchers were prepared for payment, representing an expenditure of P3,300,692.09, under 97 headings and subdivided accounts. The records of the department are in excellent condition and readily accessible for reference. On June 30 the property division was transferred from Arroceros shops to the general office, and the responsibility and accountability for all the property of the department placed upon the chief clerk. The value of property on hand at the close of business June 30 was P426,554.08, exclusive of buildings.

BRIDGES.

The work performed on bridges during the year was:^a

The general inspection of all bridges and the supervision of bridge work has been performed by the district street inspectors in addition to their other duties.

^a Tables showing the work done on streets and bridges, pumpage and consumption of water and quantity of coal consumed, water service in operation, and collectible revenues have been omitted and are on file in the Bureau of Insular Affairs, War Department.

Private building construction and repair, by districts.

District.	Strong materials.				Light materials.			
	New buildings.		Repairs.		New buildings.		Repairs.	
	Permits.	Value.	Permits.	Value.	Permits.	Value.	Permits.	Value.
Bhondo.....	113	P35,385	152	P48,820				
Ermita.....	49	112,675	70	17,015				
Intramuros.....	38	7,690	67	49,028				
Malate.....	76	67,270	28	7,655	184	P25,390	235	P13,177
Paco.....	12	19,000	19	5,906	61	6,965	226	10,320
Pandacan.....	6	51,500	1	500	21	2,610	57	2,446
Sampaloc.....	94	118,620	96	20,836	267	42,305	559	27,923
Santa Ana.....	11	46,750	2	450	44	7,725	125	5,606
Santa Cruz.....	151	165,365	148	23,843	164	23,525	491	26,513
San Nicolas.....	40	64,782	165	25,760				
San Miguel.....	58	61,180	45	7,375	1	20		
Quiapo.....	44	58,890	89	30,193			1	75
Tondo.....	122	154,070	64	6,289	377	42,173	1,325	60,275
Total fiscal year 1907.....	809	958,097	946	243,569	1,119	150,713	3,079	146,337
Total fiscal year 1906.....	973	1,860,801	972	207,146	1,885	248,973	2,149	135,668
Difference.....	164	902,704	26	53,577	766	98,260	930	10,669

Expenditures, fiscal year 1907, for public works, city of Manila.^a

Purchase of grounds and construction of markets, Sampaloc and Paco.....	P1, 104. 17
Erection of permanent street monuments.....	999. 07
Repair and reconstruction, Pasig River walls:	
Construction.....	P79, 730. 50
Inspection.....	3, 245. 11
Incidentals.....	37. 88
	83, 013. 49
Straightening and widening of streets.....	36, 901. 15
Luneta extension.....	49, 009. 03
Ayala Bridge construction and incidental expenses.....	21, 338. 15
Total.....	192, 365. 06

POLICE DEPARTMENT.

This department, in its reduced condition, is barely able to keep up with the necessary police work. It is not sufficiently large to be flexible and to be capable of properly covering the widely scattered districts approaching the city limits, and on numerous occasions, owing to the frequent and largely attended processions, or for other reasons, it has been necessary to draw in the police to such an extent that for the time being other districts have been without adequate protection. In the entire districts of Ermita and Malate from the Walled City to Pasay there are not more than five men available for regular duty on the streets.

Under these circumstances it is not surprising that rateros or petty thieves and porch climbers have occasionally operated in gangs with some success. Ermita and Malate are populated largely by Americans, and as a class they are careless in closing or locking doors and windows, perhaps on account of the warm climate and the desire for ventilation. Many doors are secured only at rare intervals or during storms. Little or no care is taken in identifying servants when received for employment, and frequently complainants are able to give nothing more than a Christian name and an indefinite and wholly unsatisfactory description.

The numerous esteros, bridged only at long intervals, and the large unimproved areas sometimes devoted to agriculture, and usually practically impass-

^a Tables showing expenditures of the department of engineering and public works have been omitted and are on file in the Bureau of Insular Affairs, War Department.

able, are great obstacles in patrol work, and the territory which can be covered by the average man in this city is therefore much reduced. Easy communication, which is a characteristic of American cities, means increased protection without an increased force, and while a patrolman has his beat defined, yet the numerous avenues of communication in such cities, which are usually well lighted, permit him to render service promptly in any adjoining locality.

As a rule, there are not more than 30 first-class patrolmen (Americans) regularly detailed on the streets at one time. This, of course, excludes the reserves, which are called out on special occasions.

The committee on organization made a report on the department to the Commission, and it was recommended that the police force consist of not more than 500 men, including those detailed for insular service and to the bureau of health for sanitary purposes; and that the number of Americans be reduced to 200 men and of Filipinos to 300, and finally, that the department be maintained at an annual expenditure of not to exceed \$800,000. Evidently an error was made in that calculation, for, with the known salaries of the men actually employed at the time this report was made, the maximum appropriation allowed was not sufficient to retain 500 men. A margin of safety for emergencies must always be allowed and the chief can not risk keeping the strength at the maximum of the appropriation, especially in the early months of the fiscal year. As a matter of fact, since the beginning of this year the chief has employed first-class police on an average as follows:

January -----	173
February -----	170
March -----	170
April -----	168
May -----	154
June -----	158

When the number of men sick, on vacation and accrued leave, and on duty at the Ayuntamiento and Malacañan Palace is deducted from these totals it is clear why only so small a guard of Americans can be placed on the streets for regular duty.

The strength of the second and third class police (Filipino) has been kept up to 300, and these men are doing good work, when properly supervised by officers and the first-class police. At times the Filipino police have been slightly above this limit. Precincts 5 and 6 are in command of Captains Crame and Usac, and the regular patrol work is done almost exclusively by second and third class under the supervision of the first-class police.

The suppression of the police launch has greatly handicapped the work in the bay, where the department is under heavy responsibilities by virtue of the city charter, in addition to the many calls for assistance made by bureaus and officials of the insular government. The scheme of the committee on organization is that all bureaus of the insular governments and municipal departments be required to furnish transportation on their launches to police officers on duty where such transportation would not interfere to any great extent with their ordinary work, and that whenever necessary the police department be authorized to rent a launch from the bureau of navigation. The bureaus possessing transportation have extended courtesies to the police officers and secret-service men detailed on bay work, but a great amount of time has been lost by these men in waiting for transportation or being left for an unnecessary length of time aboard ships, where their duties had required their presence for a few moments only, until they could pick up passage on some shore-bound launch. This also serves to materially lessen the usefulness of the men by curtailing their sphere of action and causing much loss of valuable time. The following tabulated statement gives an idea of the amount of regular work which the department is called upon to perform in the bay, in addition to the varying amount of important special and secret service work:

Total number of ships arriving in the bay July 1, 1906, to June 30, 1907--	522
Total number of ships departing during same period-----	513
Arriving ships not boarded-----per cent--	5
Departing ships not boarded-----do-----	25

When the police launch was in commission the agents of the department missed only one-third of 1 per cent of the arriving ships and 3½ per cent of the departing ships.

As Manila is the hotbed of all political crime, and practically all the evil which does not find its source in the islands is brought here through this port, it is extremely necessary that all incoming vessels should be visited by an agent of the department. In the majority of cases, persons attempting to evade the law or escape arrest seek to reach the China coast; moreover, government regulations affecting numerous officials are such that they are not authorized to leave the islands without having performed certain formalities and possessing prescribed receipts, and the police department is relied upon to attend to these matters.

In addition to the service for this department, the police launch was of material assistance to the fire department on several occasions, by reason of the equipment of fire pumps which it carries. During the last year two fires, one of which was very disastrous and costly, might have been more quickly extinguished had the service of these fire pumps been available. The total annual cost of maintaining the police launch is approximately ₱14,000. There is very little doubt that three or four times this amount could have been saved in the Stevenson & Co. fire on the south bank of the Pasig River.

The bill of the city against the insular government for approximately ₱280,000 for the actual cost of services rendered by the police department in special details of patrolmen guarding insular buildings and the residences of some commissioners is still in dispute, and it is to be hoped that this matter will at last receive consideration from the Commission and that the city will obtain the refund of this sum to which it feels it is entitled.

The cost of the maintenance of the department was as follows:

Salaries and wages.....	₱744, 986. 99
Contingent expenses.....	58, 760. 29

Whereas, the cost of the department in the preceding year was—

Salaries and wages.....	₱1, 097, 536. 57
Contingent expenses.....	58, 381. 32

POLICE FUND.

Five thousand pesos were withdrawn from the current expense account and placed on fixed deposit in the Chartered Bank of India on August 29, 1906. A working balance of ₱478.16 was retained to meet emergencies. The receipts for the year amounted to ₱912.21, and at the end of the fiscal year this fund had to its credit ₱5,478.16.^a

GENERAL OPERATIONS.

During the year 11,337 arrests were made. Of the persons arrested 9,570 were males and 1,767 were females.^b

COOPERATION WITH CONSTABULARY.

Cooperation with the Philippine constabulary and military authorities continues to be excellent, as in the past.

SECRET-SERVICE BUREAU.

The secret-service bureau recovered stolen money to the amount of ₱7,757.51, and stolen property to the value of ₱18,777.93.

This bureau, by means of the Bertillon system, measured and photographed 1,190 persons and verified the measurements of 533 persons. The total number of identifications of persons received three or more times was 275, and the bureau identified and furnished the criminal records of 233 persons. Thus, the grand total of persons handled in the original records office for the year is 2,231.

Since April 6, 1907, when Chief Trowbridge left the islands on accrued leave, Detective Carl B. Hard has conducted the work under the direction of the chief of police. The bureau is well organized and its work is efficient.

^a A table showing changes in police force has been omitted and is on file in the Bureau of Insular Affairs, War Department.

^b Tables showing nationality of those arrested and cause, health of police, and disposition of property confiscated, found, and stolen, have been omitted and are on file in the Bureau of Insular Affairs, War Department.

LAW DEPARTMENT.

OFFICE OF THE CITY ATTORNEY.

Seventeen thousand eight hundred and forty pesos were appropriated for salaries of the personnel of this office, as against ₱33,040 for the year ended June 30, 1906. The economy effected, ₱15,200, was due to the reduction of the personnel to six Filipino employees in place of three American and seven Filipinos. The efficiency of this office, exclusively under the charge of these six Filipino employees, has not diminished, and is judged to be equal to that of former years.^a

OFFICE OF THE PROSECUTING ATTORNEY.

The sum of ₱34,000 was appropriated for the personnel of this office, as against ₱44,860 for the year ended June 30, 1906. The economy effected, ₱10,860, was due to the reduction of the personnel of six American employees and five Filipinos in place of seven American and seven Filipinos. Notwithstanding this reduction, the efficiency of this office has not decreased, as can be seen from the following table:

Nature of work performed.	1905-6.	1906-7.
Investigations made.....	4,619	3,238
Cases in court of first instance.....	480	621
Cases in municipal court.....	3,122	679
Total of cases filed.....	8,602	1,300

It appears that during the year ended June 30, 1906, 3,122 complaints were filed before the municipal court, while during the year ended June 30, 1907, there were only 679. This difference is apparent because all of the complaints filed before the municipal court were included in the former figure, while the latter represents only the number of complaints filed before said court which were prepared in the office of the prosecuting attorney.

OFFICE OF THE MUNICIPAL COURT.

Fifteen thousand two hundred and forty pesos were appropriated for salaries of the personnel of this office, as against ₱16,520 during the year ended June 30, 1906. The economy realized, ₱1,280, was due to the reduction of the personnel of one American employee and five Filipinos in place of two American and five Filipinos. The work performed by this office was as follows:

Cases during the years 1905-6 and 1906-7.

Disposition.	1905-6.	1906-7.	Decrease.
Complaints filed.....	7,130	6,306	924
Defendants tried.....	11,122	10,084	1,038
Males tried.....	9,415	8,410	1,005
Females tried.....	1,707	1,674	33

OFFICE OF THE REGISTER OF DEEDS.

The sum of ₱0,820 was appropriated for the personnel of this office, as against ₱9,900 for the year ended June 30, 1906. Notwithstanding the creation of two additional clerical positions, which were necessary for the proper operation of the office, an economy of ₱80 was realized by the abolition of the position of assistant register. No complaint whatever has been received this year, in spite of the increase of work in the office, which is charged with the keeping of the registration of mortgages of personal property in accordance with act No. 1508, which went into effect in August of 1906.

^a Tables showing work performed have been omitted and are on file in the Bureau of Insular Affairs, War Department.

The work performed by this office during this year, as compared with that of the previous year, was:^a

There is not a person at present designated by law who could temporarily take the place of the register of deeds in case of illness, absence on leave, or for any other reason by which he is unable to attend to his duties, which condition requires an amendment to section 10 of act No. 496, so as to provide for this matter. The examiner of titles for the city of Manila, to which position section 12 of act No. 496 refers, is the person called upon to take the place of the register of deeds in such cases. This official, who has his office in that of the register, and whose functions are quite analogous, would be able to take the place of the register of deeds in necessary cases and the latter, likewise, take the place of the examiner of titles in similar cases. In this way provision would be made enabling both officials to enjoy a recognized right which other government employees are enjoying, providing at the same time that said offices be always under the direction of a competent person.

OFFICE OF THE JUSTICE OF THE PEACE.

The sum of ₱3,420 was appropriated for the personnel of this office, as against ₱5,680 for the year previous. The economy realized, ₱2,260, was due to the reduction of the personnel from six to three Filipino employees, which was accomplished by the consolidation in one of the two courts which formerly existed. This consolidation has not affected the efficiency of this office.

Act No. 1627, which went into effect July 1, 1907 (sec. 19 and subsequent sections), imposes new duties upon justices of the peace. In consideration of this increase of work, an increase of ₱600, from ₱2,400 to ₱3,000, per annum in the salary of the justice of the peace is recommended. It is further recommended that an additional clerk, Class K, at ₱300 per annum, be added to the two at present—one of Class H, at ₱720, and one of Class K, at ₱300, per annum, respectively.

It is also recommended that section 7 of act No. 1627, in so far as enjoyment of leave of absence is concerned, be amended, because it seems just that the enjoyment of this right by the justice of the peace be put on the same basis as that of other government employees, instead of requiring him to pay out of his salary the auxiliary justice of the peace for the work performed by the latter during the former's absence.

OFFICE OF THE SHERIFF.

The sum of ₱10,160 was appropriated for salaries of the personnel of this office, as against ₱20,810 for the previous year. The economy realized, ₱10,650, was due to the reduction of the personnel from 3 American and 19 Filipino to 1 American and 14 Filipino employees.

The efficiency of the work of this office, notwithstanding the reduction of personnel, has not diminished.

In support of the statement as to the efficiency with which this office has been operated, attention is invited to the fact that the fees collected during the year ended June 30, 1906, amounted to ₱13,689.36, while those for the fiscal year 1907 have amounted to ₱16,752.65, an increase of ₱3,063.29.

It is recommended that the increase of ₱1,000 in the salary of the sheriff, as provided for in the appropriation bill for the fiscal year just ended, be raised to ₱2,000 in the estimates for the current year.^b

Recapitulation.—During the year ended June 30, 1906, the personnel was composed of 15 Americans and 52 Filipinos with an appropriation of ₱130,810 for salaries, and during the year ended June 30, 1907, the personnel was reduced to 8 Americans and 42 Filipinos with an appropriation of ₱90,480, a total saving of ₱40,330, or 32 per cent.

FIRE DEPARTMENT.

The personnel of the fire department, including the officers, consisted of 141 men, which is a decrease of five men from the strength of the department in the preceding year. The apparatus has been maintained in first-class condition, but there has been no increase of the equipment, and the department is housed in the seven stations as heretofore. The total cost of the maintenance of the fire

^a Omitted and filed in the Bureau of Insular Affairs, War Department.

^b Tables showing work performed have been omitted and are on file in the Bureau of Insular Affairs, War Department.

service of the city, including the office of the city electrician, was ₱279,236.64. The available appropriation for this period was ₱290,000, leaving an unexpended balance, in favor of the department, of ₱10,763.36.

The department has steadily increased in capacity and efficiency without causing additional expense, but, on the contrary, a very material reduction has been accomplished, as will be seen in the following table:

Fiscal year.	Appropriations.	Expenditures.
1905	₱384,000.00	₱318,195.82
1906	297,450.00	294,809.63
1907	290,000.00	279,236.64

The figures for 1905 are much higher than the others, chiefly on account of the purchase of equipment. It is probable that there will be a small increase in the appropriations for the fiscal year 1908 over those of 1907, for the reason that practically nothing was added to the equipment in the preceding year, and as most of the apparatus and hose have been in the service from three to six years, and the alarm system almost the same period, some renewals are necessary.

CHANGES AND RECOMMENDATIONS.

The personnel of the department for the coming year will consist of the following: One chief, 1 city electrician, 1 deputy chief, 1 chief engineer, 1 mechanic, 6 linemen, 8 captains, 13 lieutenants, 5 first-class engineers, 9 second-class engineers, 45 first-class firemen, and 50 second-class firemen.

The change proposed by the board and authorized in the last appropriation bill, whereby the unsatisfactory consolidation of the offices of the city electrician and deputy chief was eliminated and the old grade of deputy chief restored, has resulted in a marked improvement.

FIRE PROTECTION ON RIVER AND BAY.

The department has had another experience in fighting fire in Manila Bay, on the United States army transport *Thomas*, in October, 1906. The military authorities requested municipal assistance, and the best that could be done was to place engine company No. 1 on a barge, furnished by the quartermaster's department and tow it around the water front to the burning vessel. The time consumed by this procedure was over an hour and the delay permitted the fire to gain great headway, despite the strongest efforts of the crew of the *Thomas*. The river and bay shipping and property adjoining is in a more unfortunate position as regards proper protection than ever before, because the danger has been increased during the year by the additional docking facilities, which bring more vessels close together, and the erection of new buildings and warehouses. The remarks on this subject in the last annual report of the department apply with equal, if not more, force at the present time, and are therefore repeated:

In the plan of the organization committee of the insular government concerning the police department of the city of Manila, which plan was approved by the Commission, no provision has been made for the retention in the service of the police launch *Buckey O'Neill*, which is fitted with fire pumps, and on June 20, 1906, the crew was discharged and the launch went out of commission. If it is restored to service in some bureau of the insular government it will be outside the jurisdiction of the city and its value for fire-fighting purposes will be approximately the same as the launches of the bureau of navigation. This reduces the city's equipment for marine fire service to the pumps on the sanitary barge *Pluto*. As this barge makes daily trips to the dumping grounds at least 10 miles down the bay, it will not be available for several hours each day. With these statements there is obviously no need for a further explanation of the fact that the river and bay shipping, and much of the water-front property, are deprived of any adequate fire protection; and it is recommended that provision be made for more convenient use of and greater jurisdiction over the launches which are fitted with fire pumps. The services of the police launch, when fighting fire under the direction of the fire department, have been valuable.

Contracts have been awarded for the construction of wharves and warehouses for the quartermaster's department of the army and for the civil government,

and with the improvement of the reclaimed area and the attraction of offices and warehouses to the site of the new harbor south of the river, the demand for marine fire protection will naturally be much increased. Shipping will be more centralized and the lighterage and storage of cargo will occupy a more restricted area. In addition to the increase in the equipment of the department designed to protect this important section against fires in the harbor, special attention should be paid to the extension of the system of hydrants which will be installed on the reclaimed area.

The traffic in the bay and the river is very heavy, and Chief Dingman again recommends that provision be made for the control of the services of a suitable fire boat or a boat equipped with fire pumps.

In March of this year a fire was discovered in the bodegas of Stevenson & Co., on the south bank of the Pasig River near the Ayala Bridge. While the property fronts on the river, furnishing a most ideal water supply for a fire launch, the department, through lack of such facility, was obliged to fight this most stubborn and baffling conflagration from one side only. The hydrants are located on Calle Concepción, and as the bodegas are in the deep interior, water was thrown on the blazing hemp and the vast amount of inflammable stores only after being pumped through long lines of hose. The damage to building is estimated at ₱50,000 and to contents ₱370,000. Much of this loss would have been avoided if the department had had the service of a launch equipped with strong fire pumps.

INCREASED EQUIPMENT AND PERSONNEL.

Owing to the steady growth of the city, the increased number of buildings constructed of imported woods not semifire resisting as are the best of native woods, and the very material expansion of the residence districts made accessible by the street-railway system, the present department is not sufficiently large, nor is it properly equipped to give the best protection against fire. But after careful consideration of the revenues and the imperative needs of the various branches of the city government, it is not felt advisable to increase the cost of this department at the present time, unless it be in the direction of supplying some protection to shipping on the river and bay and the warehouses and other improvements erected on the adjoining land.

SELF-PROPELLED APPARATUS.

Careful study has been made of the advisability of purchasing self-propelled fire apparatus and it has been decided to not recommend the acquisition of such equipment at the present time. It is not believed that the manufacture of automobile fire apparatus has reached a stage that can be described as entirely satisfactory and the high initial cost (more than twice that of the ordinary horse-drawn apparatus) and the distance from the centers of supply and repair, requiring either the outlay of considerable additional money in spare parts or long delays in delivery of the same, make it advisable to wait at least another year. Moreover, according to the catalogues and the most complete information which has been available, self-propelled engines are made only in sizes larger than those with which this department is equipped and really too large for the local service. Careful comparisons have been made of the present cost of the buggy and horse transportation of the chief of the fire department and the probable cost of maintaining a small but strong automobile runabout for this same purpose, and it is believed that economy and also increased efficiency could be obtained by making this addition to the department's equipment.

PROPOSED STATIONS.

The fire chief again recommends the establishment of new stations for the better protection of Santa Mesa, where it is proposed to place an engine company; for Santa Ana, where it is proposed to place a chemical company; and for Malate, where many new buildings are being constructed, a small-sized combination truck and chemical, which would improve the situation materially. The addition of an engine would satisfy the present desires of the department.

STATION BUILDINGS.

All the buildings of the department are in reasonably good condition with the exception of those occupied by engine companies Nos. 3, 4, and 6. Paco station (No. 3) has been in a leaky condition for the last year and being a one-

story building, which has been gradually extended by the erection of temporary sheds of imported lumber, is not at all satisfactory. Plans for converting the original permanent building of stone into a two-story edifice have been approved by the board, and the remodeling and reconstruction have been commenced. It is estimated that by the end of October the department will have a modern and thoroughly equipped station ready for occupancy. The work is being done by the department of engineering and public works, for the reason that the bids received were considered too high. The total cost is estimated at ₱6,000.

Station No. 6 was constructed of imported lumber (not comparable to the more expensive product of the country) owing to an urgent demand for fire protection and the small available appropriation. A ceiling should be installed, as the dormitory on the second floor, covered only by galvanized iron, is often excessively hot and disturbs the sleep of the men, despite every protection in the way of thorough ventilation.

HOSE.

The estimates of appropriation for the fiscal year 1908 contain an item of ₱6,600 for the purchase of hose. There should be at least two changes of hose for each station, and at present the 7 engine companies carry 8,000 feet of 2½ inch on their hose wagons and 8,000 feet in reserve. Of this total of 16,000 feet in the service of the department about 1,000 feet are in an unserviceable condition and about 1,000 are approaching that condition. The greater part of the hose has been in the department since 1902-3, hence the necessity of acquiring a new supply.

GENERAL OPERATION.

The department responded to 118 alarms of fire, which is a decrease of six over the preceding year, and in nearly all cases the fire-alarm system gave perfect satisfaction. Unfortunately, the total loss due to fire was larger than any other year since 1903, as is shown by the following table:

1903-----	₱1, 670, 650
1904-----	468, 911
1905-----	135, 921
1906-----	76, 192
1907-----	677, 709

The loss was divided as follows: Buildings, ₱165,262; contents, ₱512,447.

The great increase was due to four unusually disastrous fires, namely: Stevenson & Co., bodega, Calle Concepción, March 27, 1907, estimated loss ₱420,000; nipa district, Paco, April 20, approximately 240 more or less small houses, ₱98,745; nipa district, Calle Rivera, March 31, 72 more or less small houses, ₱10,350; nipa district, Calle Cervantes, March 30, 33 more or less small houses and one strong-material building, ₱9,025.

It is probable that the losses in the nipa district have been overestimated by the police and fire departments, as most of the information was gathered from house owners, who have very little idea of the real value of their light-material houses and contents. In many cases heavy losses attributed to the destruction of contents were reported by the occupants, when it has been conclusively proven that practically every stick of furniture and other movable articles had been carried to safe places in the early stages of the fire. Two fires occurred in Mandolayan, an outlying barrio across the Pasig River opposite Santa Ana, which could not be reached by the department. The distillery of Macke, Chandler & Co. was totally destroyed at an estimated loss of ₱40,000.

INSPECTIONS.

The usual inspections of the various districts have been performed by the proper officers of each station, and the fire hydrants have been inspected each month and tested by opening the plugs and flushing out the valves.

All powder and high explosives are stored in the San Juan magazine as heretofore, and the regulations governing transportation of such materials have been carefully observed. There were six convictions for violation of ordinance No. 47 and three convictions for the storing of kerosene without the proper permit. Up to April 1, 1907, there were no fees charged for license for the storage of combustibles and explosives, but since that date, when ordinance No. 93 became effective, 577 licenses have been issued upon the payment of the proper fees.

ELECTRICAL BRANCH.

The decay of several of the poles of the police and fire-alarm system has required the substitution of new ones in many parts of the city. Much work has been accomplished in constructing aerial lines and overhauling a large number of the alarm boxes, gongs, etc. Boxes Nos. 712 and 713 were installed at the custom-house to replace the auxiliary system, which was found to be defective and unreliable. For the same reasons the auxiliary box in the bureau of science was disconnected. Fifty-two alarms of fire were transmitted over the system in a prompt and satisfactory manner. The police system has been operating on a five-minute day-and-night schedule with entire satisfaction.

The general reconstruction of electrical installations throughout the city, due to the change from 110 volts to 220 volts in the commercial secondary feeder mains of the Manila Electric Railroad and Light Company, has been completed. Approximately 1,200 telephones have been installed by the Philippine Islands Telephone and Telegraph Company. Many of the city poles are used by this company under definite contract of rental. This growth and improvement in the electrical construction has materially added to the regular work of this office. The ordinances have been strictly enforced and minute attention has been given to details of construction.

There were issued from the office 2,758 permits for electrical installation and 2,683 certificates of inspection. The actual number of inspections made was 5,307. Total inspection fees amounted to ₱5,607.15, a reduction of ₱2,260.30 from the last fiscal year. An arrangement by which electrical contractors may give bond and pay monthly the fee for electrical inspections at the office of the city assessor and collector, instead of requiring payment for each individual certificate, which has been of much convenience to them, has been put in force.

On the recommendation of the city electrician several changes have been made in the police-alarm apparatus, the principal one of which is the substitution of wet for dry batteries in all police boxes, and it is estimated that this change will result in an annual saving of approximately ₱500. The boxes as changed are giving entire satisfaction.

REFORM OF PUBLIC LIGHTING SYSTEM.

The general plan for the reform of the public lighting system, which was presented in 1906 by the committee on electrical installation and illumination, has been perfected in nearly all its details, so that now the department has plans of each district of the city on a larger scale, and outlining the improvements which are to be made from time to time as the available appropriations will permit. The estimate of appropriation for 1908 contains an increase of ₱7,000 over the expenditures of the previous year, for necessary additions to the lighting service, and if this sum be allowed by the Commission a very material improvement can be made in some of the markets and in the street lighting, especially in those new districts which have been built up and represent the investment of a large amount of money in modern houses, and also in the districts of Pandacan and Santa Ana, which are far removed from the centers of population, being cut off by large areas of agricultural land, unsuitable in its present condition for residential purposes.

An arrangement was made with the Manila Electric Railroad and Light Company, in March, 1907, by virtue of which the city secures the benefit of the modern inclosed arc lamps, in place of the old arcs and incandescent lights supplied by La Electricista. For some years the districts of Intramuros, San Nicolas, Quiapo, Binondo, Santa Cruz, and San Miguel have been lighted chiefly by incandescent lamps, and as these districts include several important centers of population the substitution of the inclosed arc will constitute a great improvement. Special ornamental fixtures bearing the new style arc were installed on the Luneta in the month of January, and they are giving entire satisfaction. The substitution for the incandescent lamps and the open arc of the new inclosed arc will effect all the improvements anticipated and permit an addition of about eleven new lights, without causing any increase in expense.

The electric line connecting Manila with Fort William McKinley, under a franchise granted on January 30, 1906, has been completed between those two points. Operation was begun April 18, 1907, and the cars are being run under a twenty-minute service. The line is being extended to Pasig.

DEPARTMENT OF ASSESSMENTS AND COLLECTIONS.

REAL-ESTATE TAX.

The real-estate tax is the city's most important source of revenue.

Efforts have been made by some of the largest holders of real estate to secure a reduction of the tax rate, which is now only $1\frac{1}{2}$ per cent. Such requests have usually been based upon the claim that real estate in Manila has been assessed too high. These assertions, however, appear to be unfounded: (1) Because of the fact that of the 15,780 parcels of property in Manila subject to taxation appeals were taken on only 298, of which in the case of only 34 were reductions made by the board of tax appeals; (2) that in the case of the five appeals so far taken and considered by the board of central equalization under the provisions of act No. 1474 of the Philippine Commission, none has been reduced, the central equalization board in every case confirming the valuation placed upon the property by the city assessor and collector; and (3) because of information gathered by him as to rentals received for several thousands parcels of property in all parts of the city, which shows that, based upon the present assessed valuations, the average rental received is over 17 per cent per annum. Inasmuch as there are no special assessments levied against Manila property, as is done in nearly all the cities of the United States, a tax of $1\frac{1}{2}$ or over 2 per cent does not seem excessive.

The total value of taxable real estate in the city of Manila, as shown by the 1907 tax rolls, is ₱81,689,785. This is an increase of ₱1,164,550 over the valuation for 1906, due to new buildings erected and additions made to the tax rolls of some small properties that had heretofore escaped taxation.

Manila probably has a larger list of exempt property than any city of its size in the United States. Of a total assessment of ₱127,887,366 of real estate in the city, ₱46,197,581, over 36 per cent, is exempt from taxation by reason of its being used for religious, charitable, scientific, or educational purposes and not held for profit; or because of its belonging to some branch of the government. The exempt property may be classified as to ownership as follows: Insular government, ₱15,522,165; United States Army, ₱7,347,688; city of Manila, ₱4,745,504; government ownership but branch not determined, ₱3,149,356; Catholic churches, ₱5,607,849; Protestant churches, ₱322,386; religious orders, ₱9,437,763; miscellaneous, ₱64,870.

There has been a gradual decline from year to year in the value of new buildings erected in the city. During the calendar year 1903 there were erected buildings to the value of ₱3,784,320; 1904, ₱3,489,846; 1905, ₱2,682,606; 1906, ₱1,594,506. Apparently capital is being diverted to commercial undertakings, etc., although real estate with even ordinary improvements continues to be a good investment, paying in rentals from 12 to 22 per cent.

Excellent results have been obtained by the city assessor and collector in the collection of both delinquent and current taxes. Three tax sales were held during the year, for which 340 pieces of property were advertised, of which 118 were sold, the rest being redeemed after advertisement and before sale. Ten parcels were forfeited to the city, there being no bidders. No property was offered for sale unless the tax on same was delinquent for two years or more. Taxes on the majority of the property sold were delinquent for periods ranging from three to five years. The owners of the properties sold have one year from the date of the sale in which to redeem, and, judging from past experience, it is safe to assume that nearly all of it will be redeemed. Eighteen of the properties sold during the year have already been redeemed.

In February, 1907, authority was given for the cancellation of delinquent taxes to the amount ₱8,188.68, which represented taxes due on small houses for the years 1901 to 1906, inclusive. The houses having been destroyed, and the owners not owning the land on which they had formerly been located, there was no means of making these collections.

The following comparative statement shows the amount of delinquent taxes outstanding on June 30, 1906 and 1907:

For the year—	On June 30—	
	1906.	1907.
1901.....	P 410.02	P 15.86
1902.....	2,367.64	115.02
1903.....	5,646.60	207.16
1904.....	20,034.29	1,076.36
1905.....	64,356.35	3,577.84
1906.....		53,658.53
Total.....	92,814.90	58,650.77

From the above it will be seen that on June 30, 1907, the amount of delinquent tax was P34,164.13 less than on June 30, 1906.

MATADERO.

As predicted in the last annual report, the collections at the matadero have increased, although slightly, as compared with the fiscal year 1906. The following statement shows the number of animals slaughtered and removed for consumption, the weight of dressed meat, and the fees collected at the rate of 3 centavos per kilo on dressed meat:

Animal.	Number.	Weight (kilos).	Collections.
Cattle.....	20,636	2,668,144	P80,044.32
Hogs.....	55,285	2,828,735	84,862.05
Sheep.....	224	1,872	56.16
Total.....			164,962.53

There were condemned and cremated 22 head of cattle and 306 hogs, beside a large number of parts of carcasses, the same having been declared unfit for human consumption by the veterinary inspectors on duty at the matadero. The number of diseased hogs that are slaughtered seems to be on the increase. Of the 306 condemned during the year, 253 were condemned during the last six months, and 67 of these were condemned during the month of June.

As shown above, there were slaughtered and removed from the matadero for consumption 76,145 animals, weighing dressed, 5,498,751 kilos, as compared with 71,792 animals, weighing, dressed, 5,334,975 kilos during the fiscal year 1906.

PUBLIC MARKETS.

The number and location of the city markets remained unchanged.

The total market collections for the year amounted to P238,711.46 (P657.05, representing collections for June 20 and 30, were not deposited in time to take credit on statement of total collections), as compared with P269,430.88 during the fiscal year 1906, resulting in a loss as compared with that year of P30,719.42. Of this loss P8,531.35 was due to the fact that collections of market fees to that amount were made at the various bay, river, and estero landings during a little over six months of the fiscal year 1906, whereas none whatever were made during the fiscal year 1907, the same having been discontinued on January 8, 1906.

The expenses incident to the making of market collections were P18,106.34, or a saving as compared with the expenses for 1906 of P2,407.56. The expenses represent a fraction over 7½ per cent of the collections, or about the same as for the year 1906.

The administration of the Quinta market was transferred to the department of sanitation and transportation on June 15, 1907.

The change promises to be most satisfactory and will probably lead to a similar transfer of other markets, if not all of them, in the near future.

The market collections should show a material increase during the year 1908, due (1) to the increased stall rentals in effect in Quinta market, which became effective June 15, and (2) to the restrictions regarding the sale of various articles of market produce outside the public markets, as provided by ordinance No. 93.

Statement showing the collections of each market during the fiscal year 1907.

Name of market.	Total six months ending Dec. 31, 1906.	Total six months ending June 30, 1907.	Total fiscal year ending June 30, 1907.
Divisoria.....	P60,242.21	P17,653.10	P131,895.31
Quinta.....	26,506.05	30,830.10	57,337.05
Arranque.....	12,291.85	12,365.50	24,757.35
Sampaloc.....	4,337.45	4,222.05	8,559.50
Herran.....	5,397.55	5,783.35	11,180.90
Anda.....	665.95	621.55	1,287.50
Santa Ana.....	606.15	756.30	1,455.45
Gagalangin.....	492.90	601.25	1,094.05
Pandacan.....	542.10	602.25	1,144.35
Total.....	111,276.01	127,435.45	238,711.46

MUNICIPAL LICENSES.

From July 1, 1906, to and including March 31, 1907, the only occupations, trades, professions, and objects subject to the payment of municipal license taxes were: Peddlers (excepting those who sell only native vegetables, fruits, or foods personally carried by themselves), auctioneers, plumbers, hotels, restaurants, boarding houses, lodging houses, livery stables, race tracks, public vehicles, and dogs. These license taxes were imposed by the provisions of city ordinance No. 9.

On February 11, 1907, ordinance No. 93 was enacted, which repealed ordinance No. 9, and became effective on April 1, 1907. By the passage of said ordinance the following occupations, trades, professions, and objects were made subject to the payment of license taxes and permit fees, in addition to the above mentioned: Advertising agents, barbers, billiard and pool tables, boarding stables, bowling alleys, clubs, dance halls, detective agencies, embalmers, establishments for the storage of highly combustible or explosive materials, ferries, manufacture and sale of food and drink, fortune tellers, jugglers and acrobats, laundries and dyeing and cleaning establishments, mercantile and collecting agencies, merry-go-rounds, offensive or dangerous trades, parades, pawnbrokers, second-hand dealers and keepers of junk shops, shipping and intelligence offices, shooting galleries, slot machines, tattooers, theaters, and public warehouses.

As a whole, the license fees are low, the primary object of the ordinance being the regulation and control of the various trades and occupations.

LIQUOR LICENSES.

The following statement shows the number of each class of liquor license in force in the city of Manila on June 30, 1907, and also the total number of each class in force on June 30, 1906:

Liquor licenses in force June 30, 1906 and 1907.

Class of license.	June 30, 1907.	June 30, 1906.
First-class bar.....	37	46
Second-class bar.....	37	43
First-class restaurant liquor.....	15	18
Second-class restaurant liquor.....	11	14
First-class hotel liquor.....	2	2
Second-class hotel liquor.....		
Theaters.....	1	3
First-class wholesale liquor.....	38	29
Second-class wholesale liquor.....	4	3
Third-class wholesale liquor.....	4	3
Grocery liquor.....	73	72
Distillers.....	8	8
Brewers.....	1	1
Druggists.....	4	3
Native wine.....	1,319	1,300
Total.....	1,554	1,552

The above does not include 10 clubs which pay municipal club business licenses and internal-revenue taxes on the sale of liquors to their members.

PUBLIC VEHICLE LICENSES.

The number of licensed vehicles on June 30, 1907, was 3,005. Due no doubt to the competition of the street railway, the class of vehicles used as public rigs has greatly improved.

DOG LICENSES.

There were 1,338 dog licenses issued, 51 of which have been canceled, leaving 1,287 in effect on June 30, 1907.

PUBLIC ENTERTAINMENT AND PEDDLERS' LICENSES.

Two forms of public entertainments subject to municipal license tax are race tracks (₱200 per annum and ₱10 daily additional for each race meeting) and dance halls, which pay a license tax of ₱3 for each night when dances are held. From race tracks there was collected ₱570. There is only one race track in the city.

The increased rate for peddlers' licenses from ₱2 to ₱3 per quarter became effective on April 1. There were issued 1,984 licenses at ₱2 per quarter, 661 licenses at ₱3 per quarter, and 11 duplicates at ₱0.50 each.

RECAPITULATION.

The collections on municipal licenses compared with those for the year ended June 30, 1906, follows:

Class of license.	1906.	1907.	Increase.	Decrease.
Liquors.....	₱184,278.64	₱163,178.50		21,100.14
Business.....	6,770.57	25,083.59	₱18,313.02	
Entertainments and peddlers.....	8,392.50	8,740.50	348.00	
Vehicles.....	13,621.10	14,518.70	897.60	
Dogs.....	4,826.50	5,327.11	500.61	
Bicycles.....	68.85			68.85
Total.....	217,958.16	216,850.40	20,061.23	21,168.99

Net decrease, ₱1,107.76.

REGISTRATION OF LIVE STOCK.

In the last annual report comment was made regarding the small fees provided by existing law for the registration and transfer of ownership of cattle in Manila, and of the impracticability of requiring proof of ownership as is done throughout the provinces under the provisions of act No. 1147. It was then recommended that the provisions of act No. 1147 be made applicable to the city of Manila.

During the year 2,484 animals have been registered, at a fee of ₱0.20 each, and 2,746 transfers of ownership have been recorded, at a fee of ₱0.10 each, making a total collection of ₱771.40, as against ₱785.80 for the year 1906.

RENTALS OF CITY PROPERTY.

There has been collected as rentals for the use of the various parcels of city property the sum of ₱19,950.32, as compared with ₱18,730.29 during the fiscal year 1906, or an increase of ₱1,220.03.

PAID CONSERVANCY SYSTEM, WATER RENTS, BUILDING PERMITS, BOILER INSPECTION, AND VAULT CLEANING.

These charges are collected by the city assessor and collector upon assessment rolls and orders of payment prepared and issued by the department of engineering and public works and the department of sanitation and transportation. The receipts from these sources during the year were as follows:

Pail system	₱48,508.26
Vault cleaning	30,199.00
Building permits	15,314.47
Water rents.....	221,187.98
Boiler-inspection fees	1,212.00

Of the above collections, losses are shown as compared with the fiscal year 1906 collections on account of the pail system of ₱10,818.90, and in building permits of ₱2,644.43, while increases are shown as compared with the fiscal year 1906 in vault cleaning ₱507.15, water rents ₱10,449.29, and boiler-inspection fees ₱142. The principal loss as compared with 1906 was that under the heading of pail system, and was partly due to the interbureau voucher system, which was established during the year 1907, by which cash collections from government bureaus for the use of the pail system have been abolished. This item alone accounts for nearly ₱5,000 of the shortage above shown.

FEES, FINES, COSTS.

Costs, fines, fees, etc., were collected or received under the provisions of section 61 of the Manila charter from the several officials charged with their collection. The amounts so received were as follows:

Municipal court collections.....	₱53,331.43
Sheriff's fees.....	16,752.65
Justice of peace fines and fees.....	5,968.57
Pound receipts.....	4,065.14
City electrician's fees.....	5,495.75
Cementerio del Norte.....	10,996.50
Secretary of municipal board fees.....	43.50
Public health fees.....	13,764.60
Total.....	110,418.14

Of these items the following shows an increase as compared with the collections for the fiscal year 1906: Sheriff's fees, ₱3,063.29.

The following show losses as indicated: ^a

Municipal court collections.....	₱15,169.34
City attorney's fees.....	192.26
Justice of peace fines and fees.....	789.33
Pound receipts.....	11.86
City electrician's fees.....	2,372.95
Cementerio del Norte.....	2,428.59
Secretary of municipal board, fees.....	25.50
Public health fees.....	1,283.40
Total.....	22,273.23
Net decrease.....	19,209.94

INTERNAL-REVENUE DIVIDENDS.

The sources of revenue are:

- (1) The entire collections from the sale of cedula in the city.
- (2) The entire receipts for internal-revenue licenses issued for the maintenance in Manila of theaters, museums, concert halls, pawnbrokers, circuses, and billiard rooms.
- (3) Manila's share in proportion to its population of the 25 per cent of the revenue apportioned under the provisions of the internal-revenue law for use of provincial and municipal governments.
- (4) The entire receipts from the sale of certificates to habitual users of opium in Manila.
- (5) The entire receipts collected as fees for the testing and sealing of weights and measures in Manila.

The last two items did not constitute part of the revenues during the fiscal year 1906. The opium law (act No. 1461) became effective April 1, 1906, but as the revenues thereunder are paid only quarterly by the insular auditor, nothing was received from the sale of opium certificates until after the expiration of the fiscal year 1906. The weights and measures law did not become effective until January 1, 1907; and owing to the fact that the metric standards, sealers, and other paraphernalia were not secured in time, the enforcement of the law only began in Manila in March, 1907.

The internal-revenue receipts were unusually large this year, owing to the fact that five quarterly payments have been made by the auditor, one due for 1906 being delayed and not received until after the close of that fiscal year.

^a A table showing miscellaneous collections has been omitted and is on file in the Bureau of Insular Affairs, War Department.

The following is an itemized statement of the revenue from this source—

Manila's share of the 25 per cent of the revenues accruing to the provincial and municipal governments according to population	₱61,838.01
Cedulas	113,578.00
License taxes enumerated above	10,437.50
Opium certificates	26,485.00
Weights and measures	1,097.05
Total	213,435.56

which, compared with ₱74,876.93 for the fiscal year 1906, shows an increase of ₱138,558.63.

MANILA ELECTRIC RAILROAD AND LIGHT COMPANY FRANCHISE TAX.

By the provisions of its charter the Manila Electric Railroad and Light Company pays to the city of Manila 2½ per cent of its gross earnings from fares collected, tickets sold, and electric light and power sold. In consideration of the payment of this franchise tax the company is exempted from the payment of all other taxes except the real-estate tax. The sum of ₱40,851.54 was collected, as compared with ₱28,662.85 during the fiscal year 1906.

TOTAL COLLECTIONS.

The total collections of city taxes, fees, charges, etc., amounted to ₱2,668,033.10, as compared with ₱2,465,780.40 for the fiscal year 1906, an increase of ₱202,252.70.

EXPENSES.

The actual net expenses to the city of Manila for the collection of its taxes and other revenues collected by the department of assessments and collections were as follows:

Salaries and wages	₱82,000
Contingent expenses	18,000
Total	100,000

which represents a fraction over 3.7 per cent of the total collections.

PUBLIC MARKETS.

Several sellers of dried fish in the Divisoria market having complained that the market inspector had shown marked partiality in the assignment of stands, and the municipal board having considered that though the present claim did not have any foundation at all it would be convenient to avoid similar claims in the future, the following resolution was passed on July 11, 1906:

"Resolved, That the city assessor and collector be hereby authorized and directed to sell at public auction on the afternoon of Saturday, the 14th instant, at an hour to be fixed by him, the privilege of occupying these new fixed stalls, with the understanding that the money bid and paid for this privilege is to be considered as a premium, to be paid once only, and in addition to the regular tariff rates now fixed or hereafter to be fixed by the board: And provided further, That this privilege shall not be transferable, and that if any of these stalls are vacated by those who have under this scheme acquired the right of first occupancy, the first applicant for same shall be given the privilege of renting."

Having noticed the satisfaction given by the good result of this measure, not only by the high prices obtained from the stands already sold, but also in the subsiding of the persons who presented the claims, the municipal board resolved, on the 19th of the same month, to repeat the same experiment with other vacant stands of the same market, under the same conditions. Besides, upon a motion of the market committee, it was resolved to modify the actual tariff of the said

₱77,778.80 withheld by insular auditor for payment of accounts due the insular government is included in this amount.

market, adopting in it the same system which was followed in the Arranque and Sampaloc markets, and this received the general approval of the venders and retailers patronizing it.

Although the second sale did not give as good result as the first one, it was resolved, on the 14th of August, to follow the same policy with the remainder of the stands of Section A, which were to be sold the 18th of the same month under the same conditions. It was intended by this measure to obtain a complete reform without having the general commotion which such a reform always produces.

Nobody attended the sale, and as a protest against it, and also against the new tariffs and method of assignment of stands, a few of the sellers and retailers favored by the previous system declared a strike, and in two days, having terrorized the rest to side with them, the strike became general on the 20th of that month.

The strikers asked for the abolition of the system of sales in the assignment of stands and that the previous system of tariffs in force during the Spanish régime should be put in force again. The old system had established three kinds of stands, to wit:

(a) The so-called "fixed stands" (*fijos*), on which the rent was paid weekly.

(b) The so-called "changeable stands" (*volantes*), which did not have any numeration nor a prescribed place and on which they paid a tax on every basket, which changed according to the size of the basket. This rule was dependent on the judgment of the market collectors and it was thus capable of a great deal of latitude.

(c) The so-called "mixed stands." This classification had been established by custom or prescription as it never had had official sanction. These stands had an unnumbered place among the volante stands, for which privilege they paid a certain tax on them and at the same time were subject to the same taxation per basket as the volantes.

On August 22 there was chosen a committee consisting of the committee on markets of the municipal board, the deputy city assessor and collector, and the chief inspector of markets; which rendered its report on the 25th of the same month.

This committee recommended that notwithstanding the tariff approved by the municipal board on July 19, fixing the rate of 1½ centavos per square foot on each stand, which was equitable, a new tariff based on the same principle and only to the extent of 1½ centavos per square foot be made; it also recommended the installation of more stands under the lateral roofs of the two yards of the market, with the object of holding the proceeds at the maximum figure, which would be as it was during the year 1904. It further recommended that the new system of assignment by public sale should be discontinued, awaiting a better opportunity.

All these recommendations were accepted by the municipal board and it was decided that they should take effect on the 27th of the same month.

The strikers objected, and after their reasons were heard only one of them was considered reasonable, and that was that the time of thirty-one days allowed from the date the resolution was passed till the date in which the new system should go into effect was not long enough. The objections of the strikers were due to their limited capacity for adapting themselves to any reform, no matter how beneficial it might be. For this reason the municipal board resolved to postpone the application of the aforementioned resolution of the 25th to December 17, leaving everything as it was on July 11.

On August 29 the strikers returned to their business and continued until December 15, when, seeing that the municipal board did not accede to their reiterated petitions that the application of the reform measures should be postponed indefinitely, the strikers went out until December 31. Then when the means they had prepared for continuing it were exhausted, and when they were convinced of the firmness of the municipal board in sustaining the resolution of August 27, they again returned to the market. Public order was not disturbed, notwithstanding the efforts made by the strikers to induce the people in other markets to join them in their obstreperous public demonstrations, and of certain political agitators who sought popularity.

On and after January 1, 1907, the market was again in its normal condition under the operation of the tariffs approved on August 25 last, and the daily rent yielded has been as expected.

It is just to make mention herein of the successful and energetic cooperation rendered by the division of assessments and collections for the city of Manila

to the municipal board, and as well the activity displayed by the police department in restoring the business at the Divisoria market to its normal condition.

Since June 15, 1907, there has been established in the Quinta market the same system of tariffs which caused the strikes at the Divisoria market, the rate of 1 centavo per square foot of the floor space of each stall. On the same date the chief of the department of sanitation and transportation, under the supervision of the municipal board, was charged with the administration of this market, there remaining in the hands of the city assessor and collector the duty of the collection of the stall rents.

The city assessor and collector, Mr. John S. Hord, has opposed the manner of collecting such rents and has questioned the efficiency of the tickets approved by the municipal board, claiming, moreover, that he had a right to the administration of the markets by virtue of act No. 1407, and that, therefore, the resolution of the municipal board conferring upon the chief of the department of sanitation and transportation the administration of the Quinta market was illegal.

This question of jurisdiction has been definitely decided, because the opinion of the city attorney to the effect that act No. 1407 does not confer this function upon the city assessor and collector, was concurred in by the attorney-general and confirmed by the secretary of finance and justice.

The matter of the efficiency of the tickets involving, in addition, a question as to whether it carries along with it unnecessarily heavy expenses, is now under consideration, and pending a definite decision.

Since the new tariff became effective at the Divisoria market the constant falling off which was noticed in the rents thereof has ceased, and a considerable monthly increase has been obtained in the Quinta market.

Since November 1, 1906, when the cleaning of market buildings, as an economic measure, was transferred to the department of sanitation and transportation, said department has succeeded in improving considerably the sanitary condition thereof and the desired economy has been attained.

Regarding this matter, and particularly the Quinta market, the director of health in his second quarterly report for the calendar year 1907 says:

"The chief of the department of sanitation and transportation of the municipal government has continued his efforts of market improvement with great success. The tables have been reconstructed, so that they may readily be cleansed, instead of being the harboring places for vermin, filth, and other undesirable things. The markets are thoroughly flushed and scrubbed daily. Dry goods, shoes, and other commodities never intended to occupy the space for perishable produce are being gradually eliminated."

The following table shows the running expenses of the public markets and slaughterhouse:

Market.	Receipts 1907.*	Expenses of collections.	Outlay for lighting, cleaning, repairs, etc.	Net receipts.	
				1907.	1906.
Divisoria.....	P131,896.31	P10,104.42	P11,065.08	P110,705.81	P128,542.58
Quinta.....	57,337.05	2,890.55	5,557.15	48,889.35	50,914.34
Arranque.....	24,757.35	1,426.65	8,505.99	14,824.71	13,703.47
Sampaloc.....	8,550.50	357.84	2,184.66	6,017.50	4,561.14
Herran.....	11,180.90	1,747.99	2,086.06	7,346.85	9,421.53
Anda.....	1,287.50	489.94	1,108.58	308.02	118.13
Santa Ana.....	1,455.45	311.66	347.20	796.57	757.51
Gagalangin.....	1,094.05	408.44	333.20	292.41	37.48
Pandacan.....	1,144.35	309.33	206.20	631.82	438.75
Bay, Tantuan, and esterios.....					7,509.09
Total.....	238,711.46	18,106.34	31,406.12	189,199.00	215,768.36
Slaughterhouse.....	164,962.53	10,084.79	3,837.17	151,040.57	149,353.46
Grand total.....	403,673.99	28,191.13	35,243.29	340,239.57	365,121.82

* This includes, as in former years, the salaries of the chief inspector of markets and 2 clerks and the hire of 1 vehicle, all amounting to P5,760.

† These are deficit items.

CITY SCHOOLS.

School enrollment during the month of June, 1902-1907.

Month of June—	Day schools.	Night schools.
1902.....	2,244	1,556
1903.....	3,046	2,636
1904.....	5,767	5,043
1905.....	7,808	5,334
1906.....	8,311	(^a)
1907.....	8,436	(^b)

^a The night-school funds for the fiscal year 1906 having been exhausted, it was not possible to open the night schools in June. They were opened on July 9. The attendance of same for July was 1,405.

^b On account of the rainy season, it was not thought advisable to open the night schools in June. They will be opened, though, later on in the year, some time in September.

Enrollment and attendance continue about normal. Every portion of the seating capacity of the city schools is being utilized. It will be observed from the foregoing table that the percentage of attendance is remarkably high, and that the necessity for a greater number of schoolhouses as indicated in former reports still exists.

SCHOOL DISTRICTS.

Many changes have been made in the six districts existing during the year past, and the same have been classified as follows:

Primary schools.—First district: Paco, Pandacan, Santa Ana, Sampaloc, and Santa Mesa. Second district: Concepción, Ermita, Intramuros, Malate, and Singalong. Third district: Santa Cruz (advanced), Santa Cruz, San Lazaro, Quiapo, and San Miguel. Fourth district: Melsic, Chinese, Gagalangin, and San Nicolás.

Intermediate schools.—Melsic, Sampaloc, Paco.

Special schools.—Manila High School, School of Business, American School, Hospicio de San José.

SCHOOLHOUSES.

The number, location, and monthly rental of the city schoolhouses, according to the data furnished by the superintendent of city schools, is as follows:

Buildings and locations.

Name of building.	Location.	Monthly rental.
American.....	417 Calle Nozaleda.....	P500.00
Concepción.....	187 Calle San Marcelino.....	80.00
Chinese.....	72 Calle Asunción.....	(^a)
Domestic Science.....	4 Calle Melsic.....	(^a)
Ermita.....	118 Calle Real.....	120.00
Gagalangin.....	380 Calle Gagalangin.....	(^a)
Intramuros.....	205 Calle Real.....	200.00
Melsic.....	3 Calle Melsic.....	(^a)
Melsic Intermediate.....	1-2 Calle Melsic.....	(^a)
Malate.....	417 Plaza de Malate.....	(^a)
Manila High School.....	172 Calle Victoria.....	(^a)
Paco.....	31 Calle Vives (Interior).....	180.00
Paco Intermediate.....	269 Calle Herran.....	150.00
Pandacan.....	9 Calle Sementera.....	80.00
Quiapo.....	28 Calle Concepción.....	150.00
Sampaloc.....	89 Calle Alix.....	200.00
Sampaloc Intermediate.....	4 Calle Alejandro VI.....	200.00
Santa Ana.....	6 Calle Panadero.....	50.00
Santa Cruz.....	608 Calle Bilbid.....	250.00
Santa Cruz Advanced.....	97 Calle Dolores.....	150.00
San Lazaro.....	688 Calle Cervantes.....	80.00
San Miguel.....	129 Calle S. Rafael.....	180.00
San Nicolás.....	177 Calle Madrid.....	300.00
Santa Mesa.....	435-7 Calle Santamesa.....	300.00
School of Business.....	38-44 Calle Gunao.....	300.00
Singalong.....	146-147 Calle Singalong.....	80.00

^a Owned by the government.

Regarding this matter, the following comments are made in the annual report of the superintendent of schools:

"Reasonably satisfactory improvement has been effected during the year in the class and conditions of buildings occupied by city schools.

"The old Cuartel Meisic as repaired is only fairly satisfactory. The location is not good, being practically on the edge of the district from which pupils are drawn. The result is that only part of the actual seating capacity of the buildings is being utilized. Class rooms in the two-storied portions of the cuartel are satisfactory, but those in the long, low portions are so imperfectly lighted and ventilated that extensive change and repair are necessary before the health and comfort of pupils will be properly provided for. In spite of all efforts to fill this school it is found that the total enrollment is less than 2,000. If the building were more centrally located with reference to school population, 2,500 could be easily accommodated.

"There have been secured in Paco, at No. 31 Calle Vives, a fairly satisfactory building capable of seating 350 pupils; in Ermita, at No. 118 Calle Real, a fairly satisfactory building capable of seating 250 pupils; in San Lazaro, at No. 688 Calle Cervantes, a fairly satisfactory building capable of seating 200 pupils; in Santa Cruz, at No. 97 Calle Dolores, a very good building capable of seating 300 pupils.

"In San Nicolás the old quartermaster shops are being repaired and when completed will be capable of seating 800 pupils.

"In Meisic a large kitchen has been added to the domestic science building, increasing the capacity of this institution very materially.

"In outer Tondo the property included between Calles Morga, Melchor Cano, Lorenzo Chacon, and Sande has been secured by the city as the site upon which the new ₱100,000 school building is to be constructed. This piece of property contains 383.19 square meters and affords ample room for a baseball field for the boys, recreation grounds for girls, as well as the space required for building. This project originated with the secretary of public instruction, who provided ₱50,000 upon the condition that the municipal board would provide an equal amount and would in addition provide a suitable site upon which to construct a thoroughly modern school building.

"In San Nicolás the building at 177 Calle Madrid will in a short time be abandoned and the school at present being conducted in that building, numbering 587 pupils, will be transferred to the old quartermaster shop on Calle San Fernando. This property, formerly in possession of the military, has been transferred through the insular government to the city of Manila, to be used for school purposes for a period of ten years. The expense accompanying the making of repairs necessary to render the building fit for use by a school will amount to ₱5,600, approximately. This building when repaired will contain twenty class rooms, all of which, with two exceptions, are well lighted, ventilated, and adapted for school purposes. The grounds inclosed are extensive and in excellent condition. With the possible exception of location, the building being on the edge of the district accommodated, this promises to be one of the best school buildings in the city.

"In addition to the acquisition above indicated, such extensive improvements have been effected that at present, with the exceptions indicated, there is not employed by the city for school purposes one building in which the condition as regards space, light, ventilation, and sanitation is not up to a reasonably high standard.

"There is, of course, unlimited room for improvement in the housing of schools in the city. Only three city schools—the high school, the Malate primary, and the Gagalangin primary—are conducted in buildings originally intended for school purposes. No amount of repair and construction short of the erection of new buildings can make good schoolhouses of the miscellaneous assortment of structures at present serving as schools."

FURNITURE.

A very considerable addition of school furniture to the equipment of last year has added materially to the accommodation and comfort of pupils, and has also made it possible to carry on in a practical form special lines of work which were formerly rendered impossible, or were at least seriously retarded, by reason of the lack of facilities.

TEACHERS' SALARIES.

The number of teachers employed in the city schools, together with the salary drawn by each, is shown in detail in the appended table furnished by the superintendent of schools:

Number of teachers employed and monthly salaries paid, June 30, 1907.

Name of school.	P40.	P40.	P50.	P50.	P70.	P80.	P90.	P100.	P110.	P120.	P133.33.	P150.	P166.66.	P183.33.	P190.	P200.	P216.16.	P230.	P233.33.	P250.	Total
American a.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	11
Concepción.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
Chinese.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
Domestic Science.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2
Ermita.....	2	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7
Gagalangin.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
Intramuros.....	2	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12
Melac.....	12	4	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	39
Melac Intermediate.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	9
Malate b.....	2	1	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	14
Manila High School.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	13
Paco.....	6	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	13
Paco Intermediate.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5
Pandacan.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6
Quiapo.....	2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5
Sampaloc.....	6	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20
Sampaloc Intermediate.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	9
Santa Ana.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6
Santa Cruz.....	7	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	15
Santa Cruz Advanced.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	9
San Lazaro.....	3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5
San Miguel.....	4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7
San Nicolás.....	8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	20
Santa Mesa.....	1	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	9
School of Business.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	10
Singalong.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6
Supervisors.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4
Unassigned.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3
Total.....	63	10	15	49	42	22	8	5	5	3	1	3	8	3	1	17	2	1	6	8	272

a Includes high, grammar, primary, and kindergarten.

b Includes high and intermediate.

c Temporary teachers who do not receive vacation pay.

DEPARTMENT OF SEWER AND WATERWORKS CONSTRUCTION.

WATER SUPPLY.*

The following table gives an exact idea of the progress of the work and payments made to the contractors for the waterworks construction up to June 30, 1907:

Item.	To whom awarded.	Work done.	Amount of bid.	Payments.
Construction of dam.....	Matson, Lord & Belser Co.....	1/2 complete.....	\$241,510.25	\$35,247.00
Steel plates.....	H. W. Peabody Co.....	Almost complete.....	99,800.31	101,000.00
Steel pipe.....	Atlantic, Gulf and Pacific Co.....	1/2 complete.....	261,985.00	133,000.00
Tunnel.....	do.....	1/2 complete.....	179,987.50	124,000.00
Reservoir.....	Matson, Lord & Belser Co.....	1/2 complete.....	222,477.70	95,000.00

The delay in the construction of the dam is due to the loss of time in commencing the work owing to the difficulties encountered by the contractors in its prosecution, caused chiefly by the rough and rocky nature of the land which has to be excavated and the copious rains of the season.

The steel plates, by reason of their manufacture, turned out to be of greater weight and produced small increase in their price.

The tunnels required the use of a thicker lining of concrete than that estimated for their construction, owing to the softness of the ground.

* See annual report for 1906 and 1907.

SEWERAGE SYSTEM.

Approximately 14 miles of sewers of the largest and deepest construction work according to the project are constructed, and, although the total extension of the sewers has been estimated at 52 miles, nevertheless that completed is considered to be the most difficult and can be estimated as representing one-half of the entire work.

One-third of the total installation of the outfall pipe is completed.

Six hundred and twelve thousand five hundred and sixteen dollars and forty-three cents were expended out of the \$1,631,053.20 contract price for the works mentioned, including all the necessary material to be used therein.

Bids have been advertised for the furnishing and installing of the necessary electrically driven pumps and motors for the six pumping stations of this system.

Statement of expenditures compared with the income and estimate of outlay.

INCOME.

Amount of loan.....	\$4, 000, 000. 00
Premium at the rate of \$95,625 per million.....	382, 500. 00
Total	4, 382, 500. 00

OUTLAY.

Item.	Expended during fiscal year 1907.	Estimated outlay.
Amount of contract for the water system:		
Part 1.....	\$470, 371. 85	\$1, 025, 000. 00
Part 2.....		165, 000. 00
Part 3.....	323. 73	400, 000. 00
Amount of contract for the sewer system:		
Part 1.....	604, 190. 88	1, 631, 000. 00
Part 2.....		370, 000. 00
Contingent funds.....	68, 895. 47	150, 000. 00
Customs duties on the materials to be imported.....	32, 828. 08	100, 000. 00
Cost of inspection and supervision.....	43, 586. 35	150, 000. 00
Total.....	1, 230, 206. 30	
Expense incurred up to June 30, 1906.....		380, 000. 00
Total.....		4, 371, 000. 00

STORM-WATER DRAIN.

According to the report of the chief engineer, department of sewer and water-works construction, the most important work in this division was the building of a large storm-water drain in Calle Hospital, discharging into the Pasig River. The narrowness of the street rendered it necessary to construct this drain directly over the main sewer, and it was designed and installed in such a way that the arch of the main sewer constitutes the invert of the storm-water drain. This construction is rather unique, but will be entirely satisfactory and cost less than a separate drain.

The large storm-water drain in Calle Soler under construction at the close of last year was promptly and satisfactorily completed.

No further work of considerable magnitude has been done in this division, owing to the lack of specific funds set aside for this purpose, it being necessary to wait for the completion of the water-supply and sewerage system construction, for which the \$4,000,000 loan was exclusively raised, before any remaining funds therefrom can be applied to the building of storm-water drains.

DEPARTMENT OF SANITATION AND TRANSPORTATION.

As will be observed, this department covers a very large field of work—street cleaning, street sprinkling, collection and disposal of refuse, collection and disposal of night soil, care of parks and public grounds, care of cemeteries, care of markets, and the handling of all land transportation, both insular and city. The work has been most economically and efficiently carried on under the management of Mr. J. C. Mehan, chief of the department.

STREET SWEEPING.

The streets were swept entirely by hand. The low cost of labor and the small proportion of paved streets makes this the most economical and feasible method for sweeping the streets of Manila.

A force of street sweepers, with shovels and hand carts for collecting the sweepings, patrolled an area of 1,741,380 square meters of street surface daily. Some of the business streets were swept as often as three times daily.

To a detail from the regular force was assigned the duty of keeping the cross walks clean at all hours of the day. A larger force was detailed to scrape all accumulations of earth, grass, etc., from the gutters and street canals; some of these were flushed and disinfected.

The total cost for wages, tools, supplies, and repairs amounted to ₱47,293.18. This includes the cost of removing 31,355 hand-cart loads of sweepings to sites being filled.

The cost of carting sweepings, mud, grass, etc., used for filling, with horse transportation was ₱7,730.

The average daily cost per thousand square meters for street cleaning was less than 7½ centavos.

STREET SPRINKLING.

The streets were sprinkled two hundred and ninety-four days. As far as was possible the streets were sprinkled by means of carts. On some streets a line of hose was connected to the street hydrants and the streets sprinkled and flushed in this manner. Some of the bridges and small isolated sites were sprinkled by hand, with cans.

The cost of labor, hose, supplies, repairs, etc., amounted to ₱16,834.75, and of transportation (sprinkling wagons) to ₱55,998. The cost per thousand square meters sprinkled was about 13 centavos.

COLLECTION AND DISPOSAL OF REFUSE.

One wagon and the necessary laborers for loading were used in collecting dead animals. Eight thousand seven hundred and fifty-five dead animals were received and destroyed at the city crematories. The cost for maintaining this service amounted to ₱3,716.80.

Seven thousand seven hundred and twenty-four cart loads of garbage were received and destroyed at the city crematories. The cost of collecting and carting this refuse to the crematory was approximately ₱0.91 per load.

The cost for wages, fuel, supplies, repairs, etc., at the city crematories amounted to ₱7,551.38, or an average cost of cremating dead animals and garbage of about ₱1.52 per ton.

Refuse accumulating on the beach, and along the river and esteros, from the wash of the tides, was collected by a force detailed to patrol them. This refuse was either destroyed or used for filling, according to the nature of the material collected. The total expended for the collection and disposal of garbage and refuse was ₱30,928.64 for wages, supplies, and repairs, and ₱78,505.40 for transportation.

FILLING OF LAND AND CITY DUMPS.

A number of the vacant lots owned by the city, some sites for proposed new streets, and the lower portion of the land at Cementerio del Norte were filled with the rubbish which was found suitable for this purpose. Two other sites not city property were filled by the city in compensation for land needed for street purposes.

All such fills were covered with at least 6 inches of good earth, in order to prevent any nuisance which might arise from exposed stable litter, decayed leaves, and like materials.

Forty-four thousand seven hundred and thirty-seven loads of rubbish were taken to the nursery site at Cementerio del Norte, in addition to all the horse manure from the city stables. This was covered with the dirt removed in grading the lots and roads in the cemetery. The fill at this site was about 15,000 cubic meters.

Seventy-four thousand six hundred and eighteen loads of rubbish were used in filling sites, exclusive of the nursery, the quantity of filling approximating 24,000 cubic meters. Comparing the value of property deeded to the city in compensation for this filling gives a value of at least ₱1 per cubic meter for all such fills. The dirt used in covering the rubbish was taken from that part

of the glacis which was above grade, and the excavations for the new sewer. The use of city land for dumping rubbish has been carried on for a number of years and from some of the dumps, which have been filled for some time, excellent material was obtained for fertilizing and enriching the soil set aside for park purposes.

For carting this refuse and the earth used in covering the same it was necessary to make use of more transportation than that properly chargeable to garbage collection. This amounted to ₱38,766.86 for the year.

COLLECTION AND DISPOSAL OF NIGHT SOIL.

The cost of the service was:

For the city of Manila (public closets, municipal buildings, Mariquina Valley, etc.)	₱54,797.16
Insular bureaus	11,918.68
Quartermaster department, United States Army	2,396.10
Private householders	70,743.99

Total value of service..... 139,855.93

The cost for labor, fuel, supplies, equipment, transportation, etc., including expenses of steam barge *Pluto*, amounted to ₱133,167.73.

The collections which were deposited amounted to ₱91,911.43.

POUND.

The city pound was turned over to this department during the month of November, 1906, and the expense for maintenance and necessary employees was assumed by the department. During that part of the year that this department had control of this work, 1,545 animals were impounded; 360 of these were redeemed, 184 sold, and 948 killed and cremated.

The cost of maintenance, hire of labor, etc., amounted to ₱404.38, and of transportation to ₱1,050.40.

MARKETS.

Forty-seven thousand three hundred and seventy-two pigs and 81,064 quarters of beef were transported from the matadero to the city markets. The total collections for this service amounted to ₱8,995.16.

The sanitation of the various markets was assigned to this department on November 1, 1906. Believing that the infection of the food supply of the inhabitants of a tropical city like Manila is one of the greatest sources of disease, every effort was made to eliminate as far as possible, without greatly prejudicing the interests of the market venders, any unsanitary conditions or customs which were found to exist.

On June 15 this department took over the administration of the Quinta market and reassigned the table space to venders of poultry, sea food, cereals, vegetables, fruit, cooked foods, eggs, and miscellaneous food supplies and country products, in conformity with the plan of the committee on markets, which was approved by the municipal board. The table space previously occupied by venders of dry goods, clothing, pottery, etc., was made available for the food-stuffs. This did away with any necessity for renting floor space to venders of food supplies.

The stalls were assigned daily, 15 centavos per diem being the charge for each stall. The expenses for meat transportation were ₱6,632.30 and for markets ₱11,764.97.

CEMETERIES.

During the year 375 interments were made in Paco Cemetery and 5,259 interments in Cementerio del Norte. Collections for niches at Paco Cemetery and sales of graves and lots at Cementerio del Norte amounted to ₱20,749.10.

The cost for maintenance at Paco Cemetery was about ₱2,500. This covers the expense of watering and mowing grass, removing weeds, sweeping walks, opening and closing niches, cleaning niches, placing slabs on niches, etc.

At Cementerio del Norte, in addition to the work entailed in digging, filling, and caring for graves, mowing grass, trimming plants and trees, setting monuments, and general care of the cemetery, there were extensive improvements

made in building roads, walks, catch basins, and bridges, cutting ditches, laying drains, sodding, etc. These improvements were of a permanent character and not only made available for sale and use a sufficient number of sections to meet all demands, but tended to beautify the whole area set aside for cemetery purposes.

The cost for labor, supplies, and repairs at Cementerio del Norte amounted to ₱29,246.44. The cost of transportation of materials for roads, walks, drains, etc., and of carting the dirt from lots and roads above grade amounted to ₱38,644.67.

PARKS.

The various parks and plazas throughout the city were given care and attention with the object of improving their general appearance as much as possible. The grounds already laid out in parks were fertilized, wild grass and weeds were removed from the lawns, the plants and trees were trimmed, and depressions in the walks and lawn were raised. Very little improvement of the grounds not laid out was attempted, with the exception of the nursery. A detail of the park force was placed under the direction of the supervising architect for the purpose of cleaning and improving the old city walls. New cages and fences were placed in the "zoo" of the botanical gardens.

Several new animals were added to the zoo collection, notably two leopards and one tiger.

To meet the necessity for avenue trees and park plants, three propagating sheds were built at the nursery. About 15,000 young trees were potted and about 3,000 set out in the nursery. Experience has shown that no attempt should be made to plant trees less than three years old along the streets, as they are subject to injury from children or people maliciously inclined. For this reason it has been found advisable to delay planting avenue trees until the department has obtained those large enough for this purpose.

For watering plants and trees, water was pumped into a tank with a hot-air engine and distributed by service pipe and hose. This tank was also used for filling sprinkling wagons.

The site now used for a nursery has been filled to a depth of more than 1 meter. The greater portion of the low ground has now been brought up to the required grade, and during the coming year there will be a big increase in the area available for nursery purposes.

The park expenses were ₱40,276.43 for wages, supplies, and repairs, and ₱17,346.23 for transportation.

LAND TRANSPORTATION.

The transportation required forms one of the largest items of operating expense.

In street cleaning, the collected refuse must be removed. Over seventy carts are in use every night collecting garbage and rubbish. In collecting night soil and placing it on board the barge which disposes of it, transportation is the greatest factor. The filling of city lots and street sites is almost wholly a matter of transportation. One wagon for collecting animals found at large is maintained at the pound. Three wagons for hauling meat from the matadero to the markets form a feature of the sanitary care of markets. All improvements of the cemeteries and parks are dependent upon the amount of transportation available for carrying on this work. And by far the largest street area is sprinkled by wagons.

The actual expenses entailed in the maintenance of the city stables were ₱205,565.78 for wages; ₱6,789.20 for equipment; ₱18,111.62 for miscellaneous supplies; ₱145,360.59 for forage bills paid; ₱7,075 for forage delivered in June for which no payment was made; ₱2,138 for the rent of the ground at stable No. 1; and ₱42,924.94 for repairs; a total of ₱427,965.13.

The transportation issued at regular tariff rates was as follows:

For insular bureaus.....	₱89,489.87
For city offices, exclusive of department of sanitation and transportation.....	85,041.92
For department of sanitation and transportation.....	288,067.46
Sale of animals and vehicles.....	995.80
Total.....	473,595.05
Excess balance of earnings over cost.....	45,629.92

It is believed that the vehicles, harness, and stable buildings on hand June 30, 1907, represent a value equal to those on hand June 30, 1906, and that the present equipment can be utilized to greater advantage.

The only question is whether or not the sum of ₱45,629.92 would make good the deterioration and loss on animals. It is believed that it would, and that the present tariff rates for transportation very nearly represent actual transportation expenses.

Information has been sought as to the practicability of using motor cars driven by electricity, gasoline, alcohol, or steam. The response to requests for data in this matter has been slow, and there has not as yet been any information obtained which warrants any expenditure in this direction other than for experimental purposes.

There are certain items of expense connected with horse-drawn vehicles, which are much higher in Manila than in most of the cities where motor cars have been used for commercial purposes to any extent. This should be taken into consideration in making any comparison as to operating expenses of horse-drawn vehicles and motor cars.

Statement showing cost of operating the department.

Item.	Labor and contingent expenses.	Transportation.	Total.
Street sprinkling.....	₱16,834.75	₱55,998.00	₱72,832.75
Street cleaning.....	47,293.18	7,730.10	55,023.28
Collection and disposal of refuse.....	30,928.64	78,506.40	109,434.04
Collection and disposal of night soil.....	92,641.85	40,626.38	133,167.73
City pound.....	404.38	1,050.40	1,454.78
Markets.....	11,591.93	173.05	11,764.97
Meat transportation.....	1,532.30	5,100.00	6,632.30
Filling low lands.....		38,766.86	38,766.86
Parks.....	40,276.43	17,346.23	57,622.66
Cemeteries.....	31,746.44	38,644.67	70,391.11
Administration.....	40,433.82	4,126.37	44,560.19
Total.....	313,563.21	298,067.46	601,650.67
City stables.....	427,965.13	139,897.67	139,897.67
Total.....	741,548.34	427,965.13	741,548.34
Deducting outstanding forage account.....		7,075.00	7,075.00
Total.....		420,890.13	734,473.34
Less repayments.....			220.32
Total net expenditures.....			734,253.02

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