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TWENTY-SEVENTH ANNUAL REPORT OF THE GOVERNOR OF PORTO RICO

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING THE TWENTY-SEVENTH ANNUAL REPORT OF THE GOVERNOR OF PORTO RICO, INCLUDING REPORTS OF THE HEADS OF THE SEVERAL DEPARTMENTS OF THE GOVERNMENT OF PORTO RICO AND THAT OF THE AUDITOR, FOR THE FISCAL YEAR ENDED JUNE 30, 1927

DECEMBER 19, 1927.—Referred to the Committee on Insular Affairs and ordered to be printed, with illustrations

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON
1928

MESSAGE

To the Congress of the United States:

As required by section 12 of the act of Congress of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes," I transmit herewith, for the information of the Congress, the Twenty-seventh Annual Report of the Governor of Porto Rico, including the reports of the heads of the several departments of the government of Porto Rico and that of the auditor, for the fiscal year ended June 30, 1927.

I recommend that the report of the Governor of Porto Rico, without appendices, be printed as a congressional document.

CALVIN COOLIDGE.

THE WHITE HOUSE,
December 17, 1927.

TWENTY-SEVENTH ANNUAL REPORT OF THE GOVERNOR OF PORTO RICO

Hon. Horace M. Towner

Government House,
San Juan, P. R., September 21, 1927.

To the Secretary of War,
Washington, D. C.

Sir: Pursuant to law, I have the honor to submit the following report of the Governor of Porto Rico covering the fiscal year beginning July 1, 1926, and ending June 30, 1927.

EXTERNAL TRADE

The growth of trade between Porto Rico and the United States and with foreign countries is shown in the following table:

	1900	1925	1926	1927
Brought from the United States	$6,952,114	$79,349,618	$83,046,553	$87,046,319
Shipped to the United States	3,350,577	84,411,792	88,106,570	100,574,001
Brought from foreign countries	3,037,391	11,154,983	12,211,711	11,764,431
Shipped to foreign countries	3,261,922	10,407,152	10,618,281	7,493,433
Total	16,602,004	185,323,545	193,983,115	206,878,184

The table shows the steady growth of the commerce of Porto Rico. The total external trade in 1900, two years after the American occupation, was only in round numbers $16,000,000. In 1927 it was $206,000,000. The increase is being maintained from year to year at present. The increase from 1925 to 1926 was $8,659,570 and from 1926 to 1927 it was nearly $13,000,000.

The increase of shipments to the United States was from $3,000,000 to $100,000,000 and the increase of purchases from the United States was from $6,000,000 to $87,000,000. The balance of trade with the United States is over $13,000,000 in favor of Porto Rico.

Ninety per cent of all the trade of Porto Rico is with the United States.

The increase of exports in recent years shows the steady increase of the productive capacity of the island. The figures are shown in the following table:

Total value:	
1923	$82,293,050
1924	88,280,540
1925	94,818,944
1926	98,724,851
1927	108,067,434

The four principal products exported from Porto Rico are sugar, tobacco, coffee, and fruits. The total amount of sugar exported each year with the total money value is shown in Table No. 10, hereinafter inserted.

The average price of sugar per pound in 1923 was 6.50 cents; in 1924, 6.42 cents; in 1925, 4.66 cents; in 1926, 4.16 cents; and in 1927, 4.76 cents.

The amount and value of tobacco, cigars, and cigarettes exported is shown in Tables 11, 12, and 13; of coffee, in Tables 14 and 15; and of fruits, in Table 16.

The total amount of customs collected at Porto Rican ports during the year amounted to $2,106,228.

The total number of vessels which entered and cleared the ports of Porto Rico during the year was 2,922, according to the report of the division of harbors and docks of the department of the interior, an increase of 151 over the previous year.

The following tables indicate the relative values and quantities of imports and exports during the fiscal year 1926–27 and previous years:

TABLE No. 1.—*Merchandise shipped from Porto Rico to the United States and foreign countries*

Years	To the United States	To foreign countries	Total	Years	To the United States	To foreign countries	Total
1901	$5,581,288	$3,002,679	$8,583,967	1919	$71,015,351	$8,480,689	$79,496,040
1910	32,095,645	5,864,574	37,960,219	1920	133,207,508	17,603,941	150,811,449
1911	34,765,409	5,152,958	39,918,367	1921	103,388,227	8,890,348	112,278,575
1912	42,873,401	6,832,012	49,705,413	1922	66,229,771	5,942,800	72,172,571
1913	40,538,623	8,564,942	49,103,565	1923	77,007,257	5,285,793	82,293,050
1914	34,423,180	8,679,582	43.102,762	1924	80,754,975	7,525,565	88,280,540
1915	42,311,920	7,044,987	49,356,907	1925	84,411,792	10,407,152	94,818,944
1916	60,952,768	5,778,805	66,731,573	1926	88,106,570	10,618,281	98,724,851
1917	73,115,224	7,855,693	80,970,917	1927	100,574,001	7,493,433	108,067,434
1918	65,514,989	8,779,033	74,294,022				

TABLE No. 2.—*Merchandise shipped into Porto Rico from the United States and foreign countries*

Year	From the United States	From foreign countries	Total	Year	From the United States	From foreign countries	Total
1901	$6,965,408	$1,952,728	$8,918,136	1919	$57,898,085	$4,502,275	$62,400,360
1910	27,097,654	3,537,201	30,634,855	1920	90,724,259	5,664,275	96,388,534
1911	34,671,958	4,115,039	38,786,997	1921	97,074,399	8,405,304	105,479,703
1912	38,470,963	4,501,928	42,972,891	1922	57,400,028	6,775,121	64,175,149
1913	33,155,005	3,745,057	36,900,062	1923	64,743,462	7,201,043	71,944,505
1914	32,568,368	3,838,419	36,406,787	1924	80,590,021	8,779,603	89,369,624
1915	30,929,831	2,954,465	33,884,296	1925	79,349,618	11,154,983	90,504,601
1916	35,892,515	3,058,641	38,951,156	1926	83,046,553	12,211,711	95,258,264
1917	49,539,249	4,005,975	53,545,224	1927	87,046,319	11,764,431	98,810,750
1918	58,945,758	4,443,524	63,389,282				

TABLE No. 3.—*Merchandise shipped into and from Porto Rico in trade with the United States*

Year	Imports	Exports	Total trade with United States	Year	Imports	Exports	Total trade with United States
1901	$6, 965, 408	$5, 581, 288	$12, 546, 696	1919	$57, 989, 085	$71, 015, 351	$128, 913, 436
1910	27, 097, 654	32, 095, 645	59, 193, 299	1920	90, 724, 259	133, 207, 508	223, 931, 767
1911	34, 671, 958	34, 765, 409	69, 437, 367	1921	97, 074, 399	103, 388, 227	200, 462, 626
1912	38, 470, 963	42, 873, 401	81, 344, 364	1922	57, 400, 028	66. 229, 771	123, 629, 799
1913	33, 155, 005	40, 538, 623	73, 693, 628	1923	64, 743, 462	77, 007, 257	141, 750, 719
1914	32, 568, 368	34, 423, 180	66, 991, 548	1924	80, 590, 021	80, 754, 975	161, 344, 996
1915	30, 929, 831	42, 311, 920	73, 241, 751	1925	79, 349, 618	84, 411, 792	163, 761, 410
1916	35, 892, 515	60, 952, 768	96, 845, 283	1926	83, 046, 553	88, 106, 570	171, 153, 123
1917	49, 539, 249	73, 115, 224	122, 654, 473	1927	87, 046, 319	100, 574, 001	187, 620, 320
1918	58, 945, 758	65. 514, 989	124, 460, 747				

TABLE No. 4.—*Merchandise shipped into and from Porto Rico in trade with foreign countries*

Years	Imports	Exports	Total foreign trade	Years	Imports	Exports	Total foreign trade
1901	$1, 952, 728	$3, 002, 679	$4, 955, 407	1919	$4, 502, 275	$8, 480, 689	$12, 982, 964
1910	3, 537, 201	5, 864, 574	9, 401, 755	1920	5, 664, 275	17, 603, 941	23, 268, 216
1911	4, 115, 039	5, 152, 958	9, 267, 997	1921	8, 405, 304	8, 890, 348	17, 295, 652
1912	4, 501, 928	6, 832, 012	11, 333, 940	1922	6, 775, 121	5, 942, 800	12, 717, 921
1913	3, 745, 057	8, 564, 942	12, 309, 999	1923	7, 201, 043	5, 285, 793	12, 486, 836
1914	3, 838, 419	8, 679, 582	12, 518, 001	1924	8, 779, 603	7, 525, 565	16, 305, 168
1915	2, 954, 465	7, 044, 987	9, 999, 452	1925	11, 154, 983	10, 407, 152	21, 562, 135
1916	3, 058, 641	5, 778, 805	8, 837, 446	1926	12, 211, 711	10, 618, 281	22, 829, 992
1917	4, 005, 975	7, 855, 693	11, 861, 668	1927	11, 764, 431	7, 493, 433	19, 257, 864
1918	4, 443, 524	8, 779, 033	13, 222, 557				

TABLE No. 5.—*Statement showing annual trade balance resulting from the commerce between Porto Rico and other countries*

Years	Imports	Exports	Balance		Total imports and exports
			In favor of the island	Against the island	
1901	$8, 918, 136	$8, 583, 967		$334, 169	$17, 502, 103
1910	30, 634, 855	37, 960, 219	$7, 325, 364		68, 595, 074
1911	38, 786, 997	39, 918, 367	1, 131, 370		78, 705, 364
1912	42, 972, 891	49, 705, 413	6, 732, 522		92, 678, 304
1913	36, 900, 062	49, 103, 565	12, 203, 503		86, 003, 627
1914	36, 406, 787	43, 102, 762	6, 695, 975		79, 509, 549
1915	33, 884, 296	49, 356, 907	15, 472, 611		83, 241, 203
1916	38, 951, 156	66, 731, 573	27, 780, 417		105, 682, 729
1917	53, 545, 224	80, 970, 917	27, 425, 693		134, 516, 141
1918	63, 389, 282	74, 294, 022	10, 904, 740		137, 683, 304
1919	62, 400, 360	79, 496, 040	17, 095, 680		141, 896, 400
1920	96, 388, 534	150, 811, 449	54, 422, 915		247, 199, 983
1921	105, 479, 703	112, 278, 575	6, 798, 872		217, 758, 278
1922	64, 175, 149	72, 172, 571	7, 997, 422		136, 347, 720
1923	71, 944, 505	82, 293, 050	10, 348, 545		154, 237, 555
1924	89, 369, 624	88, 280, 540		1, 089, 084	177, 650, 164
1925	90, 504, 601	94, 818, 944	4, 314, 343		185, 323, 545
1926	95, 258, 264	98, 724, 851	3, 466, 587		193, 983, 115
1927	98, 810, 750	108, 067, 434	9, 256, 684		206, 878, 184

TABLE No. 6.—*Merchandise brought into Porto Rico from the United States during the fiscal year ended June 30, 1927*

Commodities	Unit	Quantity	Value
GROUP 0.—ANIMALS AND ANIMAL PRODUCTS, EXCEPT WOOL AND HAIR			
Animals:			
Cattle	Number	2,184	$212,945
Horses	do	22	38,900
Other animals			5,436
Meats:			
Hams and shoulders, cured	Pound	7,367,918	1,451,124
Beef and veal, fresh	do	1,171,951	189,068
Pork, fresh and pickled	do	10,235,848	1,245,866
Sausages, canned or uncanned	do	1,643,101	416,143
Beef and meats, canned	do	1,314,321	192,705
Other meats			974,497
Eggs	Dozen	195,535	39,337
Dairy products:			
Milk, condensed or prepared	Pound	4,509,980	622,536
Butter	do	510,753	286,040
Cheese	do	2,463,787	490,066
Fish:			
Smoked, salted or dry-cured	do	8,323,171	564,826
Salmon, canned	do	904,012	93,793
All other fish and fish products			842,197
Lard and lard compounds	Pound	17,536,610	2,681,952
Animal oils and fats, edible	do	1,680,459	275,285
Leather and manufactures of:			
Upper leather	Square foot	732,992	126,952
Other leather			2,203
Boots and shoes	Pair	2,016,768	3,455,523
Other leather manufactures			203,946
Fur and other animal products			56,494
GROUP 1.—VEGETABLE FOOD PRODUCTS, OILSEEDS, EXPRESSED OILS, AND BEVERAGES			
Grains and preparations of:			
Corn meal and flour	Barrel	134,222	561,937
Oats	Bushel	260,747	148,403
Rice	Pound	174,479,054	8,149,443
Wheat flour	Barrel	464,384	3,299,992
Bread, biscuits, and crackers	Pound	5,015,485	688,678
Other grains and preparations of			253,365
Fodders and feeds			799,461
Vegetables:			
Beans, dried	Bushel	391,955	1,376,713
Peas, dried	do	102,569	366,955
Potatoes	do	540,606	678,518
Onions	do	126,036	195,778
Canned vegetables	Pound	2,718,593	233,509
Other vegetables	do	3,308,600	232,004
Fruits:			
Apples	Box	22,210	56,426
Other fresh or dried fruits	Pound	1,477,885	159,591
Canned and prepared fruits	do	2,246,340	299,622
Nuts			40,855
Oils, expressed:			
Cottonseed oil	Pound	146,568	18,435
Other vegetable oils and fats	do	3,102,920	423,346
All other foods and vegetable products:			
Cocoa and chocolate	do	695,160	227,989
Sugar, refined	do	1,071,299	64,945
Confectionery	do	3,659,572	613,039
Beverages and fruit juices	Gallon	462,721	462,708
Other vegetable products, edible			102,023
GROUP 2.—OTHER VEGETABLE PRODUCTS, EXCEPT FIBER AND WOOD			
Rubber manufactures:			
Canvas shoes with rubber heels	Pair	359,281	283,794
Auto tires and tubes	Number	118,726	969,776
Other rubber manufactures			191,574
Naval stores: Tar, turpentine, etc			11,369
Vegetable oils and fats, inedible			101,927
Seeds: Field and vegetable			6,388
Tobacco and manufactures of:			
Tobacco leaf	Pound	4,260,911	1,289,859
Cigarettes	Thousand	311,249	1,157,384
Other tobacco manufactures			91,581
Other vegetable products, n. e. s			99,470

TABLE No. 6.—*Merchandise brought into Porto Rico from the United States during the fiscal year ended June 30, 1927*—Continued

Commodities	Unit	Quantity	Value
GROUP 3.—TEXTILES			
Cotton:			
Sewing, crochet, and embroidery	Pound	330,079	$508,686
Cotton cloth—			
Unbleached	Square yard	10,711,850	1,774,010
Bleached	do	5,783,354	722,360
Printed	do	5,649,070	773,075
Piece dyed	do	17,098,983	2,578,096
Yarn or stock dyed	do	5,647,514	801,893
Other cotton fabrics			36,175
Other cotton clothing—			
Hosiery	Dozen pair	401,018	647,849
Cotton knit goods		80,720	251,931
All other	Number	652,886	2,002,121
Laces and embroideries	Yard	1,905,562	107,234
Other cotton manufactures			3,128,181
Fiber:			
Bags of jute	Pound	6,349,892	432,908
Cordage and twine	do	1,379,520	200,787
Other manufactures of vegetable fiber			728,618
Wool and manufactures of			784,732
Silk and manufactures of			423,429
Other textiles and manufactures of			397,642
GROUP 4.—WOOD AND PAPER			
Wood and manufactures of:			
Logs and timber	M feet	4,359	137,049
Board, planks, and deals	do	73,664	2,351,342
Box shooks	Board foot	9,292,663	521,116
Furniture			738,791
Other wood and manufactures of			551,859
Cork	Pound	147,812	36,952
Paper:			
Newsprint paper	do	864,435	39,822
Wrapping paper	do	9,192,926	549,940
Other paper and manufactures of			882,277
Books, pictures, and other printed matter			555,215
GROUP 5.—NONMETALLIC MINERALS			
Coal	Ton	106,203	575,859
Mineral oils:			
Gasoline, naphtha, etc	Barrel	179,577	1,010,684
Illuminating oil	do	64,470	480,546
Gas and fuel oil	do	683,210	810,671
Lubricating oils	do	29,493	460,582
Other petroleum products			77,950
Cement, hydraulic	Barrel	121,477	289,069
Glass:			
Window and plate glass	Square foot	318,526	48,880
Other glassware			364,150
China and porcelain ware	Pound	310,011	58,258
Earthenware, stoneware and crockery ware	do	2,539,048	223,010
Bricks and tiles	Thousand	1,200	78,570
Other nonmetallic mineral products			255,778
GROUP 6.—METAL AND MANUFACTURES OF, EXCEPT MACHINERY AND VEHICLES			
Iron and steel:			
Iron and steel bars	Pound	9,460,488	197,680
Galvanized sheets	do	28,175,429	1,141,448
Structural sheets	Ton	1,577	140,597
Rails for railway and rail-track material			128,521
Cast-iron pipe and fittings	Pound	9,729,859	377,070
Wire	do	3,926,379	221,025
Nails	do	3,761,238	138,104
Cutlery	do	119,708	121,974
Tin and galvanized hollow ware and other wares			535,234
Metal furniture			328,503
Tools	Pound	382,269	142,392
Builders' hardware and other hardware	do	476,043	130,353
Other iron and steel manufactures			1,560,383
Aluminum manufactures	Pound	53,635	34,111
Copper and copper manufactures			183,850
Brass and bronze manufactures			114,588
Other metals and manufactures of			249,647

TABLE No. 6.—*Merchandise brought into Porto Rico from the United States during the fiscal year ended June 30, 1927*—Continued

Commodities	Unit	Quantity	Value
GROUP 7.—MACHINERY AND VEHICLES			
Steam engines and parts of			$242,668
Internal-combustion engines			70,268
Electrical machinery and applicances			809,132
Sugar machinery			511,702
Pumps and pumping machinery			125,638
Other machinery and parts, except agricultural			1,066,599
Agricultural machinery and implements			328,215
Vehicles:			
Motor trucks and busses	Number	783	817,684
Passenger automobiles	do	2,200	1,977,772
Auto parts and accessories			500,022
Bicycles	Number	482	13,550
Cars for railways	do	147	118,824
Other vehicles and parts of			183,568
GROUP 8.—CHEMICALS AND ALLIED PRODUCTS			
Chemicals:			
Medicinal and pharmaceutical preparations, including tar			954,818
Acids	Pound	1,226,677	51,330
Other chemicals			756,503
Paints, pigments, and varnishes			511,083
Fertilizers:			
Nitrate of soda	Ton	2,809	155,596
Sulphate of ammonia	do	29,375	1,615,363
Other fertilizers	do	30,002	1,127,742
Explosives			27,393
Soap, perfumery and cosmetics:			
Toilet soap or fancy	Pound	767,776	215,534
Other soap	do	15,813,767	1,035,274
Perfumery, cosmetics and other toilet preparations	do	625,033	398,942
GROUP 9.—MISCELLANEOUS			
Motion-picture films	Foot	3,087,378	120,170
Scientific instruments and apparatus			100,570
Musical instruments:			
Pianos	Number	289	89,471
Phonographs and records			172,254
Other musical instruments and parts of			37,463
Pencils, pens, and penholders	Dozen	387,970	54,093
Toys			170,237
Candles	Pound	2,198,623	204,068
All other articles			1,214,505
Total value of imports from the United States			87,046,319

There was an increase in the value of the importations from the United States this year of $3,999,766 over the figures for the preceding year, the aggregate value being $87,046,319. The following are the items of import showing the largest increases: Tobacco and tobacco manufactures increased by $716,626, the increase in tobacco leaf being $456,570, and in cigarettes, $229,152; cotton manufactures, by $853,785; mineral oils, by $331,295; leather and manufactures, by $475,171; machinery and parts, by $352,063; iron and steel manufactures, by $286,149; meats, by $256,885, and fertilizers which show an increase of $335,539.

On the other hand, the following items show decreases in importation: Fish and fish products which decreased by $333,674; lard and lard compounds by $256,941, although there was an increase in quantity of 3,725,545 pounds; rice decreased by $1,372,910, but shows an increase in quantity of 4,771,457 pounds; dried beans and peas diminished by $274,074 in value and in quantity by 30,976 bushels; vehicles by $129,272; and refined sugar shows a decrease of $111,877 and of 2,073,114 pounds.

TABLE No. 7.—*Merchandise brought into Porto Rico from foreign countries during the fiscal year ended June 30, 1927*

Commodities	Unit	Quantity	Value
GROUP 0.—ANIMALS AND ANIMAL PRODUCTS, EXCEPT WOOL AND HAIR			
Animals:			
Horses	Number	22	$4,300
Other animals			4,086
Meats:			
Canned meats	Pound	1,195,125	168,841
Meats prepared	do	1,467,708	222,228
Dairy products:			
Condensed or evaporated milk			5,777
Butter	Pound	180,173	135,282
Cheese	do	2,340,537	389,476
Fish:			
Dried fish	do	21,395,324	1,479,690
Fish in oil	do	404,646	59,964
Other fish and fish products			18,929
Hides and skins except furs:			
Cattle hides	Pound	20,518	2,042
Sole leather and other leather			12,796
Leather manufactures			8,373
GROUP 1.—VEGETABLE FOOD PRODUCTS, OILSEEDS, EXPRESSED OILS, AND FATS			
Grains and preparations of:			
Corn	Bushel	249,166	247,927
Rice, cleaned	Pound	9,011,662	423,353
Biscuits	do	38,284	17,406
Macaroni	do	106,221	13,482
Other grains and preparations of			5,655
Fodders and feeds			2,522
Vegetables:			
Beans, dried	Pound	3,219,053	105,891
Peas, dried	do	611,140	29,528
Potatoes	do	4,735,304	103,303
Garlics	do	3,026,102	190,184
Onions	do	1,279,525	28,836
Other fresh vegetables			3,903
Canned or prepared vegetables	Pound	32,432	6,735
Fruits and nuts:			
Fruits—			
Olives	Gallon	67,713	28,060
Dried fruits			8,710
Preserved or prepared fruits			37,125
Nuts			11,790
Vegetable oils and fats:			
Olive oil	Pound	1,127,015	225,768
Cocoa, tea, and spices:			
Cocoa and cacao beans	do	133,498	18,673
Cocoa or chocolate	do	13,490	3,077
Spices			37,130
Molasses and confectionery:			
Molasses and sirups	Gallon	5,241,429	324,141
Confectionery	Pound	92,478	42,507
Beverages			32,237
GROUP 2.—OTHER VEGETABLE PRODUCTS, EXCEPT FIBER AND WOOD			
Rubber manufactures and substitutes			51,111
Crude vegetable drugs and essential oils			3,034
Miscellaneous vegetable products:			
Leaf tobacco	Pound	811,427	425,950
Sugar cane			661,468
Other vegetable products			28,667
GROUP 3.—TEXTILES			
Cotton:			
Sewing thread, crochet cotton			64,440
All other cotton manufactures			8,883
Jute:			
Plain woven fabrics of jute			70,956
Jute bags	Pound	11,035,693	904,752
Flax and manufactures of hemp, etc			174,981
Other manufactures of vegetable fibers			30,829
Wool and hair, manufactures of			5,891
Silk and manufactures of			6,473
Miscellaneous vegetable products			1,836

TABLE No. 7.—*Merchandise brought into Porto Rico from foreign countries during the fiscal year ended June 30, 1927*—Continued

Commodities	Unit	Quantity	Value
GROUP 4.—WOOD AND PAPER			
Wood:			
Softwood boards	Thousand feet	1,535	$13,802
Cabinet woods			51,487
Railroad ties	Number	145,423	55,795
All other woods			12,233
Wood furniture and other wood manufactures			9,157
Paper, except printed matter:			
Newsprint paper	Pound	1,750,435	59,271
Cigarette paper	do	34,901	10,454
Other paper and paper products			14,650
Books and other printed matter			28,255
GROUP 5.—NONMETALLIC MINERAL PRODUCTS			
Coal and petroleum:			
Charcoal			15,795
Crude and fuel oil	Barrel	422,273	599,282
Gasoline	do	237,079	1,060,758
Illuminating oil	do	17,920	100,354
Cement	Ton	47,460	541,788
Glassware			21,278
Clay and clay products			21,149
Salt	Pound	5,322,658	17,940
Other nonmetallic mineral products			13,794
GROUP 6.—ORES, METALS, AND MANUFACTURES OF, EXCEPT MACHINERY AND VEHICLES			
Iron and steel:			
Steel bars	Pound	2,900,883	43,809
Castings and forgings	do	255,575	10,915
Rails and bars for railways	do	394,872	4,499
Barbed wire and other wire manufactures	do	1,501,957	40,254
Nails	do	1,261,147	19,687
Tools			8,061
Other manufactures of iron and steel			34,752
Other metals and manufactures			27,329
GROUP 7.—MACHINERY			
Electric lamps	Number	206,137	22,193
Electric machinery and apparatus			2,007
Other machinery, except agricultural			3,136
Agricultural machinery			161,248
GROUP 8.—CHEMICALS			
Coal tar and products			15,217
Medical and pharmaceutical preparations			77,851
Other chemicals			35,260
Pigments and paints:			
Zinc oxide	Pound	184,230	22,729
Other pigments and paints			5,254
Fertilizers:			
Sodium nitrate			
Crude chloride of potash	Ton	2,365	76,660
Sulphate of potash	do	4,113	181,447
All other fertilizers	do	18,767	462,777
Miscellaneous chemical products:			
Toilet soap	Pound	19,726	11,229
Other soap			174
Perfumery			12,957
Cosmetic and toilet preparations			10,412
GROUP 9.—MISCELLANEOUS			
Films	Linear foot	171,172	4,535
Musical instruments			6,565
Toys and sporting goods			1,150
Art works			22,443
Matches			5,648
Personal effects			7,594
Articles imported under bond for exportation within six months			27,664
Articles of American make returned			718,514
Articles from the Virgin Islands free			92,005
All other articles			42,216
Total value of imports from foreign countries			11,764,431

The value of the importations from foreign countries this year amounted to $11,764,431, which shows a decrease of $447,280 under that for the preceding year. The importation of fish and fish products show a decrease in value of $192,220; grains and preparations of decreased by $277,179, there having been a decrease in the value of rice of $236,533 and in quantity of 5,480,286 pounds; jute bags decreased by $524,833 in value; woods and manufactures, by $73,928; and agricultural machinery, by $99,526.

There was, however, an increase in the value of the importations of some items, among which mention may be made of the following: Meats increased by $41,400; vegetables, by $58,982; molasses and confectionery, by $215,941; and iron and steel manufactures, by $70,497.

TABLE No. 8.—*Merchandise shipped from Porto Rico to the United States during the fiscal year ended June 30, 1927*

Commodities	Unit	Quantity	Value
Beeswax	Pound	22,245	$7,925
Buttons			126,351
Coffee:			
Raw	Pound	2,488,978	737,080
Other	do	360	110
Cotton and manufactures of:			
Unmanufactured cotton	do	604,138	229,528
Handkerchiefs	Dozen	815,437	849,590
Wearing apparel for women and children	Pound	4,264,968	8,052,195
Wearing apparel for men and boys	do	18,664	36,277
Other cotton manufactures	do	101,140	86,713
Fruits:			
Grapefruits	Box	692,052	2,095,908
Oranges	do	311,294	732,689
Pineapples	Crate	597,313	1,791,109
Other fruits	Pound	125,744	7,790
Prepared fruits—			
Canned grapefruits	do	9,262,394	1,033,981
Canned pineapples	do	1,402,626	128,183
Other fruits prepared			3,166
Nuts:			
Cocoanuts	Thousand	23,286	612,684
Copra	Pound	119,766	6,051
Hides and skins:			
Cattle hides and skins	do	491,197	58,093
Other hides and skins	do	59,203	23,139
Honey	do	1,273,544	71,514
Manganese ore	Ton	1,777	48,734
Medical and pharmaceutical preparations	Pound	7,446	3,885
Perfumery and cosmetics:			
Bay oil	do	13,224	23,165
Bay rum	Gallon	22,197	24,015
Seeds:			
Annato	Pound	192,297	10,542
Other seeds	do	67,448	14,196
Roots and plants:			
Ginger root	do	100,360	4,340
Other	do	30,893	9,547
Denatured alcohol	Gallon	438,611	158,306
Straw and manufactures of:			
Hats	Dozen	75,168	211,145
Baskets	do	125	851
Other manufactures of	Pound	33,910	13,338
Sugar and molasses:			
Sugar, raw and refined	do	1,149,499,127	54,743,032
Molasses	Gallon	20,693,492	829,519
Tobacco and manufactures of:			
Unstemmed leaf tobacco	Pound	7,515,654	4,469,480
Stemmed leaf tobacco	Pound	18,459,667	15,019,831
Scraps, stems, etc	do	4,754,707	1,090,976
Cigars and cheroots	Thousand	160,804	4,227,576
Cigarettes	do	5,250	52,209
Vegetables	Pound	2,083,412	148,116
Wood and manufactures of			550
Miscellaneous products:			
Candy	Pound	14,094	3,454
Fresh fish	do	9,869	2,802

TABLE No. 8.—*Merchandise shipped from Porto Rico to the United States during the fiscal year ended June 30, 1927*—Continued

Commodities	Unit	Quantity	Value
Miscellaneous products—Continued.			
Castor oil	Pound	12,000	$1,666
Crude cottonseed oil	do	248,336	19,922
Salt	do	4,355,300	5,513
All other articles			5,737
Total value of products of Porto Rico			97,832,523
Value of American goods returned			1,324,588
Value of foreign merchandise reexported to the United States			65,807
Total value of shipments to the United States			99,222,918
Coffee exported to foreign countries via New York 6 months ending Dec. 31, 1926, not included above.	Pound	4,652,646	1,351,083
Total value of exports to the United States			100,574,001

The value of the exports to the United States this year exceeded that of the previous year by $12,467,431, but in this increase there is included $2,036,214 worth of coffee shipped via New York to foreign countries and credited to the shipments to the United States in the foregoing table. The value of the exports of cotton and manufactures shows a steady increase every year, the increase for this year being $844,000. The increase in sugar and molasses was of $6,262,784; in tobacco and manufactures it was of $3,683,289, there having been an increase of over $6,000,000 in unstemmed and stemmed leaf tobacco and a decrease of about $3,000,000 in cigars and cheroots. Vegetables increased by $70,593. The value of fruit exports aggregated $5,792,826, or a decrease of $201,671 below that for last year.

TABLE No. 9.—*Merchandise shipped from Porto Rico to foreign countries during the fiscal year ended June 30, 1927*

Commodities	Unit	Quantity	Value
GROUP 0.—ANIMALS AND ANIMAL PRODUCTS, EXCEPT WOOL AND HAIR			
Animals:			
Horses	Number	11	$7,250
Other animals			2,989
Meats:			
Pork and beef, fresh	Pound	2,010	274
Hams and shoulders, cured	do	57,008	14,938
Bacon	do	56,667	8,745
Pickled pork	do	126,626	17,140
Sausages, canned or uncanned	do	42,475	11,439
Other meats and meat products			14,218
Eggs in the shells	Dozen	1,955	876
Dairy products:			
Milk, condensed or prepared	Pound	66,388	7,482
Butter	do	30,872	14,485
Cheese	do	47,707	13,483
Fish:			
Salmon, canned	do	88,381	9,987
Salted and dry-cured fish	do	288,573	23,655
Other fish and fish products			11,197
Animal and fish oils, fats and greases:			
Tallow, inedible	Pound	144,117	13,678
Lard	do	1,163,187	174,279
Lard compounds and substitutes	do	238,530	31,231
Oleomargarine and other animal fats	do	56,301	10,127
Hides and skins:			
Leather, cattle, lamb, etc	Square feet	155,321	30,141
Other leather			1,667

TABLE No. 9.—*Merchandise shipped from Porto Rico to foreign countries during the fiscal year ended June 30, 1927*—Continued

Commodities	Unit	Quantity	Value
GROUP 0.—ANIMALS AND ANIMAL PRODUCTS, EXCEPT WOOL AND HAIR—Continued			
Hides and skins—Continued.			
Boots and shoes—			
For men and boys	Pair	13,374	$29,610
For women and children	do	52,961	80,459
Other leather manufactures			7,308
Other miscellaneous animal products			6,008
GROUP 1.—VEGETABLE FOOD PRODUCTS, OILSEEDS, EXPRESSED OILS, AND BEVERAGES			
Grains and preparations of:			
Corn	Bushel	5,883	7,334
Corn meal and flour	Barrel	11,093	45,876
Oats	Bushel	1,608	1,169
Oatmeal	Pound	30,772	1,791
Rice	do	453,353	18,897
Rye flour	Barrel	296	1,547
Wheat flour	do	42,226	296,168
Bread and biscuits	Pound	54,903	8,267
Macaroni	do	25,598	2,161
Other grains and preparations of			1,939
Fodders and feeds			11,372
Vegetables:			
Beans and peas, dried	Bushel	3,292	12,363
Potatoes	do	6,962	10,044
Onions	do	1,567	3,252
Other fresh vegetables			5,319
Other vegetable preparations			8,461
Fruits and nuts:			
Fresh fruits—			
Subtropical fruits	Crate	2,013	7,092
Other fresh fruits			842
Canned and prepared fruits	Pound	419,584	22,991
Nuts—			
Peanuts	do	20,876	1,745
Other nuts (coconuts)	do	803,473	15,512
Oils, seeds, and vegetable oils and fats	do	61,776	7,692
Cocoa, coffee and spices:			
Cocoa and chocolate	do	50,046	11,842
Coffee, raw	do	12,211,957	3,659,769
Other coffee, roasted	do	2,963	835
Spices	do	1,992	565
Sugar, molasses, and confectionery:			
Sugar (refined)	do	239,737	13,952
Confectionery	do	45,684	9,612
Molasses and sirups	Gallon	76,004	3,033
Beverages			3,972
GROUP 2.—OTHER VEGETABLE PRODUCTS, EXCEPT FIBER AND WOOD			
Rubber:			
Rubber footwear	Pair	21,498	15,719
Tires and tubes	Number	1,791	18,667
Other rubber manufactures			8,337
Naval stores and resins			12,597
Crude drugs, essential oils, and dyeing material			3,266
Seeds for sowing			1,898
Tobacco and manufactures of:			
Leaf tobacco	Pound	51,918	7,197
Tobacco manufactures—			
Cigarettes	Thousand	7,347	23,432
Other tobacco manufactures			680
Starch and other miscellaneous vegetable products			4,076
GROUP 3.—TEXTILES			
Cotton:			
Sea Island	Pound	4,350	2,366
Cotton cloth—			
Cotton duck	Square yard	18,095	4,284
Unbleached cotton cloth	do	143,927	15,326
Bleached cotton cloth	do	198,673	28,150
Printed cotton cloth	do	638,417	110,849
Dyed-piece cotton cloth	do	372,400	71,877
Yarn or stock dyed cotton cloth	do	173,006	28,429
Other cotton fabrics			3,855
Cotton blankets	Pound	9,108	5,121
Cotton wearing apparel—			
Hosiery	Dozen	15,125	28,877
Shirts	Number	13,337	25,571

TABLE No. 9.—*Merchandise shipped from Porto Rico to foreign countries during the fiscal year ended June 30, 1927*—Continued

Commodities	Unit	Quantity	Value
GROUP 3.—TEXTILES—Continued			
Cotton—Continued.			
Other wearing apparel for men, women, and children			$106,301
All other cotton manufactures			37,983
Jute and flax, and manufactures of:			
Bags of jute	Pound	202,570	12,718
Straw hats	Number	35,538	3,727
Other manufactures of vegetable fibers			15,683
Wool and manufactures of			6,634
Silk and manufactures of			16,960
Miscellaneous textile products			41,658
GROUP 4.—WOOD AND PAPER			
Unmanufactured or partly manufactured wood:			
Yellow-pine rough boards and wood timber	Thousand feet	1,009	34,376
Yellow-pine dressed boards	do	365	15,420
Other lumber			9,151
Wood manufactures			36,385
Paper, except printed matter:			
Newsprint paper	Pound	15,543	1,354
Wrapping paper	do	57,709	3,748
Other paper manufactures			19,745
Books and other printed matter			9,593
GROUP 5.—NONMETALLIC MINERAL PRODUCTS			
Coal and petroleum products:			
Bituminous coal and coke	Ton	285	3,222
Gasoline	Barrel	80,479	783,667
Illuminating oil	do	760	6,341
Lubricating oils	do	1,109	13,386
Other petroleum products			21,687
Stone, cement, and plasters: Lime and plasters	Barrel	8,405	10,666
Glassware			4,976
Clay products			3,881
Other nonmetallic mineral products			5,276
GROUP 6.—ORES, METALS, AND MANUFACTURES OF, EXCEPT MACHINERY AND VEHICLES			
Iron and steel:			
Iron and steel bars	Pound	254,979	6,576
Iron and steel galvanized sheets	do	304,590	14,185
Tubular products and fittings	do	282,325	22,318
Other manufactures of iron and steel			129,987
Other metals and manufactures of			15,259
GROUP 7.—MACHINERY AND VEHICLES			
Electric machinery and apparatus			9,169
Sugar mill machinery			68,338
All other machinery and parts, except agricultural			30,766
Agricultural machinery			10,844
Vehicles:			
Motor trucks, except electric	Number	127	93,534
Passenger cars	do	539	364,674
Auto parts and accessories			45,829
Other vehicles and parts of			9,579
GROUP 8.—CHEMICALS AND ALLIED PRODUCTS			
Medical and pharmaceutical preparations			9,073
Other chemicals:			
Pure or denatured alcohol	Gallon	45,408	20,595
All other chemicals			16,883
Pigments, paints, and varnishes			7,226
Miscellaneous chemical products:			
Toilet preparations, including toilet soap			6,791
Laundry soap and all other soap	Pound	287,220	19,092
GROUP 9.—MISCELLANEOUS			
Motion picture films	Linear foot	3,233,993	48,295
All other articles			99,582
Total value of direct shipments to foreign countries			7,433,786
Value of foreign merchandise reexported			59,647
Total value of exports to foreign countries			7,493,433

Our exports to foreign countries this year diminished by $3,124,848, as compared with the figures for last year, but this reduction is in part accounted for by the fact that $2,036,214 worth of coffee was shipped to foreign countries via New York, which was credited under the exportations to the United States and does not appear in the figures of exports to foreign countries. Among the items showing decreases in the value of the exports, as compared with last year's figures, mention may be made of the following: Hides, skins, leather, and manufactures, which decreased by $112,203; cotton and manufactures, by $121,010; and jute, flax, and manufactures, by $48,208. Grains and preparations thereof represent an increase of $170,872, there having been an increase in wheat flour of $165,289. Coal and petroleum products increased by $67,344 and vehicles by $321,548.

TABLE No. 10.—*Sugar exports*

Fiscal years	Short tons	Value	Average price per ton	Fiscal years	Short tons	Value	Average price per ton
1901	68,909	$4,715,611	$68.43	1919	351,910	$48,132,419	$136.77
1910	284,522	23,545,922	82.75	1920	419,388	98,923,750	235.88
1911	322,919	24,479,346	75.81	1921	409,407	72,440,924	176.94
1912	367,145	31,544,063	85.92	1922	469,889	40,820,333	86.86
1913	382,700	26,619,158	69.55	1923	355,423	46,207,276	130.01
1914	320,633	20,240,333	63.12	1024	372,041	47,838,687	128.58
1915	294,475	27,278,754	92.64	1925	571,559	53,261,895	93.20
1916	424,955	45,809,445	107.79	1926	578,811	48,223,258	83.30
1917	488,943	54,015,903	110.47	1927	574,869	54,756,984	95.25
1918	336,788	41,362,229	122.81				

The total sugar exports this year amounted to 574,869 short tons, valued at $54,756,984, which represents a decrease in quantity of 3,942 short tons and an increase in value of $6,533,726, as compared with last year's figures. The increase over last year in average price per ton was $11.95. There were shipped to the United States 574,749½ tons, with a value of $54,743,032, and the remainder, 119½ tons, with a value of $13,952, was shipped to foreign countries.

TABLE No. 11.—*Cigars*

Fiscal year	Withdrawn for consumption	Withdrawn for export	Total output	Fiscal year	Withdrawn for consumption	Withdrawn for export	Total output
1907	74,698,430	132,669,823	207,368,253	1918	106,646,685	181,779,519	288,426,204
1908	76,983,830	103,781,719	180,705,549	1919	94,334,802	[1] 149,124,690	243,459,492
1909	84,933,260	140,302,271	225,235,531	1920	98,023,748	223,316,450	321,340,198
1910	92,700,160	151,724,438	244,424,598	1921	105,728,125	152,323,916	258,052,041
1911	101,064,495	174,743,098	275,807,593	1922	77,513,408	140,504,000	218,017,408
1912	111,682,615	169,765,656	281,448,271	1923	75,017,877	[1] 184,625,596	259,643,473
1913	119,038,300	[1] 165,768,512	284,806,812	1924	75,928,681	175,289,000	251,217,681
1914	112,711,543	[1] 150,363,991	263,075,534	1925	70,019,209	196,560,000	266,579,200
1915	101,423,083	[1] 174,275,407	275,698,490	1926	108,576,901	214,546,000	323,122,901
1916	109,130,296	[1] 159,248,855	268,379,151	1927	68,646,933	160,804,000	229,450,933
1917	----------	210,399,365	----------				

[1] Treasury figures.

TABLE No. 12.—*Cigarettes*

Fiscal year	Withdrawn for consumption	Withdrawn for export	Total output	Fiscal year	Withdrawn for consumption	Withdrawn for export	Total output
1907	347, 722, 000	10, 460, 000	358, 182, 000	1918	340, 077, 040	6, 439, 600	346, 516, 640
1908	354, 407, 900	11, 232, 424	365, 640, 324	1919	426, 582, 000	[1] 20, 111, 600	446, 693, 600
1909	365, 525, 500	11, 244, 500	376, 770, 000	1920	576, 424, 970	5, 123, 850	581, 548, 820
1910	393, 844, 300	13, 142, 000	406, 986, 300	1921	411, 716, 960	5, 738, 000	417, 454, 960
1911	459, 710, 045	11, 760, 000	471, 470, 045	1922	434, 652, 520	2, 056, 000	436, 708, 520
1912	532, 431, 000	[1] 11, 293, 350	543, 724, 350	1923	417, 306, 900	[1] 2, 996, 500	420, 303, 400
1913	464, 861, 210	[1] 8, 907, 600	473, 768, 810	1924	401, 134, 100	7, 734, 000	408, 868, 100
1914	376, 695, 120	[1] 6, 195, 000	382, 890, 120	1925	410, 101, 820	14, 006, 000	424, 107, 820
1915	339, 080, 165	[1] 12, 020, 750	351, 100, 915	1926	365, 260, 320	10, 262, 000	375, 522, 320
1916	308, 025, 865	[1] 11, 785, 430	319, 811, 295	1927	341, 856, 850	12, 597, 000	354, 453, 850
1917	----------	9, 571, 250	----------				

[1] Treasury figures.

TABLE No. 13.—*Tobacco leaf and scrap exported*

Fiscal year	Pounds	Value	Fiscal year	Pounds	Value
1907	4, 344, 659	$1, 232, 058	1918	17, 196, 323	$8, 982, 130
1908	8, 402, 286	1, 996, 055	1919	17, 859, 559	8, 420, 583
1909	4, 539, 320	1, 250, 237	1920	20, 507, 565	13, 416, 388
1910	4, 176, 172	1, 258, 317	1921	14, 667, 932	13, 568, 249
1911	4, 450, 012	1, 554, 783	1922	22, 452, 588	9, 002, 767
1912	5, 456, 751	2, 320, 130	1923	[1] 19, 911, 979	[1] 9, 647, 063
1913	8, 536, 776	3, 188, 227	1924	[1] 23, 343, 048	[1] 13, 142, 136
1914	9, 244, 490	3, 206, 610	1925	22, 957, 569	9, 870, 076
1915	9, 285, 333	3, 204, 423	1926	24, 521, 085	13, 944, 891
1916	8, 084, 914	3, 033, 149	1927	30, 781, 946	20, 587, 484
1917	9, 408, 723	3, 850, 670			

[1] Treasury figures.

The value of the exports of tobacco and tobacco manufactures to the United States this year amounted to $24,860,072 and to foreign countries to $31,309, which aggregated $24,891,381, or an increase over the total value for last year of $3,688,335. The quantity of tobacco leaf and scrap exported to both the United States and foreign countries shows an increase over that of last year of 6,260,861 pounds and in value of $6,642,593; the number of cigarettes exported increased by 2,335,000 and in value by $20,724. The number of cigars exported decreased by 53,742,000 and in value by $2,968,789.

TABLE No. 14.—*Coffee exports*

Fiscal year	Pounds	Value	Average price	Fiscal year	Pounds	Value	Average price
1901	12, 157, 240	$1, 678, 765	$0. 137	1919	27, 897, 771	$6, 065, 573	$0. 217
1910	45, 209, 792	5, 669, 602	. 125	1920	32, 776, 754	9, 034, 028	. 276
1911	33, 937, 021	4, 992, 779	. 147	1921	26, 731, 648	5, 352, 924	. 200
1912	40, 146, 365	6, 754, 913	. 168	1922	23, 402, 127	4, 316, 859	. 141
1913	49, 774, 197	8, 511, 316	. 171	1923	16, 821, 939	3, 188, 002	. 189
1914	50, 211, 947	8, 193, 544	. 163	1924	21, 859, 215	4, 595, 811	. 210
1915	51, 125, 620	7, 082, 791	. 138	1925	23, 781, 007	6, 574, 983	. 280
1916	32, 144, 283	5, 049, 283	. 157	1926	26, 330, 159	7, 070, 652	. 260
1917	39, 615, 146	5, 892, 081	. 149	1927	19, 353, 581	5, 747, 932	. 296
1918	37, 618, 613	5, 505, 316	. 146				

TABLE No. 15.—*Coffee exports, by countries, during the fiscal years ending June 30, 1925, to June 30, 1927*

Countries	1925		1926		1927	
	Quantity	Value	Quantity	Value	Quantity	Value
United States	261,155	$66,862	623,581	$170,062	7,141,624	$2,088,163
Europe:						
Belgium	190,936	53,391	227,194	59,070	15,740	4,628
Denmark	11,125	3,070	97,546	25,362	29,760	8,707
France	465,161	130,604	409,495	106,135	418,857	126,818
Germany	4,581,818	1,273,395	5,030,549	1,308,263	2,101,753	637,505
Gibraltar	99,593	27,512	61,847	16,080		
Italy	2,552,190	705,232	3,688,325	958,964	54,561	15,910
Netherlands	925,425	259,424	1,568,587	409,258	788,153	239,170
Spain	2,392,642	661,503	3,264,186	962,953	3,987,007	1,246,130
Sweden	360,893	100,178	417,537	108,560	89,069	27,048
England	250	75	7,813	2,033		
Switzerland	10,141	2,900				
Finland			58,108	15,108		
Austria			27,016	7,024		
Czechoslovakia			75,502	19,630		
North America:						
Cuba	11,454,050	3,153,698	10,467,245	2,819,144	4,562,982	1,302,724
Virgin Islands	8,437	2,277	23,354	5,461	16,536	4,520
Dutch West Indies	54,333	16,090	10,244	3,330	10,241	3,161
British West Indies	13,715	4,097	100	26	100	27
Dominican Republic	248,972	72,299	28,316	8,475	61,347	18,446
French West Indies					200	51
South America:						
Argentine	93,793	26,292	129,358	33,634		
Africa:						
Morocco	31,556	8,946	44,714	12,866	16,454	4,759
Canary Islands	6,634	1,895	6,843	1,982	14,576	7,444
Spanish Africa	18,128	5,153	62,699	17,232	44,621	12,721
Total	23,781,997	6,574,893	26,330,159	7,070,652	19,353,581	5,747,932

NOTE.—Shipments of coffee to foreign countries via New York is included in the shipments to the United States according to instructions received from the Bureau of Foreign and Domestic Commerce.

As shown in the above tables, the total exports of coffee from Porto Rico this year aggregated 19,353,581 pounds, with a value of $5,747,932, of which amount 19,175,859 pounds, valued at $5,695,983, were shipped to foreign countries and the remainder, 177,722 pounds, with a value of $51,949, to the United States. The total exports of coffee this year as compared with those for last year show a decrease in quantity of 6,976,578 pounds and in value of $1,322,720. There was an increase in the average price per pound of 3.6 cents.

TABLE No. 16.—*Value of fruit exports*

Fiscal year	Oranges	Pineapples	Canned pineapples and others	Coconuts	Grapefruit	Other fruits	Total
1901	$84,475	(1)	(1)	$8,334	(1)	$16,992	$109,801
1910	582,716	$555,044	$106,587	218,870	$162,749	9,851	1,635,817
1911	703,969	641,291	149,744	258,168	309,698	11,123	2,073,993
1912	584,414	684,774	258,671	308,883	525,048	15,972	2,377,762
1913	740,091	1,142,348	147,564	353,690	726,811	10,415	3,120,919
1914	752,180	1,246,001	175,534	451,882	751,769	23,537	3,400,903
1915	378,181	1,723,863	84,735	410,378	834,440	9,560	3,441,157
1916	790,797	1,176,406	122,876	413,573	837,014	14,619	3,355,285
1917	1,009,737	916,415	139,765	438,564	939,677	18,411	3,459,569
1918	1,231,551	617,496	75,216	572,600	1,120,330	11,021	3,628,214
1919	770,203	458,675	148,662	757,649	739,106	24,185	2,898,580
1920	833,575	479,461	99,172	1,142,412	1,332,742	13,568	3,890,930
1921	447,426	574,640	99,247	690,895	2,019,557	4,389	3,836,154
1922	926,329	600,514	112,909	489,657	1,102,020	115,314	3,346,743
1923	1,750,641	726,091	691,737	583,931	1,384,201	17,689	5,154,290
1924	474,429	811,925	477,028	616,484	2,000,721	59,642	4,440,229
1925	839,906	1,046,503	528,799	720,189	1,757,235	30,397	4,923,029
1926	1,197,700	1,534,173	778,442	625,989	2,482,123	17,402	6,635,829
1927	732,689	1,791,109	1,188,321	628,196	2,095,908	15,724	6,451,947

[1] Shipments included under "Other fruits."

The total value of the exports of fruits and coconuts to both the United States and foreign countries this year amounted to $6,451,947, which represents a decrease below that for the previous year of $183,882. There was also exported $7,796 worth of copra and peanuts. The value of the exports of oranges shows a decrease of $465,011 below that for last year, and grapefruit of $386,215. The value of the exports of pineapples increased by $256,936; canned pineapples and others by $409,879, and coconuts show a slight increase of $2,207.

TABLE No. 17.—*Statement, by countries, of value of merchandise brought into Porto Rico from the United States and foreign countries for the past five years ending June 30, 1927*

Countries	Shipped into Porto Rico				
	1923	1924	1925	1926	1927
United States	$64,743,462	$80,590,021	$79,349,618	$83,046,553	$87,046,319
Europe:					
Austria	12,365	19,137	11,493	13,310	14,798
Belgium	42,706	425,567	109,254	80,059	260,879
Czechoslovakia	2,843	1,304	4,423	5,007	5,989
Denmark	345,697	660,921	541,619	732,287	487,667
France	197,636	134,099	139,824	215,534	187,759
Germany	256,240	290,941	474,305	593,438	663,332
Italy	32,127	37,420	40,188	56,749	182,020
Hungary		1,499	156		1,273
Netherlands	282,042	440,268	537,610	685,204	638,458
Norway	4,351	4,320	21,741	3,609	5,844
Portugal		252	10	2,532	
Spain	674,191	631,694	767,575	1,149,020	1,134,916
Sweden	17,138	30,595	11,504		3,419
Switzerland	3,972	4,746	5,312	6,771	13,284
Turkey in Europe		71			547
United Kingdom	531,388	565,949	750,797	780,029	747,943
Gibraltar	3,264		48		
Rumania	328			2,937	
Latvia	347		459		
Irish Free State			1,269	12,682	4,192
Poland and Danzig			1,733	2,291	18,313
Finland			142	202	
Ukraine			346		
Russia in Europe				286	
Yugoslavia					629
Azores Madeira					323
North America:					
Canada	1,134,332	847,481	881,810	853,319	931,093
Panama	4,251	3,154	1,465	1,840	3,824
Mexico	514,582	534,148	770,481	767,226	417,466
Newfoundland	269,719	499,051	665,221	732,499	457,099
West Indies—					
Cuba	136,541	78,198	437,477	505,286	614,457
British	92,061	146,822	171,509	294,037	300,657
Dominican Republic	561,259	911,689	1,570,276	1,845,055	1,832,575
Dutch	993,493	1,464,700	1,688,836	864,564	1,096,211
French	841	689	13,312	2,122	1,632
Haiti	16,527	12,757	18,936	37,419	93,428
Virgin Islands	185,533	95,266	65,927	84,650	134,664
Guatemala				101	
Costa Rica				168	
Nicaragua		1,755	19		
British Honduras					2
Miquelon and St. Pierre					847
South America:					
Argentine Republic	8,807	37,856	46,011	45,202	104,794
Chile	131,616	87,244	1,456	76,800	
Colombia	949	5,345	537		4,000
Ecuador	615				913
Uruguay	311,401	280,267	171,535	279,032	235,456
Venezuela	78,812	40,049	72,903	28,665	23,282
British Guiana		1,139		889	10,010
Dutch Guiana				337	
Peru					191,313
Brazil					200
Bolivia					11,149

TABLE No. 17.—*Statement, by countries, of value of merchandise brought into Porto Rico from the United States and foreign countries for the past five years ending June 30, 1927*—Continued

Countries	Shipped into Porto Rico				
	1923	1924	1925	1926	1927
Asia:					
China				$1,000	$1,379
British India	$330,248	$471,511	$1,145,224	1,425,077	888,902
Japan	2,076	3,313	1,922	14,187	14,631
Palestine, Syria	831		30		
Philippine Islands	185			31	197
Siam				250	
Persia					85
Africa:					
Canary Islands	19,729	8,386	10,288	8,073	11,892
Egypt				1,935	10,688
Total	71,944,505	89,369,624	90,504,601	95,258,264	98,810,750

TABLE No. 18.—*Statement, by countries, of value of merchandise exported from Porto Rico to the United States and foreign countries for the past five years ending June 30, 1927*

Countries	Shipped from Porto Rico				
	1923	1924	1925	1926	1927
United States	$77,007,257	$80,754,975	$84,411,792	$88,106,570	$100,574,001
Europe:					
Belgium	6,714	37,011	54,591	60,140	5,265
Denmark		6,945	5,756	25,362	8,707
France	7,586	205,910	131,747	106,135	129,617
Germany	8,402	369,491	1,274,605	1,308,263	638,042
Italy		519,377	705,387	958,964	15,910
Gibraltar		13,164	29,142	16,080	
Netherlands	388	132,989	288,284	409,258	239,575
Spain	772,841	589,034	694,196	1,004,339	1,285,447
Norway			100		
Sweden	3,600	40,739	103,078	108,560	27,048
United Kingdom	76	1,082	19,075	2,093	21,689
Finland				15,108	
Austria				7,024	
Czechoslovakia				19,630	
Portugal					113
North America:					
Canada		30,582			
Panama	1,580	1,038	645		3,747
West Indies—					
British	31,559	82,515	105,529	109,331	147,638
Cuba	2,503,333	2,736,492	3,282,942	2,910,937	1,296,128
Dutch	461,184	678,982	710,552	812,949	377,321
Virgin Islands	464,559	610,274	726,224	362,850	884,993
French	1,301	1,833	2,062	2,432	10,203
Haiti	447	3,411	21,931	68,185	96,623
Dominican Republic	881,259	1,269,835	1,927,879	1,994,096	2,011,942
Honduras			385		
Guatemala					306
South America:					
Colombia	2,400	210	367	1,402	1,141
Argentine Republic	2,125	3,269	26,292	33,634	
Venezuela	83,081	144,582	279,643	113,738	204,614
Dutch Guiana		7,000			
Bolivia			161		
India					57
Africa:					
Canary Islands	9,931	1,802	2,480	2,182	9,915
Morocco	3,949	2,838	8,946	12,866	4,759
Spanish Africa		1,968	5,153	17,262	12,986
Foreign merchandise reexported					59,647
Total	82,253,472	88,247,339	94,818,944	98,589,390	108,067,434

TABLE No. 19.—*Exports of sugar, cigars, and coffee*

Fiscal year	Sugar	Cigars	Coffee	Fiscal year	Sugar	Cigars	Coffee
1901	$4,715,611	$306,115	$1,678,765	1919	$48,132,419	$6,657,522	$6,065,573
1910	23,545,922	4,488,030	5,669,602	1920	98,923,750	----------	9,034,028
1911	24,479,346	5,355,223	4,992,779	1921	72,440,924	8,103,601	5,352,924
1912	31,544,063	5,086,711	6,754,913	1922	40,820,333	6,279,054	4,316,859
1913	26,619,158	5,800,686	8,511,316	1923	46,207,276	6,911,510	3,188,002
1914	20,240,335	5,597,276	8,193,544	1924	47,838,687	5,460,119	4,595,811
1915	27,278,754	6,016,122	7,082,791	1925	53,261,895	7,105,508	6,574,983
1916	45,809,445	5,531,535	5,049,283	1926	48,223,258	7,196,365	7,070,652
1917	54,015,903	7,843,010	5,892,081	1927	54,756,984	4,227,576	5,747,932
1918	41,362,229	7,134,693	5,505,316				

TABLE No. 20.—*Summary by years*

Fiscal year	Imports	Exports	Total	Fiscal year	Imports	Exports	Total
1901	$8,918,136	$8,583,967	$17,502,103	1919	$62,400,360	$79,496,040	$141,896,400
1910	30,634,855	37,960,219	68,595,074	1920	96,388,534	150,811,449	247,199,983
1911	38,786,997	39,918,367	78,705,364	1921	105,479,703	112,278,575	217,758,278
1912	42,972,891	49,705,413	92,678,304	1922	64,175,149	72,172,571	136,347,720
1913	36,900,062	49,103,565	86,003,627	1923	71,944,505	82,293,050	154,237,555
1914	36,406,787	43,102,762	79,509,549	1924	89,369,624	88,280,540	177,650,164
1915	33,884,296	49,356,907	83,241,203	1925	90,504,601	94,818,944	185,323,545
1916	38,951,156	66,731,573	105,682,729	1926	95,258,264	98,724,851	193,983,115
1917	53,545,224	80,970,917	134,516,141	1927	98,810,750	108,067,434	206,878,184
1918	63,389,282	74,294,022	137,683,304				

FINANCE

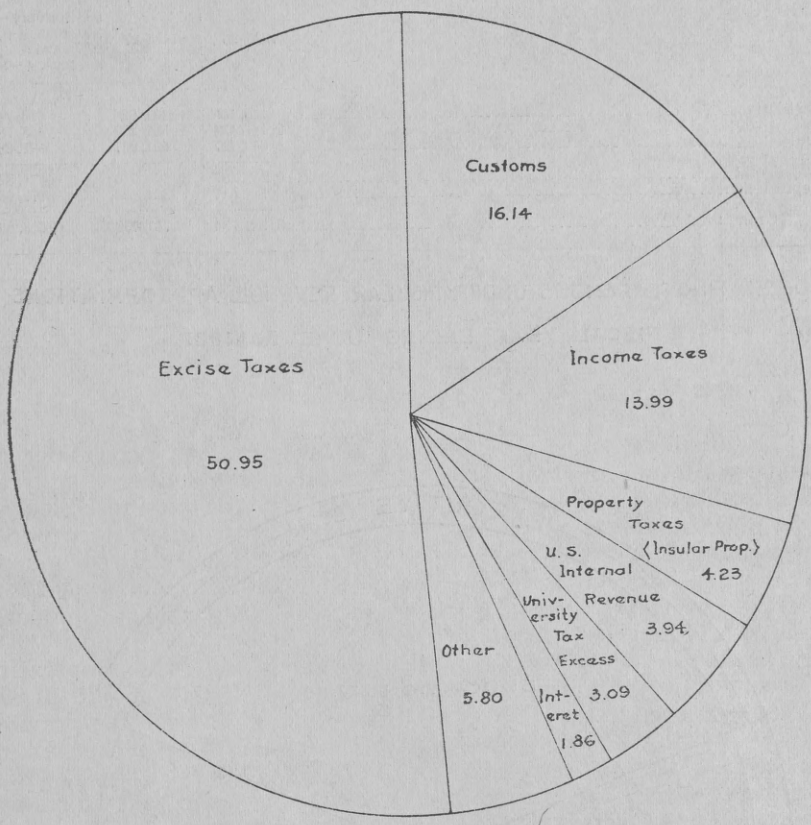
The financial condition of Porto Rico during the year under review, while not in some respects so notable as the preceding year, was stable and satisfactory. There was less difficulty in collecting the revenue, and a more widespread feeling of security and progress was manifest. Boom times were not expected nor desired and all reasonable expectations were fully met. The financial operations of the government were on the whole such as to inspire confidence and strengthen its credit.

Insular operating revenue.—The amount of net insular operating revenue during the fiscal year ending June 30, 1927, was $11,191,893. This was a reduction of $548,491 below the amount for the previous year. The principal items showing reductions were the tax on incomes which was reduced from $3,079,870 in 1925–26 to $1,565,746 in 1926–27 and the United States internal-revenue tax which was reduced from $987,849 to $440,650. The reduction on the income tax as compared with the previous year was caused by the fact that the amount received for the year 1925–26 included the retroactive collection which amounted to over $800,000. The very low price of sugar during the entire year 1926–27 also caused a much diminished return on the income tax item. The other item showing a considerable reduction was the United States internal revenue and that was caused by the reduction made by Congress on cigars and cigarettes which reduced the revenue return in Porto Rico more than one-half. However, there was a substantial increase made in the amount of excise taxes from $4,596,918 in 1925–26 to $5,701,502 in 1926–27, and in the new university tax the increased revenue amounted to $345,091. Other small increases are noted in the table.

The insular auditor has prepared in graphic form a chart of the proportion which the revenues from each source bears to the total, which appears on the following page, to which is appended an itemized statement of the amounts received as operating revenue.

Insular Operating Revenues

For the Fiscal year Ending June 30, 1927



Operating revenues

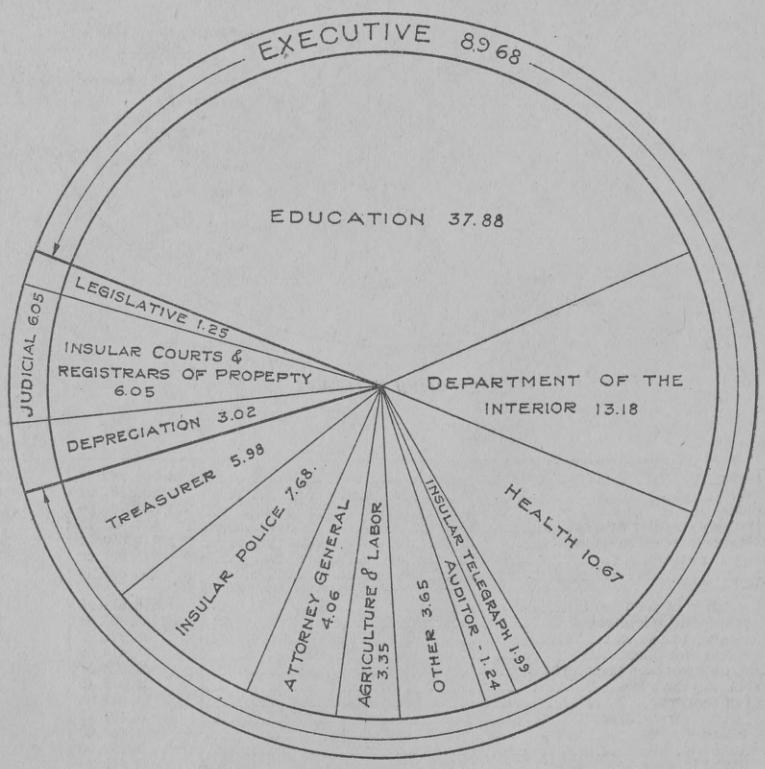
	Amount	Per cent of total
Excise taxes	$5,701,502.33	50.95
Customs	1,806,567.91	16.14
Income taxes	1,565,745.98	13.99
Property taxes (insular proportion)	474,033.15	4.23
United States internal revenue	440,650.71	3.94
University tax excess	345,091.68	3.09
Interest	208,391.25	1.86
Other:		
Registration of documents	176,874.19	1.58
Telegraph and telephone	155,307.54	1.39
Inheritance taxes	108,921.22	.97
Court fees and fines	78,416.69	.70
Taxes on insurance premiums	63,075.57	.56
Harbor and dock fees	35,019.42	.31
Rent of property	11,011.99	.10
Royalties on franchises	8,401.19	.07
Miscellaneous fees	4,157.00	.04
License fees	3,250.00	.03
Incidental income	5,475.29	.05
Total	11,191,893.11	100.00

Operating expenses.—The net expense of the operation of the government during the year 1926–27 was $10,761,739. The operating expense of the preceding year, 1925–26, was $10,102,934. The increase for the year under review was $658,805, as shown by the following table:

	1925–26	1926–27	Difference—increase (+) or decrease (−)
Legislative	$118,106	$134,820	+$16,714
Executive	9,187,434	9,651,223	+463,789
Judicial	652,747	651,067	−1,680
Total	9,958,287	10,437,110	+478,823
Depreciation	144,647	324,629	+179,982
Grand total	10,102,934	10,761,739	+658,805

OPERATING EXPENSES UNDER INSULAR REVENUE APPROPRIATIONS

FISCAL YEAR ENDING JUNE 30-1927



The increases shown were unavoidable. Almost one-half were caused by the storms which visited the island during July and September, causing landslides and washouts on many of the roads, and damages to some of the bridges. The cost of rehabilitation was $284,000.

There was an increase of $51,000 in the office of the attorney general by reason of increased requirements for food and transportation for a considerable increase in the number of prisoners committed to the penitentiary and jails.

The increase of $46,000 in the treasury department was made to cover deficiency appropriations to meet the increased expense incurred in the collection of the taxes.

The increase of $103,000 in the department of education was caused by the demands made for increased school facilities. The amount does not meet what would be a legitimate annual increase commensurate with the increase in school population.

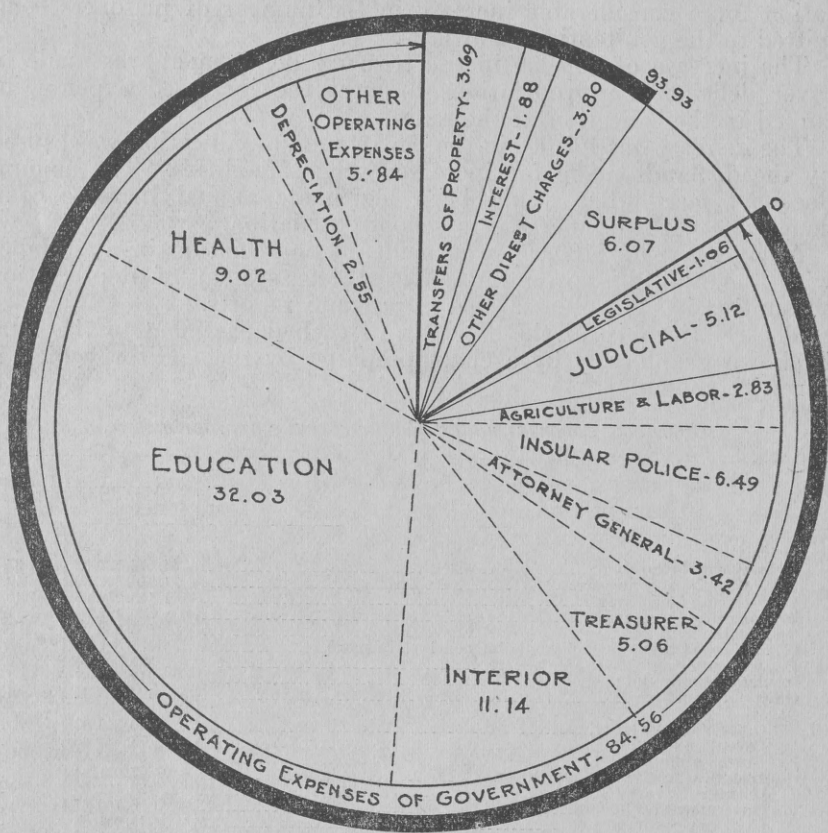
An increase of $180,000 was made in depreciation in accordance with the auditor's program. A complete system of depreciation accounting has not been carried in previous reports.

The relationship of the expenses of each department to the total is shown graphically by a chart prepared by the auditor, which is herewith shown.

Operating expenses under insular revenue appropriations

	Amount	Per cent of total
Executive:		
Department of education	$4,076,721.52	37.88
Department of the interior	1,418,522.53	13.18
Department of health	1,148,259.03	10.67
Insular police	826,192.93	7.68
Office of the treasurer	643,388.33	5.98
Office of the attorney general (including penal institutions)	435,811.14	4.06
Department of agriculture and labor	359,594.64	3.35
Insular telegraph and telephone	213,971.82	1.99
Office of the auditor	132,423.42	1.24
Other—		
Office of the governor	40,549.83	.37
Executive secretary	73,636.40	.68
Bureau of supplies	59,303.48	.55
Historical archives of Porto Rico	7,021.84	.06
Carnegie Library	20,102.90	.18
Government of Culebra	8,760.67	.08
Civil service commission	15,681.83	.14
Public service commission	27,050.66	.25
Translation bureau	22,515.99	.21
General miscellaneous	121,714.63	1.13
Total executive	9,651,223.59	89.68
Judicial:		
Insular courts	562,420.62	5.22
Registrars of property	88,646.60	.83
Legislative:		
Senate of Porto Rico	57,521.16	.53
House of representatives	62,932.40	.59
Board of elections	14,336.30	.13
Total exclusive of depreciation	10,437,110.67	96.98
Depreciation	324,628.69	3.02
Total operating expenses	10,761,739.36	100.00

How the taxpayer's money was used.—A clear view of how the taxpayer's money has been expended may be obtained from a graphic presentation of the uses to which the revenue dollar was devoted by a chart prepared by the auditor with accompanying data.



The revenue dollar and how it was used

	Amount	Per cent of total
Operating expenses of executive branches	$9, 651, 223. 59	75. 83
Operating expenses of judicial branches	651, 067. 22	5. 12
Operating expenses of legislative branches	134, 819. 86	1. 06
Depreciation	324, 628. 69	2. 55
Total cost of operation	10, 761, 939. 36	84. 56
Transfers of property	469, 973. 72	3. 69
Interest on indebtedness	239, 040. 00	1. 88
Other direct charges to income:		
Expenses of previous years	171, 985. 39	1. 35
Property losses	219, 651. 26	1. 73
Accounts payable to bureau of supplies	86, 129. 76	. 68
Miscellaneous	6, 075. 01	. 04
Total	11, 954, 594. 50	93. 93
Surplus for fiscal year 1926–27	772, 368. 16	6. 07
Grand total	12, 726, 962. 66	100. 00

The budget.—The insular budget under the law in force during the year under review was prepared in advance for the ensuing biennial period. The budgets for the years ending June 30, 1926 and 1927, were passed by the legislature in regular session which convened in February, 1925. The estimate of revenue for these years was placed for each year at $10,500,000. The governor in submitting the budgets fixed the total amount of appropriations of each at $10,283,000, which was $217,000 below the estimated revenue. The legislature passed budgets of $10,790,000, or $290,000 above the estimated revenue. The governor reduced the budgets to $10,417,000 for the fiscal year 1925–26 and $10,451,000 for the year 1926–27, in order to bring them within the amount of the estimate.

The receipts for the year 1924–25 were but $8,532,000. In view of this fact the treasurer early during the fiscal year 1926 reduced his estimate for the biennial ending June 30, 1927, from $10,500,000 to $9,500,000. It was expected that the action taken by Congress in reducing the United States internal revenue schedules applicable to Porto Rico would reduce the revenue $400,000. It was also expected that customs duties would be reduced $200,000. It was also expected that the 4-cent tax on sugar would be removed, which would result in a further reduction of $400,000. The prevailing prices of sugar would result in a considerable reduction of income taxes.

The legislature met in special session near the close of the fiscal year 1926. A favorable change had meantime occurred; revenues increased; the customs dues increased instead of diminished, the legislature refused to repeal the sugar tax; they transferred $300,000 from the university tax to operating revenue and made several increases in tax rates. The close of the year 1925–26 showed a total revenue of $11,773,952. Under these circumstances no change was made in the budget, and the government operated during the year under review under the original budget of $10,451,000. All the demands on the budget have been fully met and a payment of approximately $1,000,000 made on the floating debt. The balance in the treasury at the close of the year amounted to $128,257.

Revenue and taxation.—In previous reports it has been explained that a concerted attack by some large corporations, partnerships, and individual taxpayers against the revenue laws of the island was commenced several years ago and has continued since. It was for some years impossible to collect all the taxes levied because of injunctions issued by the courts prohibiting the collection of the revenue necessary to carry on the government. In fact, if all the taxes levied had been paid when due, there would have been no floating debt.

Congress relieved the situation by giving Porto Rico the benefit of the law in force in the United States by which the courts are prohibited from issuing injunctions preventing the collection of the taxes necessary to carry on the government. This law was made applicable to Porto Rico and prevents the further issuance of such injunctions by the United States district court. The Legislature of Porto Rico also passed an act prohibiting the insular courts from issuing such injunctions.

In the meantime the insular authorities vigorously contested the multitude of cases pending in all the courts, with the result that in the lower courts nearly all such cases were decided in favor of the

insular government, sustaining its taxing laws, and the larger part of the injunctions then pending were dismissed. Some still are pending in the United States circuit court of appeals and in the United States Supreme Court, but it is expected that final decisions in such cases will soon be made. If favorable, and the decisions of the lower courts are affirmed, a large amount of taxes now tied up by these appeals will be available.

The Legislature of Porto Rico has also relieved the situation by legislation increasing the revenue, which is sufficient now to pay all the expenses of the government, with an annual surplus to apply to the extinction of our floating debt no matter what the decisions of the courts may be.

Last year approximately $1,000,000 was paid and during the year under review a like amount has been paid, so that the debt has been reduced now to about $3,000,000.

The conduct of the legislature and administrative officers of the government of Porto Rico during this trying period is deserving of the highest praise. The legislature has not acted with resentment against the corporations and contesting taxpayers. It has increased the revenue necessary to secure the certain payment of the floating debt and to carry on the operations of government, but it has done so conservatively and along defensible lines. The taxes are still so low as to make complaint unjustifiable. But the present revenue system should be and will be revised as soon as the floating debt is paid. What was expected and what is still desired is a general revision of the entire system of taxation, with adjustment of its burdens as may be most easily borne and with reasonable certainty that the revenue will meet legitimate demands.

The insular debt.—The insular bonded debt at the close of the year 1925–26 was $22,954,000. A new bond issue of $525,000 was made during the year to carry on the work of the Isabela irrigation system now under construction. It is the fourth issue of the amount estimated to complete the work, $3,225,000, which was duly authorized by the acts of 1919 and 1923. This new issue will bring the work near completion.

Payments were made during the year on outstanding bonded indebtedness as follows:

On account of road loan of 1907	$30,000
Public-improvement loan, 1916	101,000
Public-improvement loan, 1918	145,000
Guayama irrigation loan, 1909	150,000
San Juan Harbor loan, 1917	20,000
Refunding bonds, 1914	20,000
Refunding bonds, 1915	18,000
Refunding bonds, 1916	30,000
Total	514,000

The net increase on account of these transactions was $11,000, so that the present bonded debt of the island is $22,965,000.

At the close of the year under review there was available in the treasury of Porto Rico the sum of $1,662,603, as a sinking fund, which is accumulating each year for the payment of the outstanding bonds of the insular government. This brings the net indebtedness of the island to $21,302,397.

It is provided by the organic act, which contains what in the States would be the constitutional restrictions of the island, that "no public indebtedness of Porto Rico * * * shall be authorized or allowed in excess of 10 per centum of the aggregate tax valuation of its property." The present tax valuation of the island is $338,089,889, and 10 per cent of that valuation is $33,808,988. The net debt-incurring power of Porto Rico at present in so far as the outstanding bonded debt of the island is concerned is therefore $12,506,592. There is a floating debt of about $3,000,000, which, however, is being paid out of the current revenue at the rate of about $1,000,000 per year.

No default in the payment of either principal or interest has ever been made by Porto Rico. Bonds not due are purchased whenever advantageously offered. As showing the high value Porto Rico bonds are held in the market, the new Isabela irrigation bond issue sold in New York, April 14, 1927, at 108.226, or at a premium of $43,186. The amount was $525,000, and the rate of interest 4½ per cent.

In general it may be stated that about $8,000,000 of the bonded debt of Porto Rico is for general public improvements, such as the capitol building; an insane asylum; a penitentiary; a leper asylum; a girls' reform school; hospitals and school buildings. About $7,000,000 has been expended on permanent public roads and bridges. About $8,000,000 has been expended for irrigation works and harbor improvements. The bonds issued for the construction of irrigation works and harbor improvements are not a burden on the island as a whole, for the irrigation debt, principal and interest, is paid by a tax levied only on the lands receiving the benefits of the irrigation, and the harbor improvement bonds are entirely met by harbor dues which more than pay in full the principal and interest of the debt.

Municipalities.—An important work has been accomplished during the year by the assistance and intervention of the auditor regarding the budgets and general financial management of the municipalities of the island.

Difficulties have been experienced both in the formation of the municipal budgets and the collection of the municipal revenue and in its expenditure. A determined effort was made by the insular auditor to so reform the procedure and regulations as to prevent the recurrence of such difficulties. To this end 75 current budgets and 59 supplementary budgets were examined and 64 current and 22 supplementary budgets were readjusted pursuant to the recommendations made by the insular department. This resulted in a reduction of $164,214 in estimated revenues and $15,862 in salaries. Deficits of previous years amounting to $228,123 in 17 municipalities were also covered. The total budgetary appropriations for the year amounted to $6,504,000, derived from general taxation, school, and special levies. A liquidation of all the municipalities of the island was made during the year. Cash deficiencies existed in 27 municipalities in the total amount of $514,826 and cash surpluses in 46 in the amount of $103,802. The deficiencies were due to the failure to collect the budgetary appropriations before the close of the year. In school funds the deficits amounted to only $5,825, while the surpluses amounted to $163,842.

The total revenues received by all the municipalities during the year amounted to $7,688,000. The cash balance on hand at the com-

mencement of the fiscal year was $8,175,700; total resources, $15,863,700. The total disbursements during the year amounted to $8,656,000, leaving a cash balance in favor of the municipalities June 30, 1927, of $7,207,000.

Loans were contracted by the municipalities during the year amounting to $415,043. Of this amount $143,000 was for advances to meet current expenditures, to be repaid within the year; $67,000 was to cover current deficiencies and $204,000 was for public improvements.

Under the regulations now existing all ordinances pertaining to the finances of municipalities must be submitted for approval to the executive council, which consists of the governor and the heads of the executive departments of the insular government. All such ordinances are submitted to the auditor for report. During the year 84 loan ordinances were studied and reported upon; also 214 ordinances calling for transfers in appropriations; also many ordinances levying special taxes and local imposts.

Municipal loans were authorized to the amount of $2,585,000. This was a material reduction from the previous year, by reason of the fact that the municipalities had already carried out their programs of public improvement; because loans were not approved unless found fully justified after careful examination by the auditor and the executive council; and also because the reduction of the limit of municipal indebtedness made by recent congressional action from 10 to 5 per cent prevented the smaller and poorer municipalities from contracting further indebtedness, even when otherwise fully justified.

The present total outstanding debts of the municipalities is $20,888,000, which is a reduction of $81,000 over the amount of the previous year.

Banking.—No law regulating banking was in operation in Porto Rico until September 10, 1923, when a comprehensive law was passed, under which proper government supervision, investigation, and reports have since been made. The law has operated to the satisfaction generally of the banks, the public, and the government. The management has been conservative, and increasingly beneficial to the people. Security to depositors is assured by periodical examinations by the government officials, and confidence in the solvency of the banks is generally manifested.

Progress has been made in accord with the increasing business and commercial importance of the island. The aggregate capital, surplus, and undivided profits for the last four years under the operation of the law of 1923 is shown by the following table:

Aggregate capital, surplus, and undivided profits of the banks of Porto Rico have been as follows: 1924, $8,064,000; 1925, $7,996,000; 1926, $9,543,000; 1927, $10,313,000.

One new bank, the United Porto Rican Bank of Caguas, with a paid-in capital of $500,000 and a surplus fund of $50,000, was opened June 28, 1927. Three new branches were opened; at Bayamón, by the American Colonial Bank; at Mayaguez, by the Crédito y Ahorro Ponceño; and at Caguas, by the National City Bank of New York. Three small banks are in liquidation.

The number of banks doing business in the island at the close of the fiscal year were 17 with 33 branches.

The total amount of deposits in checking accounts was $16,059,000, and the number of depositors was 27,250. Deposits in saving accounts, not including municipal deposits, was $12,235,000, and the number of depositors was 46,169. The amount of cash, not including foreign coin, was $3,760,000. The amount of loans totaled $48,020,000.

Board of review and equalization.—The assessed value of the real and personal property for purposes of taxation for 1924–25 was $316,771,000; for 1925–26, it was $321,833,000; and for 1926–27 it was $341,271,000, of which $3,181,000 is now pending on appeal before the board of review and equalization. Reassessments required by law proceed slowly and now cover but 8 of the 75 municipalities of the island. Complaints as to a raise in valuation may be made to the treasurer, who may grant a correction or reconsideration, and appeals may be taken to the board of review and equalization.

The board has been very active and efficient in the performance of its duties during the year. It held 89 day meetings and 23 night meetings, or 112 altogether, of which 79 were devoted to hearings regarding property taxes, and 33 to income-tax appeals. The total number of property appeals decided was 20,769. The result of these hearings as to the assessment of corporations was a reduction in the assessed valuation from $53,088,000 to $49,775,000, a reduction of $3,313,000, or over 6 per cent. The reductions made on the assessed valuations of individuals and partnerships was from $49,633,000 to $45,799,000, a reduction of $3,834,000, or nearly 8 per cent.

The hearings on income tax assessments on corporations resulted in reductions of $297,714, or over 29 per cent; on partnerships of $16,656, or 13 per cent; and on individuals of $78,462, or 36 per cent.

As a result of the tropical storm of July, 1926, a reassessment was made by the board to make reductions in accordance with the injuries received in the storm districts. As a result of hearings reductions were made in the amount of $2,860,512.

AGRICULTURE

The steady increase in the amount and value of products exported from Porto Rico to the United States and foreign countries during recent years indicates the progress of agriculture in the island. The total values of products exported were, in 1923, $82,000,000; 1924, $88,000,000; 1925, $94,000,000; 1926, $98,000,000; 1927, $108,000,000.

This shows the continued improvement in agricultural conditions, notwithstanding that situations develop from time to time which are discouraging. Porto Rico is an agricultural and not as yet an industrial country, and that the insular government is doing everything possible within its resources is abundantly shown. It has established a department of agriculture whose head, assistants, and experts are acknowledged all over the world as the leading authorities on tropical agriculture.

As an instance of what has been done in Porto Rico under the stimulus and leadership of the department and its experiment station this example may be given: From 1915 to 1924 the 10 years' average production of sugar in Porto Rico was 440,000 tons. Without material increase of acreage, and as a consequence of varietal selection, resulting from experimentation which brought about a reduction in

the ravages of the mosaic disease and an increase in the sugar content of the cane, the amount of sugar produced in 1925 increased in one year to 660,000 tons; followed in 1926 with 603,000 tons; and in 1927 with 629,000 tons. This was an average for the last three years of 630,000 tons, or an increase of nearly 50 per cent in the yearly production.

An increase in the average production of sugar from a yearly average of about 400,000 tons to a yearly average of about 600,000 tons has rightly been characterized as a "revolution" in sugar production. It has no parallel in the history of the world's sugar production. This yearly increase, even at the low prices of sugar now prevailing, means an increase in the value of the product of nearly $20,000,000 to the producers.

The production of the other main agricultural products of Porto Rico has not increased in the ratio of sugar, and they are subject to more variation as well as deleterious influences. Notwithstanding this fact the output of tobacco last year was the largest ever produced in the island. The amount of cigarettes produced seems to remain about uniform, while the amount of leaf tobacco exported last year, and the amount received was greater than ever before. The amount of coffee exported last year and the amount received was the greatest realized for the last five years. Fruit exports last year were the largest and greatest in value ever received.

Sugar.—In general, the sugar situation has shown a marked improvement for the year under review. The crop produced amounted to 629,129 tons, as compared with 603,187 tons produced the preceding year. The value of the sugar exported also increased from $48,201,000 to $54,347,000. Sugar reached the lowest price last year since 1914, averaging 4.17 cents per pound. This year the average price increased to 4.75 cents per pound.

The year's experience has demonstrated the value of "varietal" selection. The old varieties have been substituted by new varieties, the worth of which has been tested and recommended by the department, with the result that disease-resisting varieties and those with a higher sugar content were used in most of the producing centrals. As a test the result of a comparison of the new with the old is shown in three centrals for a five-year period from 1921 to 1925, where the average production on 12,900 acres was 41,326 tons of sugar; the crop of 1926, produced on 12,968 acres 54,509 tons; and the crop of 1927 produced on 13,446 acres 71,177 tons. The varietal improvement yielded an increase of over 70 per cent in production.

Rainfall is a very important factor in crop production. In these last years, however, the varietal factor has been most influential. The rainfall in 1925 and 1926 was practically the same for both years, and the increase from 603,000 tons in 1925–26 to 629,000 tons in 1926–27 was attributable to the varietal factor.

The work of cane improvement is by no means finished in the department. It is now working on the problem of increasing the sugar content on disease-resisting canes, and in still further improving by varietal tests the canes grown in the island. Several hundreds of varieties from all parts of the sugar-growing world have been already tested in the government experiment station and in centrals under government supervision, and this work will still be con-

tinued. There can not be much increase in the acreage profitable for sugar growing in Porto Rico, but increases can still be made by varietal selection and by improved methods of production.

Tobacco.—The total value of tobacco, cigars, and cigarettes exported during the year under review was $24,860,000. During the previous year it was $21,176,000, while two years ago it was $17,-038,000. The principal increase was in the export of leaf tobacco, the value of cigars and cigarettes exported declining from $7,000,000 to $4,000,000. This reduction was due to disastrous strikes which occurred during the year in the factories of the island.

The normal tobacco crop of Porto Rico has been about 25,000,000 pounds. This amount seemed to answer the usual trade demands. The crop of 1924 was about 29,000,000 pounds, was of rather poor quality and sold at an average of 20.5 cents per pound. The crop of 1925 was about 23,000,000 pounds, was of superior quality and sold at an average of 30 cents, some lots selling for 35 cents. The 1926 crop was about 35,000,000 pounds, was of excellent quality and sold at an average price of 39 cents, some lots selling for 45 cents. This year there was an extraordinary demand.

The high prices received in 1925 and 1926 stimulated the growers to excessive activity in preparing for the crop of 1927. Little attention was given to market conditions, to facilities for curing and warehousing, or to the advice of experts. The growers were warned that under no circumstances should the total amount placed on the market exceed 30,000,000 pounds. The normal area planted had been about 45,000 acres. Instead, 85,000 acres were planted. The tobacco barns were but slightly increased in capacity. The season was wet and laborers could not be obtained to harvest properly and care for the crop. The quality was consequently below the average and the amount produced more than doubled the advised market requirements.

As a consequence the average price paid was about 22 cents, although some lots sold for 30 and 32 cents. An unfortunate element in the situation is the fact that earlier in the season the principal growers were offered and refused 30 cents for their entire product. The result is most unfortunate, for many growers will not realize any profit from the year's work. All of which demonstrates the wisdom of the department's policy, which has been constantly emphasized, that quality and not quantity should be the main purpose, and that a large crop of poor quality is an injury rather than a benefit to the producers. An excessive production, creating a large surplus, and a poor quality of the product inevitably result in low prices. However serious may be the experience of the year, its lesson will not be lost if more restraint and better preparation follow in the years to come.

A strong cooperative movement among tobacco growers has been successfully inaugurated during the year. Twelve cooperative associations have been incorporated in the most important tobacco-growing sections of the island. This movement is largely the result of the extension of the activities of the Federal intermediate credit bank and has the support and assistance of both the Federal and insular authorities. This movement which has developed so rapidly in a year's time has aroused the opposition of numerous tobacco

buyers, who consider it a serious interference with their activities, as they have hitherto had almost exclusive opportunity to influence the price and secure the product. Nevertheless, it seems certain that the organization of the producers into associations will better enable them to understand conditions and more profitably market their product.

The activities of the department are largely devoted to better selection of tobacco varieties, to the establishment of a limited number of standard varieties, to advise and supply better seeds and plants, to devise better methods of cultivation, to secure adequate and better constructed warehouses, and to advise and assist in marketing the product. The department is confident that progress will be made on these lines in the growing of tobacco "quite parallel to the work which the insular experiment station has done for sugar cane in the island."

Coffee.—Coffee is one of the four principal products of Porto Rico. Indeed, from one standpoint it might well be considered as the greatest agricultural interest of the island, for more persons are engaged in the production of coffee than of any other product.

The total production, as indicated by our exports, was, in 1922–23, 14,837,000 pounds; in 1923–24 it increased to 21,859,000 pounds; in 1924–25 to 23,781,000 pounds; and in 1925–26 to 26,330,000 pounds. The money value of the product increased from $2,780,000 in 1922–23 to $7,082,000 in 1925–26.

With this continuous record of progress it might well be expected that the year 1926–27 would show a like increase in growth. But a most calamitous misfortune prevented. A tropical storm occurred during July of last year which proved greatly destructive to the coffee crop in most sections of the island. It was estimated that 40 per cent of a promising crop was destroyed by the storm. As a result the amount exported during the year fell to 18,961,000 pounds and the receipts declined to $5,626,000.

Very little Porto Rican coffee is sold or consumed in the United States; Germany takes 25 per cent, Cuba 24 per cent, Spain 20 per cent, Italy 11 per cent, the Netherlands 7 per cent, France 3 per cent, and Sweden 2 per cent.

The coffee production of Porto Rico averages about 185 pounds per acre. In the best region of Colombia the average production is 810 pounds per acre; in Guatemala 800 pounds; in Santo Domingo sometimes 600 pounds per acre is produced.

The commissioner of agriculture, who has visited other coffee-producing lands and who has made most careful investigation and studies of the subject, concludes that what we need in Porto Rico to better coffee conditions is to secure intensive cultivation and culture of our coffee groves. For the most part, the plantations are left to take care of themselves, and attention is given them by the owners in many cases only at picking time. It is certain that our coffee is of a very superior quality, and it is the opinion of Commissioner Chardon that the annual product can be increased many times by proper attention and care. On a little patch of coffee trees in Rio Piedras of about a quarter of an acre in extent from 250 to 300 pounds of coffee is grown every year by careful cultivation, mulching, and pruning.

A series of conferences was held during the year at some of the towns in the coffee districts, which were largely attended. A propaganda in favor of intensive coffee cultivation has been started, and 138 practical demonstrations in fertilization, pruning, seed beds, and cultivation have already been given by officers of the department.

Fruits.—While the exportation of fresh fruits suffered a decline during the year, that of canned fruit materially increased. Conditions combined to injuriously affect the market for fresh fruit. The Florida crop, which is expected to be off the market by March, continued until May. The Porto Rican crop of grapefruit was thereby reduced probably 100,000 boxes. However, 80 per cent of this unsold output was canned by the eight Porto Rico canning factories, which operated during the whole period from December to May. The rainy winter and spring months injured the pineapple industry. For this reason a considerable portion of the crop was imperfectly ripened.

Difficulties in marketing citron have been overcome and a large increase of this very profitable product is expected. Considerable quantities of guava preparations have been exported and the demand exceeds the supply. The agricultural department has developed a very superior variety, which is now being propagated and distributed. Several thousands of gallons of orange juice and hundreds of gallons of grapefruit juice have been canned and shipped. The shipments are largely experimental and the results are awaited with interest. About 22,000,000 coconuts were exported during the year and the prices have been high. The demand seems fairly equable, and as coconuts can be successfully grown on the sandy lands near the sea, where nothing else can be profitably grown, the industry seems certain of continued success. The increase in amount and value of the market gardening of vegetables has been considerable, and increased returns encourage further extension. Strawberries are now being successfully grown in several parts of the island. All minor fruits, including oranges, lemons, limes, and others indigenous to Porto Rico, continue to be successfully grown in favorable locations.

Insular experiment station.—The work of the station has been greatly extended by means of a series of cooperative experiments on sugar cane with various centrals. Extensive tests with cane varieties have been instituted in six substations. Work is in progress to develop a variety that will be mosaic resisting and at the same time will have an increased sugar content. A number of cooperative fertilizer experiments are in progress at four large centrals.

Experiments are in progress with fertilizing and pruning coffee trees at various coffee plantations.

Successful work with tobacco diseases and in tobacco breeding is reported from the station. The director reports that never before in the history of the station has its work been conducted so efficiently or covering so wide a range. It is deeply to be regretted that the director, Mr. López Domínguez, has resigned to accept a position in Peru at a largely increased salary.

Forestry.—The work of the department has been successfully prosecuted throughout the year. The number of trees distributed was 678,659. There was a large increase of forest planting on insular

forest lands; 110,454 were set out during the year. Projects for the establishment of two subnurseries are under consideration.

LABOR

During the year a larger number of persons were employed in the sugar industry than ever before. Living quarters were improved in 10 centrals. The grinding period was also longer than usual. All these conditions were helpful to labor. In the fruit-producing region labor is well paid and the laborer is usually provided with a good house and a garden of his own. In the coffee plantations the wages paid are low, but the tenant laborer living on the plantation is provided with a house and garden. There was a large increase during the year in tobacco plantings, but though more laborers were employed and in some cases satisfactory wages were paid, the economic conditions were not good.

About 40,000 persons are employed in embroidery and drawn work, but wages are low, except in the manufacture of men's clothing.

There are 440 establishments of all sizes manufacturing cigars, scattered among 71 municipalities of the island. In spite of many strikes the workers are reported as in the same condition as last year. The same may be said of conditions in the tobacco-stripping plants, where 5,000 women are employed.

The most serious strike of recent years was that of the employees of the Porto Rican American Tobacco Co., where several thousand cigar makers struck for higher wages and better living conditions. Every effort to settle the differences proved unavailing. The department of labor acted with the mediation and conciliation commission to bring about an agreement, but without success, and the strike lasted many months. When finally settled the workers received a small increase of wages, but both the company and the workers lost tens of thousands of dollars in a useless and stubborn contest that ought to have been settled in 10 days.

During the year about 1,000 persons emigrated to the State of Arizona at the instance of the Cotton Growers' Association. Some disappointment was shown, but more than 75 per cent of those who went are to-day working there under favorable conditions. About 8,000 Porto Ricans emigrated to other parts of the United States during the year. Some emigration also occurred to the Dominican Republic. Labor shortages were reported from Fajardo and the tobacco districts during the year.

WORKMEN'S RELIEF COMMISSION

The history of the commission has been a varied one, with obstacle after obstacle to overcome. Since its creation in 1916 the law has been amended many times. In its various forms it has been almost constantly attacked in the courts, but has usually been sustained. In its compulsory feature, and in its application to agricultural laborers, it has met with the almost continuous opposition of the corporations and the larger individual employers of labor.

Finally, under the operation of the law of 1925 it seemed that the principal obstacles had been overcome. During the fiscal year

1925–26 the number of cases pending had been considerably reduced, the income increased over $100,000, the reorganization of the commission had greatly increased the efficiency of the work, and a general improvement was manifested. This continued until a calamity occurred which seriously hampered the operation of the commission.

November 12, 1926, a fire occurred in the building occupied by the commission which destroyed all the records and files of the commission.

With commendable courage the commission at once began the work of rehabilitation. Another building was secured and the work of reconstruction was at once begun. Notices were given that unsettled claims must be again filed; the records of physicians of attendance on cases; the records of investigations filed in other places; the records of employers of unsettled claims; duplicate files of payments in the auditor's and treasurer's offices, and in other ways available the records of unsettled claims were reestablished.

Claims came in by the hundreds daily. In a short time the commission was able to reconstruct 11,500 claims. To these were added 8,890 resulting from accidents which occurred during the period from November 12, 1926, when the fire occurred, to June 30, 1927, making a total of 20,400 cases for disposition. Of these 19,940 were for transitory disability, 693 for permanent partial disability, and 217 were death cases. Of these 9,195 cases were liquidated up to the close of the fiscal year.

The number of employers insured in the fund at the close of the year was 15,210. A large number of employers have not yet been brought under the operation of the law. A special effort is being made to secure all whose laborers ought to be thus insured.

The total cash receipts of the year were $641,000. The total expenditures were $633,000. Total cash balance in the treasury, $8,000. The principal items of expenditures were as follows:

Compensation	$238,000
Medicines	29,000
Hospitals	115,000
Medical attendance	88,000
Miscellaneous	10,000
Administration	134,000

The amount pending collection was $486,000. Of this amount it is probable that $226,000 only is collectible.

MEDIATION AND CONCILIATION COMMISSION

The mediation and conciliation commission was organized in 1919, but subsequent legislation was required to make its work effective. At present the commission is composed of a chairman and two members representing employers and two members representing laborers.

In the review of the year's work filed by its chairman it is stated that the volume of work has been greater than ever before. In the 43 disputes that arose during the year the commission intervened in 38. Of these 36 were satisfactorily settled. Four were settled without intervention, and the result in the other cases was not reported. Altogether about 11,000 workers were involved in these disputes.

Most of these disputes, in many cases amounting to a strike, were between the tobacco workers and their employers. The demands

made by the workers were for the most part increased wages and improved working conditions. Usually these disputes were settled amicably and without great delay upon the intervention of the commission and mutual conferences between the parties.

The most notable exception to this was the strike of the cigarmakers working for the Porto Rico American Tobacco Co. This company operated shops in six towns of the island, and as a result of the strike 2,275 of their workers left their employment. The strike commenced in the town of Utuado July 28, 1926, the workers leaving the shop because of a refusal to reemploy some workers who had been discharged. It spread to all the other towns where this company had shops. The demands increased from time to time, the principal ones being to allow readers in the shops, recognition of shop committees, increased wages, and prevention of boycotts.

Every effort was made to settle the strike by the commission, the governor, the merchants, and city officials, but without avail for months. Finally, in March, 1927, the Federal Department of Labor sent down as commissioners Mr. Moffitt and Mr. Liller, who joined with the local commission in a new effort to settle the strike. Seventeen meetings were held, and finally, March 17, 1927, a settlement and agreement was effected by which the workers went back to work. An increase of $1 per thousand was made, an arrangement for hearings of grievances agreed upon, arbitration of future differences arranged, and readings in the shops left to future agreement.

The work of the commission has demonstrated its practical usefulness, and during the last year it has been particularly effective.

EDUCATION

In the publicly supported schools of all grades under the department of education there were employed 4,483 teachers, of whom 1,331 were men and 3,152 women; 3,501 were white and 982 colored; 178 were from the United States and 4,305 from Porto Rico.

The total enrollment in all the public schools was 213,321. Of this number, 1,371 were enrolled in needlework classes, 122,354 in the rural schools, 82,399 in the elementary urban schools, 7,055 in the secondary urban schools, and 142 in the industrial school in San Juan. In addition to the persons enrolled in public schools, 6,489 attended private schools.

The average number enrolled was 191,153, and the average daily attendance was 182,927. Eighty per cent of the average daily attendance resulted in promotions. Grade diplomas were issued to 4,818 pupils, and high school to 1,040.

There were 46 supervisors and 35 assistant supervisors engaged in the work of district supervision. Visits were made to 14,719 urban schools, and 18,982 to rural schools.

The legal school year consists of 10 school months of 20 days each. Deducting legal holidays, there are 192 school days in each year.

There are 2,184 different buildings used for schools, with 4,454 schoolrooms. Of the buildings, 991 are the property of Porto Rico and 1,193 are rented. The number of buildings in cities and towns is 428, and there are 1,756 in rural districts. The character ranges from old buildings, worth only two or three hundred dollars, to

beautiful modern reinforced concrete structures, costing thousands of dollars. During the year 29 new school sites were acquired at a cost of $10,590; 86 new school buildings were completed at a cost of $394,615; alterations were made at a cost of $53,722; new equipment was purchased at a cost of $47,861. The total capital outlay for the year was $506,790.

The total expenditure for current expenses for the year was $4,265,000. In addition the municipalities disbursed $1,662,000 from their own school funds, thus making the total expenditures for the year from all sources $5,928,000.

The per capita expenditure by the department was $18.28 for each pupil enrolled; for the municipalities, $3.58; being a total cost of $21.86 per pupil enrolled. The per capita expenditure for elementary education was $20.42. The per capita for high-school education was $63.93 per pupil enrolled.

Agriculture was taught in 2,280 classrooms, and 1,819 home gardens were cultivated through the efforts of the schools. There were 122 school fairs held. There are at present 2,300 parents' associations organized, and 1,324 public meetings were held during the year. Teachers and supervisors made 142,500 visits to parents' homes, and 1,261 rural conferences were held. There were held 14 rural teachers' institutes, with the cooperation of the insular departments of agriculture and health, for special instruction in agriculture and health methods.

As a result of the summer school held under the auspices of the University of Porto Rico, 327 licenses were granted to teachers.

Because of lack of funds and of schoolrooms, double enrollment in the first and second grades was necessary. It is hoped that the arrangement will not long be necessary and that it will not greatly affect the general efficiency of the work.

The amount expended for school lunches during the year was $109,000. The estimated average cost is but 5 cents per meal, which means that 2,184,000 meals were served, or an average of about 11,000 per day.

The total number of members enrolled in the Porto Rico chapter of the Junior Red Cross during the year was 148,876. The receipts were $17,149, the expenditures $13,468, leaving a balance on hand of $3,680.

Seventeen high schools were maintained by the department during the year. In addition, a high school was maintained by the University of Porto Rico, and one at Comerio was maintained jointly by the department and the municipality. There were also 32 continuation schools, or part-time high schools, maintained during the year. The number of teachers in the high and continuation schools was 369, and the number of pupils was 7,055.

In urban centers there are 428 schools, with 2,203 classrooms and an enrollment of 82,399 pupils. There are also maintained by the insular department of health the boys' charity school and the girls' charity school, with 20 teachers and 678 pupils; under the department of justice the reform school, with 4 teachers and 246 pupils. There are also 38 private schools, with 321 teachers and 6,489 pupils. The university high school has 8 teachers and 334 pupils.

The number of elementary-school teachers employed by the department was 1,725, of which 1,638 were Porto Ricans and 87 continental

Americans. The Porto Ricans teach all grades. The teachers from the United States generally teach English in the higher grades only. The course of study covers eight years. Children are admitted at 6 years of age, and are graduated at 14, when a common-school diploma is given those who have covered the course. The lowest salary paid teachers is $700 for the first year, with an increase of $50 per annum up to $900. Teachers of English from the United States receive $1,125 and travel allowance.

The rural schools.—The rural schools receive especial attention, as the larger part of the population is rural. During the year 64 new buildings and four additions, with a total number of 126 schoolrooms were built, making a total of 706 buildings and 1,034 rooms in the rural zone. Besides, the area of floor space in rented buildings has been considerably enlarged. Great improvement in equipment has also been made during the year. The consolidation of rural schools has been effected whenever practicable. As a result the number of 2, 3, 4, 5, 6, 7, and 8 room buildings has been increased.

It is the purpose of the department to extend as far as possible the same educational advantages to the pupils of the rural schools as is enjoyed by the urban pupils, in so far as the eight elementary grades are concerned. To that end distinct progress is being made. During the year 187 eighth-grade diplomas were issued to rural pupils.

Considerable advancement in health education was made in the rural schools during the year. A new course of study was prepared, based upon actual needs in Porto Rico. During the year the department of health and the department of agriculture cooperated with the department of education in an especial campaign of enlightenment in health and agricultural matters in the rural sections. Twelve institutes were held in different parts of the island, which were attended by all the rural teachers. Each institute lasted six days, three of which were devoted to health and sanitation and three to agriculture and labor. The departments sent their best men to lecture and demonstrate the major facts and methods on all important topics connected with each subject. Panoramic views were shown, and great interest was manifested not only by the teachers but by the people. Everything was done to contribute to the success of the work. The results were even more satisfactory than was expected. The living conditions in the rural regions have been improved thereby, and the importance of improvement in this direction is realized and is being put into practice. The teachers were not only receptive but enthusiastic in the determination to better conditions in their respective districts.

All the grades of the rural schools teach agriculture. The teaching is both theoretical and practical. Textbooks on nature study, agriculture, and farm science are used, and practical work includes gardening, tree and flower planting, and the inspection of farm work on the demonstration farms and on private plantations. Seven special teachers of agriculture are assigned, one each to the supervisory districts, whose duty it is to visit the rural schools, encourage the teachers and pupils and give practical demonstrations. The general supervisors and assistant supervisors also assist in the work. The three days given in each of the 12 institutes to the special considera-

tion of agriculture were stimulating and in every way beneficial. Great interest was manifested, and good results are expected. It is expected that the organization of boys' and girls' clubs will follow, and the beneficial results thereby be greatly extended.

The great value of the vegetable garden as a source of food production is being everywhere emphasized in the schools, and by all insular influences and activities. Preparation of the soil, the planting of seeds, the cultivation of the plants is taught. A remarkable variety of the most valuable food vegetables can be grown successfully in Porto Rico. Among the vegetables already produced by the school children are cabbages, peppers, lettuce, eggplants, tomatoes, radishes, turnips, carrots, beets, Swiss chard, beans, peas, cowpeas, potatoes, sweet potatoes, yams, yuca, yautia, and onions. The production and value of corn, rice, banana, plantain, cotton, together with special study of the main crops of the island, sugar, tobacco, coffee, and fruits were taught in the rural schools during the year under review.

High-school work.—The work in the high schools is being reorganized, with reduction of the theoretical and increase in practical courses. A two-year course in agriculture has been introduced; courses in public health, social civics, history of Porto Rico, vocational guidance, are already arranged, and others are in contemplation.

The problem of the teaching of English is of increasing difficulty. With the increased demand for competent teachers is found a decreased supply. The wages paid for teachers from the United States are not sufficient to secure enough competent teachers of English to fill the requirements; and the great difficulty of fully preparing the native teachers to teach English is fully realized.

Private schools.—There are at present 38 private accredited schools in Porto Rico, with a total enrollment of 6,489 students. All of these schools accept the requirements and standards fixed by the commissioner of education for public schools. They are inspected by officers of the department. Eleven of these schools offer high-school work. Common-school diplomas were granted to 299 students during the year, and 97 high-school diplomas.

Physical education.—Physical training is introduced into all the grades in both the elementary and high schools. Grades first to fourth have marching, motion singing, rhythmic exercises, dramatic exercises, folk dancing, both indoor and outdoor games. Grades fifth, sixth, seventh, and eighth have marching, stunts on apparatus and on the floor, setting-up exercises, Walter Camp's daily dozen, folk dancing, outdoor games, and athletics. In the high schools general athletics, volley ball, basket ball, baseball, feature plays, and dancing are practiced. Children's playgrounds have increased in number, and a model school of physical training has been established in San Juan, where teachers from all parts of the island attend to witness the kind and type of work expected.

Track meets and field meets are held and much interest manifested. Contests between schools and towns are held for basket ball, volley ball, and baseball matches. Athletic associations are being organized and athletic reports published daily in the press.

Manual arts.—Manual arts is a compulsory subject in the eighth and ninth grades. Two hours each day are allotted to this subject.

Elective courses are offered to the students of the junior and senior classes. Mechanical and architectural drawing, woodwork, the use of tools, cabinet making, and wood turning are taught. Concrete work and machine management are also taught.

During the year 73 teachers were employed and there were 3,417 pupils enrolled.

Home economics.—New courses of study were instituted during the year in the schools, making some important changes and additions. Vocational home economics courses were given in the fifth, sixth, seventh, and eighth grades. Elementary home economics work progressed as in former years with satisfactory results. In the high-school work the courses were made self-sustaining by a cover charge to guests when meals were served, by food sales, by tea-room proceeds, and other like activities. Two new elective courses, "Porto Rican foods" and "The graduate's wardrobe," proved very successful. In the former course the students were taught to prepare many native dishes, emphasis being placed on those of greatest food value. The aim of "The graduate's wardrobe" course is to equalize and keep the garments for graduation within the family income.

Advanced training in the high-school courses is given in the selection and making the students' own clothing. Instruction is given in economic and appropriate selection of different styles of dress for different occasions.

In the home economic clubs plays, movies, food sales, rug sales, and tea-room service have enabled the pupils to secure money to buy books for the libraries, refrigerators, silver sets, and many other needed accessories.

In the general classes 4,486 and in the vocational courses 1,371 were enrolled. Eighty-nine teachers were engaged in this work.

Illiteracy.—As a result of the special campaign against illiteracy 2,484 adults were taught to read and write during the last school year. The people and the teaching force of the department worked together with a spirit of cooperation and self-sacrifice which deserves recognition and praise. Each town where the work was begun adopted its own plan and selected a board or boards to put it into execution. Forty-two municipalities have so far organized to carry on the work. Night schools were opened in both the urban and rural zones, enrolling altogether 4,269 pupils. Money was secured and the teachers taught in the night schools, sometimes without charge and sometimes for wages ranging from $10 to $25 per month. The number of those who worked gratuitously exceeded the number of those who were paid.

In some districts the teachers were requested to teach one, two, or as many as five illiterates. In one district 264 illiterates learned to read and write from the personal instruction of 32 teachers. In one instance a municipality paid the entire expense of one school; in another, two; in another, the mayor paid one teacher. Donations from private persons were numerous. The parents' associations, the Red Cross, and other associations rendered valuable aid.

In two municipalities the high-school students opened, taught, and supported night schools for illiterates.

Illiteracy has been reduced in Porto Rico during about a quarter of a century from a percentage of 83 to below 40 at the present time.

With this work continued among adult illiterates, and the continued increase in numbers of those who have regular school privileges, the percentage of illiteracy in Porto Rico will soon be as low as it is in some of the States of the Union.

UNIVERSITY OF PORTO RICO

The report of the university for the year made by the chancellor, Dr. Thomas E. Benner, contains a most interesting account of the origin, development, and growth of the university, too extensive to be here included.

Important changes to coordinate and amplify the work of the university which were made effective during the year under review include—

1. The opening of a college of business administration, cooperating with the college of business administration of Boston University.
2. The opening of the school of tropical medicine, in cooperation with Columbia University.
3. The inauguration of evening extension courses.
4. The reorganization of the department of Spanish to form a stronger and broader department of Spanish studies in cooperation with the Centro de Estudios Históricos of Madrid, and the department of romance languages of Columbia University.
5. The reorganization of the freshman and sophomore years into a coordinated junior college program.

During the year the following projects were completed, under way, or in preparation:

The Janer Building; Carlota Matienzo dormitory for women; residence for dean at Mayaguez; Santiago Veve Glorieta for women; Rafael Fabian Glorieta for men; clubhouse and dormitory for faculty members; approach to university buildings; lighting of campus.

During the year there was employed for the first time a secretary of information charged with the duty of furnishing regularly to the press of the island reports of the various activities of the university. The university was fortunate in securing the services of Mrs. Muna Lee de Muñoz Marín in that position, and daily reports are appearing in the press of the island. The secretary of information is also supplying material of interest to the North American press.

There were enrolled in all the departments of the university 2,850 students. The faculty members numbered 151. The funds available were $622,618; the total expenditures, $585,945; cash balance on hand at the close of the year, $36,675.

PUBLIC LIBRARY

The Carnegie Library located in San Juan is supported by the insular government. Its management is in the hands of a board of trustees. The library follows in a general way the activities of similar public libraries in the United States, except that here the library must be almost a double one, the policy being to equalize as nearly as possible the accessions in both the English and Spanish languages.

The number of accessions during the year was 3,661 volumes, the larger number this year being in the Spanish language. The books

are carefully selected from approved lists and cover the general fields of fiction, history, biography, travel, philosophy, general science, psychology, essays, geography, poetry, etc. Those books in greatest demand are duplicated, and works of reference on all lines are as nearly as possible kept up to date. The children's collection and reading room is constantly used and greatly appreciated.

The traveling library department and the parcel-post service are increasingly used and the demand exceeds the supply. Most of the important magazines and many of the leading newspapers are kept on file in the reading room. They represent the United States, South America, Spain, France, Italy, Cuba, Santo Domingo, and other countries. There are at present 169 titles, and the number is constantly increasing.

The average number of daily visitors during the year was 254. The number of borrowers on the registration book was 8,840. The number sent through the mails was 3,345.

Never was the efficiency of the management better than at present, and never was public appreciation greater. The greatest need of the library is better financial support. This would make possible a much-needed extension of the library's activities and a corresponding increase of its beneficent influence.

HEALTH AND SANITATION

The activities of the department of health have been especially important and notable during the fiscal year under review. A most important feature of the work has been the organization of municipal health units. These units are modeled after the most approved modern methods of health supervision and administration, and their establishment lays the foundation and will complete the organization of all the public-health work throughout the island. In this plan each municipality is to unite its work with that of the insular government which will bring about a cooperation that will prevent duplication and coordinate all health and sanitary activities. A main feature is the centralized control in which both rural and urban zones are included and the inspection and education of all the schools secured. Two units have been already successfully established, and the efficacy of the work and the satisfactory results obtained are very promising. It is expected that the system will be extended to all parts of the island.

Attention has been especially directed during the year to health education through the medium of the public schools. In cooperation with the departments of education and agriculture an extensive campaign was begun for the education of the teachers in matters pertaining to health and sanitation as affecting the rural sections and their agricultural interests, and through the teachers thus instructed and stimulated to reach the pupils in the schools and their parents. Twelve institutes were held in different sections in order to cover the rural zone and to accommodate about 200 teachers at each meeting. The meetings lasted six days, three of which were devoted to health and sanitation and three to agriculture and labor. Especial attention was devoted to personal care and home conditions, so that the pupils would understand the essentials necessary to remove deficiencies and

prevent the acquirement of prevalent diseases. The most common diseases of the rural sections, such as uncinariasis (hookworm), malaria, diphtheria, tonsillitis, tuberculosis, and others were explained and preventive measures advised. Great care was taken to present the subjects in a clear and concise way, and the institutes were undoubtedly successful in the purpose which inspired them. Great interest was manifested by the teachers and full attendance was everywhere obtained.

The work of malaria control was especially important during the year. Important research results obtained will make future work more effective. The best methods of preventing the spread of the infection, especially in irrigated regions and in the lowlands devoted to cane production, were carefully studied. Both preventive measures and treatment were advised and supervised by representatives of the department in all the districts of the island subject to malaria.

The work of the extermination of the "hookworm" disease was continued during the year. There were 138,779 treatments administered and 20,792 latrines constructed.

The increase in the work of the biological laboratory of the department is shown by the fact that in the year 1921–22 only 7,666 specimens were examined, while during the year 1926–27, 50,745 were submitted and reported.

Activities of the chemical laboratory were largely devoted to tests of milk adulteration. In 1910–11 half of the milk examined was adulterated. As a result of the active work of the department, the percentage of adulteration has been reduced to 8 per cent. Milk dealers to the number of 1,055 have filed bonds for $152,000 in accordance with the requirements of the new law, and protection to the purchasers of milk is now on a par with the better regulated sections of the States. One of the outstanding developments of the year has been the construction of modern dairies everywhere in the island, conforming to the requirements of the best sanitary regulation. Many of them, particularly near San Juan, can be classed as models of their kind in any country.

Reports show that now there are 59 towns and cities which have approved water-supply systems and that 26 of them have also sewerage systems. Most of this work is a development of the last few years. Water-purification plants conforming to the most modern requirements have been or are being constructed in the most important towns of the island.

Four new important institutions under the control of this department will soon be ready for occupancy, viz, the new insane hospital, the preventorium for children, the Ponce District Hospital and the San Juan District Hospital; also the new building for the institute for the blind.

With the exception of malaria there has been a decrease during the year of all epidemic diseases. Of typhoid fever 684 cases were reported; malaria, 8,397 cases; tuberculosis, 4,694; uncinariasis, 22,132; infantile tetanus, 335; measles, 183; diphtheria, 496; leprosy, 14. The number of vaccinations against smallpox was 53,200; diphtheria, 12,976; typhoid, 5,600. There are now 57 patients in the new leper hospital.

At the close of the year there were 19,689 patients in the public dispensaries throughout the island. The number of expectant mothers treated was 2,020; the number of children, 4,572; public clinics held 1,491; financial help rendered, $1,147; antituberculosis clinics held, 3,907; number of patients discharged as cured, 905; number of consultations held at dispensaries, 13,328; number of home visits made, 16,807; special visits, 15,752; school visits, 94.

The number of patients remaining in the tuberculosis sanitarium at the close of the year was 206.

During the year examinations of plans of buildings requiring sanitary approval were made; 4,194 plans were approved and 1,077 rejected; total examined 5,278.

Five hundred and twenty-six thousand two hundred and thirty visits of inspection of houses were made and 291 houses were closed. Criminal proceedings were begun in 8,365 cases, with 5,241 convictions.

During the year $989,186 was expended by the municipalities for charities and $249,608 for garbage disposal.

The number of cattle slaughtered for food was 48,920; number of hogs, 38,513; number of goats, 5,781.

The number of patients in the insane asylum at the close of the year was 521; number of males, 246; females, 275.

The Insular Boys' Charity School had 396 inmates at the close of the year. The Insular School for Girls had 300. Their ages were from 7 to 18 years. Of the 382 enrolled in the boys' school, 265 were promoted. Of the 302 enrolled in the girls' school, 261 were promoted. In the boys' school the percentage of promotion was 69. In the girls' school it was 86.

There were 95 patients in the blind asylum at Ponce at the close of the year. In the institute for blind children at San Juan there were 14 patients. Fourteen were discharged during the year.

The number of births registered during the year was 58,390, a decrease of 2,905 over the preceding year. Of the total number of births 40,392, or 75.7 per cent, were white, and 12,998, or 24.3 per cent, were colored. There were 27,560 male births and 25,830 female births.

A total of 19,796 persons were married during the year, or 9,898 marriages. This is a decrease of persons married of 1,552 as compared with the previous year, and 776 fewer marriages are recorded.

The number of deaths registered was 33,562, an increase of 1,218 deaths over the preceding year. The mortality rate is at present 23.3 per 1,000 population. The increases in the number of deaths are from diarrhea and enteritis, under 2 years, of 499, and of the same over 2 years 358; of tuberculosis, 434; and of malaria, 348. These are the principal diseases which show an increase of mortality for the year. The number of deaths of children under 5 years of age was 15,388, or nearly one-half of the deaths of all ages and from all causes which occurred during the year.

The largest number of deaths from tuberculosis which occurred in the island during the year were: San Juan, 429; Ponce, 300; Mayaguez, 256; Rio Piedras, 186; Caguas, 181; Arecibo, 159. No deaths occurred at Maricao and Culebra. The highest number of deaths from this cause for every 100,000 of population was: Rio

Piedras, 662; Mayaguez, 585; San Juan, 455; Aguadilla, 441. As a general rule, the highest in altitude were the lowest in mortality from this cause.

INSULAR BOARD OF HEALTH

The board is composed of seven members. It is an advisory and regulatory body in matters pertaining to the public health. It prescribes sanitary rules and regulations for the prevention and suppression of contagious and epidemic diseases. It acts as an auxiliary to the insular department of health, and its orders, when approved by the executive council, have the effect of laws.

During the year under review the board held 12 regular and 8 special meetings. Consultations were also held with the commissioner of health and other officials. Regulations are being made for the preparation and sale of certified and Pasteurized milk. The regulations regarding the processes and sale of bread are being newly considered. Other regulations are being issued from time to time after careful investigation and consideration. New orders and modifications of orders are being issued from time to time as occasion requires.

BOARD OF MEDICAL EXAMINERS

This board was created in 1903. It is at present composed of seven physicians who must have had at least five years of actual practice in Porto Rico. It holds examinations and is authorized to issue licenses for the practice of medicine and surgery, optometry, osteopathy, midwifery, nursing, and minor surgery. No one can practice in the island without an examination before the board, and candidates must submit to the board a diploma from a class A medical college or university. The board is authorized to establish reciprocal exemption from examination with States of the Union whose boards require the highest degree of professional training. Under this arrangement during the year under review the board recommended 14 applications from Porto Ricans for licenses to practice in the State of New York.

Examinations were held at stated periods during the year. The board, in conjunction with the commissioner of health, made an inspection of the hospitals and clinics in the island which had requested recognition to enable them to maintain schools for nurses. As a result 10 such institutions were authorized to conduct such schools.

At the examinations for certificates to practice which commenced September 7, 1926, there were admitted 10 physicians, 1 optometer, 6 minor surgeons, and 22 nurses.

At the March, 1927, examination there were admitted 4 physicians, 12 nurses, and 4 minor surgeons.

BOARD OF PHARMACY

In accordance with law, the board held examinations for admission to practice in January, 1927. Fourteen candidates were examined, of whom nine passed.

In June, 1927, another examination was held. Seven candidates applied, of whom four passed.

Some amendments to the law were recommended by the board and were passed by the legislature.

Requests were made from graduates of the school of pharmacy of the university that they be admitted to practice without examination by the board. This was refused, whereupon the students sought to compel the board to issue such licenses. Upon trial in court the action of the board was sustained.

DEPARTMENT OF THE INTERIOR

The activities of the department of the interior are many and important. It is the duty of the commissioner to superintend all works of a public nature and to have charge of all public buildings, grounds, and lands, except those belonging to the United States. In this department has been placed the following bureaus, divisions, and services: Public works, public buildings, municipal works, public lands, the archives, harbors and docks, insular telegraph and telephone, disbursements and accounts, automobiles and trucks, irrigation, hydrographic survey, and hydroelectric plants.

Public roads and bridges.—During the year under review 50.6 kilometers of insular roads and 57 kilometers of municipal roads were surveyed. Nineteen kilometers of projects were prepared, bids received, contracts awarded, and construction work begun during the year. Projects are ready for bids for 33.8 kilometers.

Owing to abnormal weather conditions, the fiscal year ending June 30, 1927, was the most disadvantageous for road-construction work experienced in the last decade. Approximately 50 per cent of the work done during the year was by the government forces instead of by contract. Notwithstanding the obstacles during the year, 91.65 kilometers of macadamized roads were finished and 21 new bridges were completed with a total length of 721 meters. The department also had charge of the reconstruction and repair work occasioned by the storms and floods of July and September, 1926. The cost of this work amounted to $284,000.

In addition to this amount the sum of $900,000 was appropriated for the construction and maintenance of roads and bridges. The tax on gasoline, which amounted to $186,000, was also expended exclusively in asphalt work. The total length of roads asphalted up to June 30, 1927, was 640.60 kilometers. The number of road menders employed was 555, and their salaries amounted to $194,000.

The amount expended during the year for road extension was $991,000. The total amount expended to June 30, 1927, was $11,525,000.

Public buildings.—The total amount expended during the year 1926–27 for public works other than roads and bridges, under the supervision of the department, executed either by contract or administration, was $1,360,000. Much of the work done was of great importance to the island. The construction of the new capitol building was carried on during the year and at its close the exterior was practically completed and work has been started on the interior. The work will be continued, and it is hoped that the next regular

meeting of the legislature, which meets in February, 1928, may be held within the building.

The work on the new asylum for the insane is nearing completion. This will fill a great need, as these unfortunates are now confined under deplorable conditions in an old building which is insufficient and entirely unfitted for the purpose, and many are of necessity confined in the jails of the island.

The work of constructing the new penitentiary is progressing satisfactorily, and when complete will prevent the continuation of present conditions, which require many inmates to be kept outside the present quarters because of insufficient room.

Two new buildings have been added to the university group, but the demand for more room to accommodate the influx of new students is greater than ever.

The school of tropical medicine was completed during the year, and the school is now in full and successful operation. The building, which is of Spanish type, is regarded as a notable addition to the architecture of the island.

Other important buildings, including the children's building at the insular tubercular sanatorium, the district hospital at Ponce, the district courthouse at Guayama, were completed or were near completion during the year.

The department of the interior also has charge of the maintenance and repairs of all insular public buildings in the island. During the year $50,000 was expended for that purpose, which was insufficient for the requirements.

Municipal works.—All public works of the municipalities which are carried on with funds derived from loans authorized by the executive council are under the control and supervision of the commissioner of the interior. This is one of the most important divisions of the department.

During the year plans have been prepared for 52 projects for the municipalities, requiring expenditures to the amount of $726,000. The division has also prepared projects for waterworks and sewerage systems for the penitentiary, insane asylum, and tubercular sanatorium; a waterworks system for the university; urbanization of reclaimed lands at Puerta de Tierra; electric lighting for the Miramar-La Marina Road; waterworks and drainage for the Munoz Rivera Park.

The construction work on projects contracted in previous years and completed during the year under review, work contracted and terminated within the year, work under construction, and work executed by administration during the year amounted to $1,120,000.

Public lands and archives.—The department has charge of the survey, care, and leasing of the lands belonging to the people of Porto Rico and keeps a record of all buildings and lands, showing area, value, description, etc.

Parts of these buildings and lands were transferred by Spain to the United States and by the United States to the insular government, to be held and disposed of for the use and benefit of the people of Porto Rico. Parts were otherwise obtained by legal proceedings, purchase, or transfer.

The old archives of the Spanish Government, containing documents of great importance, are also under the control of this department. The total area of surveyed lands is about 6,000 acres. Twenty farms located on government lands were leased to private parties during the year. Total rentals amounted to about $11,000.

The department is engaged in the survey of all lands belonging to the insular government, and will continue the work until completed.

Telegraph and telephone.—The Government owns and operates both telegraph and telephone lines. The lines were greatly injured by the July storm which swept the island. Notwithstanding the injury and interruption of service, the volume of business increased during the year. Radio service is being added and extended. New buildings are being built by the municipalities, and it is expected that in the near future offices will be housed in new and convenient buildings in all the principal towns of the island. New lines are being added and new instruments secured. The cash receipts from the service amounted to $172,000. The total expenditures were $216,000, creating a deficit of $25,000.

Irrigation.—The island of Porto Rico is about 100 miles in length from east to west, and with an average width of about 36 miles. It contains about 3,600 square miles. The general configuration is a mountainous interior with low-lying coastal plains. The mountain ranges run mainly east and west, and rise in some instances to an altitude of 4,000 feet.

The larger portion of the island lying north of the mountain ranges has for the most part an abundant rainfall. The southern portion has an insufficient rainfall; and while it has a fertile soil, profitable cultivation requires irrigation. The problem of successful irrigation has been solved by impounding the water from the abundant rainfall on the northern slopes and by tunneling through the hills conveying the needed water to the southern plains.

The irrigation service was commenced in 1909 by the legislature authorizing a bond issue of $3,000,000. Another issue was made in 1911 of $1,000,000, and another in 1914 of $1,700,000 extending the service. The total for the southern coast was $5,700,000. In 1919 another bond issue was authorized of $3,000,000 for the purpose of irrigating a portion of the western coast region. Interest and the final payment of the bonds is carried by the lands benefited.

The total cost of original construction and later extensions is $6,275,000. Annual amortization payments have been made to the amount of $2,100,000. Total interest paid, $3,179,000.

During the year under review the eastern portion of the southern irrigation district suffered from an intense drought during the latter half of the year. While other portions of the island reported heavy rainfall and floods, in this section the total rainfall for four months was only about 4 inches, while the normal rainfall of those months is about 12 inches. During the year water deliveries were made proportioned to the supply available and varied at different periods. The total deficit amounted to 5,136 acre-feet, but it was later all made up to the planters.

Hydroelectric system.—A hydroelectric system for the production of power and light is conducted in connection with the irrigation service. For example, the water from the Carite Reservoir, which has a high elevation, is first conveyed to a power plant where electric

energy is generated, and then to a second power plant lower down, using the same water. Soon a third power plant will be added, and the water will then be carried to the canals and laterals for irrigation. This method will be extended wherever conditions will permit. The power generated is sold to the towns for power and light at very low cost and is also sold to the planters to supply deficiencies in the water furnished for irrigation by pumping.

This combination of public utilities has been doubly useful, both to the people in giving them cheap power and light and added service, and to the government it has furnished additional funds for the maintenance of operation and for further development and improvements.

During the year a new transmission line was constructed in conjunction with the Ponce steam plant for the mutual strengthening of both systems. The plan is successful and mutually beneficial.

The combined production of the hydrogenerating plants was 14,679,000 kilowatt-hours. This was an increase of 959,000 kilowatt-hours over the production of the previous year.

The total revenue from the sale of this energy and power service was $296,000 and is $19,000 more than the receipts of the previous year.

Extensions, improvements, and repairs were made during the year amounting to $174,000.

New projects have been surveyed and estimates of the cost made. Work has already begun on the Toro Negro project, which when completed will provide for the storage and distribution of the headwaters of the Toro Negro, Dona Juana, Matrullas, and Prieto Rivers. The diversion of these regulated waters through the Toro Negro tunnel to the south side of the insular divide will provide a static head of 1,650 feet available for the development of 6,000 horsepower. The waters of the generating power will also be available for irrigation. This is a very important development and will be of great value to the people of the southern part of the island.

Further surveys and investigations have been made and several other projects have been found practicable. All requirements for irrigation and power have not yet been met, and future activities will be undertaken where the demand is greatest and as means are available.

The Isabela irrigation project was begun in March, 1924, and is being prosecuted as rapidly as is consistent with economy of construction. It is a work of magnitude and importance. Over 398,000 cubic meters of rock and earth have already been placed on the dam, which now nears completion. The spillway channel also nears completion. The diversion canal is practically finished. The distribution system is under construction. There are about 1,000 landholdings covering over 8,000 acres in the district to be irrigated, and the canals and laterals to provide for a distribution of the waters is a large and important work. The construction of the hydroelectric system is well under way. All heavy construction work will be soon completed but the completion of the entire system will yet require some time.

Harbor board.—The total income derived from all harbors during the fiscal year was $78,000, which was an increase of $4,627 over the previous year.

The total number of ships which entered and cleared the ports of Porto Rico was 2,922, aggregating a total tonnage of 8,153,000; an increase in the number of vessels of 152.

The San Juan Harbor Board has general control of the San Juan Harbor and the collection of all wharf and harbor dues. The total receipts amounted to $50,000, an increase over the previous year of $4,000. The trust fund for the payment of the interest of the loan at the close of the year was $52,000. A payment of $20,000 and interest was made during the year on the bonded indebtedness.

Homestead commission.—During the year under review the commission held 17 meetings. During the year it made donations of money and lands to aid in the construction of new school buildings; also of 817 square meters of land for the new nursery building erected by the antituberculosis league, and for various other welfare projects. New workingmen's settlements were established at Arecibo, Yauco, Barceloneta, Bayamon, Rio Grande, Comerio, and Yabucoa. Distributions of seeds, plants, and trees were made to numerous farmers. Transfers of leases of houses and lots were made in the workingmen's settlement at San Juan in 63 cases. Another piece of land extending the settlement is in contemplation. The construction of a park in the settlement has begun. Numerous plans for the construction of new cement and a few frame houses have been approved. The average monthly collection of rentals during the year was $4,587 and the total was $55,000. Repairs expended amounted to $11,000. Forty lots for homes were granted.

The commission is active in the improvement of the agricultural farms under its supervision. Rentals for the year amounted to $8,907. New small farms created numbered 184. Work was done on 756 farms. The number of acres is 10,196. The assessed value is $114,000.

The balance on hand at the commencement of the year was $88,000; income, $64,000; expenses, $63,000. Balance on hand at the close of the year, $91,000.

Motor vehicles.—Various amendments to the laws affecting motor vehicles designed to increase the revenues accruing to the government increased the receipts 50 per cent over former returns. Changes were made affecting the use of trucks on the highways and to prevent the use of overloaded automobiles are found of great value to the people.

Porto Rico has kept pace with the general increase in the use of automobiles. The public passenger service throughout the interior of the island is carried on by large "busses" and licensed cars. Trucks of all classes and sizes distribute freight to every town. Automobiles, from the most expensive to the cheapest sold, traverse our splendid roads. To-day it may truly be said that motor-vehicle traffic and service is indispensable in Porto Rico and contributes largely to the progress and development of the island. With our present road system Porto Rico is an ideal place for the motor-loving tourist. Nowhere else can be found such a delightful climate in winter or such a superior system of highways reaching every town and scenic attraction of the island.

The number of automobiles registered during the year was 15,614, an increase of over 1,000 over the preceding year; and the licenses

collected amounted to $365,000. In addition 200 motor cycles were registered, with licenses amounting to $881. Licenses were issued to 23 business firms engaged in the business, with license fees of $2,590. Duplicate license fees to the amount of $804; transfers, $4,260; plates, $215, were received. Applications for chauffeur licenses amounted to $20,000, while licenses granted amounted to $15,000. Duplicates were issued to the amount of $1,065. Apprentice licenses were issued to the amount of $9,314. License fees were received from private cars engaged in carrying passengers to the amount of $23,000. The total amount received amounted to $422,000.

This service is not only self-sustaining but contributes materially to the revenues of the government.

PUBLIC SERVICE COMMISSION

All grants of franchises, rights, privileges, and concessions of a public or quasi-public nature are made by the public service commission. Formerly the commission consisted of nine members, which was found unsatisfactory from an administrative standpoint. March 4, 1927, Congress amended the law so that the commission at present consists of three members. All franchises granted must be approved by the governor and reported to Congress.

The present head of the commission is Miguel A. Muñoz, formerly judge of the District Court of San Juan, and the new members appointed are Filipo L. de Hostos and Ricardo N. Rivera.

When qualified, the new commission found 60 cases pending. Most of these cases have already been disposed of, and a large amount of new applications were since filed, many of which have been also disposed of. The work of the commission is very important, frequently involving large interests. It has been already demonstrated that both with regard to efficiency and satisfactory service the new form of the commission is proving superior to the old.

DEPARTMENT OF JUSTICE

The work of the department of justice and by the judges and officers of the courts throughout the island in the administration of justice has been of continued efficiency, resulting in a most commendable record during the year under review.

In the office of the attorney general 134 opinions were rendered addressed to the governor, the heads of departments, municipal officers, and other governmental agencies. In addition, 68 titles of property desired for school or irrigation purposes were examined and passed upon. Bonds to the number of 279 were examined and passed upon; 152 violations of internal revenue and excise tax laws were prosecuted; 125 declarations of heirship were filed; 46 indemnity bonds for lost checks were approved; 30 circular letters addressed to officers and employees of the department of justice were issued, and over 3,000 letters written.

Four hundred and eighty-two bonds were examined and passed upon of persons licensed to sell or distribute milk. Bonds for public officers to the number of 187 were also examined and passed upon.

The law regarding registration of lands required the examination of 516 titles of lands, and a large number of oppositions were filed on behalf of the people of Porto Rico.

At the close of the preceding fiscal year there were 439 civil suits pending in which the people of Porto Rico was either a party or was interested. During the year under review 89 new cases were filed, making a total of 528 cases to be handled by the office of the attorney general. During the year the office tried and disposed of 267 cases. Of these, 237 cases were decided in favor of the people of Porto Rico, and but 30 cases were decided against the government. Of these, only 19 were defensible. The office has made the record during the year of winning 93 per cent of its civil cases. A most remarkable record.

Many important cases are now pending in the Supreme Court of the United States, in the United States Circuit Court of Appeals, and in the Supreme and District Courts of Porto Rico. Decisions in most of these cases may be expected during the latter part of the current year.

It is a notable achievement in legislation to have obtained during the year from both the Congress of the United States and from the Legislature of Porto Rico laws forbidding the United States Court of Porto Rico and the insular courts from hereafter issuing injunctions preventing the government of Porto Rico from collecting its taxes levied by law. This places Porto Rico in harmony with the laws of the States in that respect.

Important criminal cases were tried and determined during the year. In the case of the people against Arocho and Clemente a prosecution for a most brutal murder was carried through all the courts, resulting in the conviction and execution of the defendants. In a like case against Canales the defendant was convicted and sentenced to be hung, but the governor commuted the sentence to imprisonment for life.

Supreme court.—In the Supreme Court of Porto Rico at the close of the preceding year there were pending undetermined 278 cases. During the fiscal year under review 844 new cases were filed, making a total of 1,122 cases for consideration. During the year 820 cases were decided. Of these, 413 were criminal cases, 284 were civil, 46 were administrative appeals, and 77 cases of original jurisdiction. On June 30, 1927, 81 criminal cases and 215 civil cases were pending. During the year 178 more cases were docketed than during the preceding year and 175 more cases were decided.

District courts.—The work of the district courts during the year is also notable and creditable. At the close of the previous year there were pending 7,538 cases. During the year under review 6,509 more cases were filed, making a total of 14,047 cases. As the result of the year's work 5,647 cases were decided. From these decisions only 364 appeals were taken. In 93 per cent of the cases tried there was no appeal.

Of criminal cases, 1,015 felonies were filed for trial. Of these, 776 were disposed of, and of these, 552 were convictions and 95 were acquittals. Sixty-four were appealed.

There were 3,131 misdemeanors before the district courts during the year; 2,752 were tried and 2,042 convicted; 493 were acquitted and 123 appealed.

The number of felonies presented during the year under review was 89 less than the preceding year, and the number of misdemeanors was 51 less.

During the year there were 125 cases of homicide tried, of which 91 were convictions and 34 acquittals. The total number of jury trials held during the year was 351, and 425 cases were tried without a jury.

Municipal courts.—There were 36 municipal courts in Porto Rico. There were 11,746 cases presented to these courts for trial during the year. Of these, 6,356 were disposed of. There were 288 cases brought before the juvenile courts, in which 144 were found delinquent, 72 abandoned, and in 30 cases dismissals were ordered. Of the delinquents, 135 had never been to school, and the remainder ranged from first grade to first year of high school.

There are 56 justices of the peace in Porto Rico, and 9,650 cases were filed in their courts. Of these, 9,568 were disposed of, leaving but 72 cases pending at the close of the year. Of the 9,509 cases tried, 7,972 were convictions and 1,137 acquittals.

Registries of property.—There are 10 districts for the registration of titles to property in Porto Rico. The number of documents presented for registration during the year was 22,583. Of these, 20,780 were recorded. Of the number considered 18,617 were found correct, 1,623 had only remediable defects, and 540 were refused registration. As under the Porto Rican law the registers of property must pass upon the legality of the documents presented to them, the work accomplished deserves high commendation. Appeals lie from the decisions of the registers to the supreme court. Only 39 such appeals were taken during the year.

Penal institutions.—On June 30, 1927, the number of prisoners in the penitentiary and district jails was 2,117, and 236 were in the reform school. This was an increase of prisoners of about 6 per cent over the preceding year. The number committed for felonies was 772, and for misdemeanors 1,545.

Of the prison population 1,361 knew how to read and write, and of the remainder, nearly 1,000 were illiterate. Those committed for the first time were 1,551, 341 for the second, 149 for the third, and 312 from the fourth to the twentieth time. In all, there were 802 "repeaters."

One hundred thirty-seven inmates were under 16 years of age, 507 from 16 to 21 years, 483 from 21 to 25, 445 from 25 to 30, and 731 were over 30.

Reform school.—The number of boys at present in the insular reform school at Mayaguez is 236. The ages of the inmates run from 8 to 21 years. After they have attained the age of 18, and have obtained fully the benefits the school is expected to bestow, it is the policy to discharge them.

The teaching of agriculture, the trades of carpentry, shoemaking, and tailoring, and music in addition to the usual school studies is carried on from year to year. Great care is given to the health of the boys. Examinations are frequently held, and all preventive and curative measures taken to strengthen and develop them.

Penitentiary and district jails.—Of the 2,117 prisoners in the penitentiary and district jails, 2,106 are from Porto Rico and 11 from

other countries; 1,468 are single, 597 married, and 52 widowed; 1,304 are white, 607 mulatto, and 206 negro; 1,159 can read and write, 6 can read only, and 952 are wholly illiterate; 1,160 gave their occupation as day laborers, and 104 as farmers; 1,652 had employment, and 465 were idle; 1,579 were Catholics, 135 Protestants, 119 Spiritualists, and 284 were without creed.

There were 325 commitments for burglary; 306 for petit larceny; 290 for assault and battery; 200 for carrying concealed weapons; homicide, 194; murder, 173; and 865 for various other crimes.

The value of the property stolen was $197,511, and $127,754, or 65 per cent was recovered.

The night schools of the penitentiary and district jails had an enrollment of 1,315 prisoners, of whom 379 completed their courses during the year.

The prisoners working on the repair of roads and other public works under the direction of the department of the interior rendered 200,687 days' work during the year. The prisoners also rendered 68,029 working days to other departments of the government, for sanitation work, and the cleaning of buildings, and to municipalities of the island for cleaning and repairing streets. A total of 268,716 days' work was rendered during the year.

The total amount of compensation paid the convicts for such work was $21,808. Part of this money goes to the prisoners' families, part for personal expenses, and the remainder is kept as a saving fund which is paid to the prisoners when they are released.

Industrial teaching and practice in the shops and in the embroidery shop in the Arecibo jail for women has given good results.

The total expenditures of the penal institutions for the year amounted to $334,011. The saving to the government by work done by the prisoners on public works was $201,537, calculated on a basis of 75 cents per day. This amount deducted from the total expense leaves a balance of $132,474, or an approximate daily cost per prisoner of 16 cents.

Pardons.—During the fiscal year 1926–27, 393 petitions for pardon were received. Of this number 10 full pardons and 3 conditional pardons were favorably recommended, while 135 applications were reported unfavorably. In 11 cases no action was taken. Three paroles were favorably recommended and 57 adversely. Two commutations of sentence and two restorations of civil and political rights were favorably recommended, while 30 commutations and 3 petitions were reported unfavorably.

Six pardons were recommended without petition last New Year's eve. In recommending clemency in these cases the recommendations were made because of poor physical health, old age, and good conduct during long time served. On July 1, 1927, seven prisoners were selected for favorable recommendation. These were selected from those employed in the shops and in other skilled work who had served more than half their time, whose commitments were not for crimes showing utter moral depravity, were not "repeaters," had observed good conduct, and who had shown their ability to earn a livelihood if freed. The governor pardoned all of these. The effects on those prisoners remaining incarcerated, on those who were released, and on the public will be carefully considered.

The total expense of the department of justice for the year was $1,084,014. Appointments were made of a permanent character in 101 cases, and 81 temporary appointments were made.

CODE COMMISSION

The code commission of Porto Rico was created by an act of the insular legislature in 1923. Practically the work is now being carried on by Luis Muñoz Morales, technical director, and by Ramón Siaca Pacheco, secretary, and their assistants.

A detailed report of the progress of the work was made to the legislature which met in February, 1927. The method of procedure was approved and the work is now progressing toward completion. The Penal Code, the Code of Criminal Procedure, and the Code of Civil Procedure were all submitted and ordered printed. The Mortgage Code was also finished and ordered printed, but the director recommended certain modifications which seemed to meet with approval. Three acts were passed by the February legislature, modifying the Mortgage Code, which must be considered and incorporated. This will require further work by the commission. The Code of Commerce was completed and ordered printed. The Civil Code and the Administrative-Political Code are still in the hands of the commission, but will probably be ready to submit to the next regular session of the legislature.

Much work yet remains to be done, yet it will be seen that progress has been made in this very important service, and that its full completion is not far in the future.

OFFICE OF THE AUDITOR

By an act of Congress approved June 7, 1924, and amended March 4, 1927, the office of auditor of Porto Rico has been enlarged in its powers and scope of service. Under the law at present it is made the duty of the auditor to "examine, adjust, decide, audit, and settle all accounts and claims pertaining to the revenues and receipts from whatever source of the government of Porto Rico and of the municipal funds derived from bond issues; and he shall examine, audit, and settle, in accordance with law and administrative regulations, all expenditures of funds and property pertaining to or held in trust by the government of Porto Rico or the municipalities or dependencies thereof. He shall perform a like duty with respect to all government branches. * * * It shall be the duty of the auditor to bring to the attention of the proper administrative officer expenditures of funds or property which, in his opinion, are extravagant, excessive, unnecessary, or irregular."

These are very broad powers, and the report of the auditor shows that they are being exercised with great benefit to and acceptance by officials and the people.

Especially with regard to municipal management, budgeting, and indebtedness has the auditor been invaluable. During the year 64 current municipal budgets and 22 supplementary budgets were readjusted on the examination and recommendation of the auditor. Thus was effected a reduction of $164,214 in authorization for expenditures and of $15,862 in salaries. The total budgets of the 75 municipalities amounted to $6,504,000.

Municipal school funds on hand and collected during the year amounted to $1,061,466. The disbursements were $948,000. Cash balance at close of year $112,859. Total property taxes collected were $4,791,000. The consolidated cash balance of all the municipalities at the close of the year was $7,207,000. The total municipal indebtedness of all the municipalities was $20,888,000.

Several important amendments to accounting regulations were effected during the year. It is the practice, which seems to be regarded as a privilege, to take all financial difficulties which arise to the auditor for advice and adjustment. It is believed that never before were the municipalities so well and carefully managed and guarded as at the present time.

EXECUTIVE SECRETARY'S OFFICE

Legislation.—As provided by the organic act, the legislature met in regular session the second Monday in February; that is, on February 14, 1927. As the regular sessions have been limited to 60 days by the act of Congress approved March 4, 1927, the second regular session of the eleventh legislature of Porto Rico lasted until April 15, 1927. Forty-five laws and 46 joint resolutions were approved by the governor during this session. Two bills and 4 joint resolutions were returned to the legislature without the governor's approval, and 26 bills and 22 joint resolutions failed to become laws, as they were not signed by the governor within the period of 30 days after the adjournment of the legislature, as prescribed by the organic act.

Among the laws enacted during the regular session were the following: An act providing for the payment of taxes under protest; an act to regulate the practice of the professions of engineering, architecture, and surveying; an act regulating the practice of public accounting; a water power act; a new racing law; and an act to establish an industrial office in the United States for the promotion and the establishment of industries in Porto Rico. There were also approved laws amending the notarial law, the tobacco guaranty act, the law regulating the practice of the profession of law, the law defining injunctions, the act to prevent and aid in the settlement of strikes and lockouts, the civil service act, the act providing for contracts of advances for agricultural purposes and grinding of cane, and the act providing for the creation of a savings and loan fund for the employees of the insular government.

When the legislature adjourned sine die on April 15 there was a great deal of important legislation unfinished, due to the shortening of its sessions by the act of Congress referred to above. This necessitated the calling of a special session to finish such legislation as the budget, amendments to the revenue law, and others, which could not be considered during the regular session. A call was issued and the legislature met in special session on April 25. This session lasted until May 8, 1927.

Chief among the laws enacted during the special session are the following: An act to authorize and regulate boxing matches and exhibitions; an act to authorize the mortgaging of personal property; an act authorizing a $2,000,000 bond issue to continue the construction of roads and bridges; an act authorizing the sale of mangrove

swamp lands under certain conditions and laws amending the public service act; the inheritance tax law; the gasoline tax law; the law exempting new industries from the payment of taxes; the election and registration law; and the excise and income tax laws.

Twenty-two acts and 12 joint resolutions were approved by the governor during this special session and 4 failed to become laws, as they were not signed by the governor within the period of 30 days after the adjournment of the legislature, as prescribed by the organic act.

Corporations and associations.—Fifty-three domestic corporations were registered in the office of the executive secretary during the fiscal year 1926–27, or 18 more than the previous year. Their authorized capital stock amounted to $11,637,000. Their paid-in capital with which business was to be begun aggregated $608,510, as compared with only $180,430 for the year 1925–26. Of these corporations 12 were to engage in general mercantile operations, 12 were formed for agricultural and allied purposes, 10 intended to undertake manufacturing enterprises of some sort, 9 were transportation companies, and 10 were to devote themselves to miscellaneous other objects. The number of corporations of this kind dissolved during the year was 43. Some of these corporations ended their existence by voluntary proceedings, while others were dissolved by legislative action, owing to the impossibility of otherwise terminating their legal lives, although they had in fact ceased to exist.

Seventeen foreign corporations filed in the same office in the year 1926–27 the documents required by our local laws as a prerequisite to engaging in business in this island and were issued proper certificates of registration. This number is more than double the number which qualified for operations in Porto Rico during the corresponding previous period. These foreign corporations which began business here during the year just ended had an authorized capital stock totaling $36,612,000 and were, moreover, empowered to issue 3,907,600 shares of stock of no par value. Their paid-in capital stock aggregated $87,613,836.98. Ten of these corporations were for manufacturing purposes, 3 dealt with motion pictures, 3 were trading companies, and 1 devoted itself to agriculture. Thirteen foreign corporations withdrew from our territory during the year.

Certificates of registration were issued by the executive secretary to 29 domestic associations which had previously filed in his office the articles of incorporation required by the nonpecuniary associations act. Twelve of these associations were for social purposes, 8 for mutual aid, 3 religious, 3 educational, 1 literary, 1 charitable, and 1 fraternal. Twenty-seven associations of the sort were dissolved, some voluntarily and others by legislative action.

Only one bank was incorporated during the year under the banking law. It had an authorized capital stock of $500,000, all of which had been subscribed for. Another bank was also dissolved during the same period.

During the year just concluded eight cooperative associations not for pecuniary profit were formed in accordance with the provisions of the cooperative marketing act. Their authorized capital stock aggregated $800,000. All had as their purpose to look after the financing of the planting and cultivation of tobacco, as well as to process, store, manufacture, and sell it.

Three cooperative associations of production and consumption were dissolved during the year.

Passports.—During the fiscal year ending June 30, 1927, 477 passports were issued for the following countries, an increase of 63 over the previous year.

All countries	134	Jamaica	2
Venezuela	126	Panama	2
Spain	85	Brazil	1
Dominican Republic	25	Central America	1
Cuba	20	Guadaloupe	1
France	16	Haiti	1
Europe	12	Italy	1
Colombia	10	Martinique	1
South America	9	Peru	1
West Indies	6	Portugal	1
Curacao	5	St. Kitts	1
Costa Rica	4	Trinidad	1
England	4		
Mexico	4	Total	477
Canada	3		

The total number of persons covered by these 477 passports, amounted to 607.

Besides, the following extensions and amendments were made: Governor's passports, 37; departmental passports, 2; total, 39.

The amount of the fees collected on behalf of the state department was $4,284, as one passport was exempted from the Federal fee of $9, pursuant to rule 11 of the rules and regulations governing the issuance of passports.

The insular fees amounted to $476, as no insular fee was collected on the passport mentioned above.

Eight passports were denied during the year.

Trade-marks.—During the last fiscal year there were registered 257 domestic trade-marks, 97 United States letters patent, and 31 United States trade-marks.

The registration of domestic trade-marks shows an increase of 15 per cent, and that of United States letters patent an increase of 53 per cent, as compared with the previous fiscal year.

Two applications for registration of trade-marks were denied, one because the trade-mark was descriptive of the articles to which it was applied, and the other because it was similar or identical to another registered trade-mark.

Executive clemency.—During the fiscal year 1926–27 the governor received 307 petitions for clemency.

The following statement shows the number of petitions received and the action taken thereon:

Applications for clemency granted:	
Full pardons	12
Conditional pardons	12
Paroles	6
Sentences commuted	5
Civil rights restored	2
	37
Applications denied after investigation and consideration	222
Applications filed without consideration	24
Cases in which term expired during investigation and consideration	11
	294
Applications pending	13

Hunting licenses.—During the fiscal year which ended June 30, 1927, the executive secretary of Porto Rico issued 132 hunting licenses, canceling an equal number of $10 internal revenue stamps, amounting to $1,320.

Proclamations.—Formal proclamations were promulgated in the form of administrative bulletins as follows:

No. 293, August 16, 1926. Preparation of the budget.

No. 294, August 27, 1926. An executive order to facilitate the payment of outstanding accounts due from the various departments to the bureau of supplies, printing, and transportation.

No. 295, September 1, 1926. Labor Day, observation of, recommended.

No. 296, September 17, 1926. Sanitary Rules and Regulations No. 83. Rules and regulations governing the keeping of dogs, the suppression of stray animals, and prevention of rabies; amendments to section 2 of Sanitary Rules and Regulations No. 5 as amended by Sanitary Regulation No. 16; promulgated.

No. 297, November 8, 1926. Armistice day, commemoration of.

No. 298, November 22, 1926. Thanksgiving Day for 1926.

No. 299, April 5, 1927. Red Cross campaign.

No. 300, April 22, 1927. Extraordinary session of legislature convened.

No. 301, April 29, 1927. Extraordinary session of the legislature, amendment to call; specifying additional matters for the consideration of the legislature called to convene April 25, 1927, at 10 o'clock a. m.

No. 302, May 2, 1927. Extraordinary session of the legislature, amendment to call; specifying additional matters for the consideration of the legislature called to convene April 25, 1927, at 10 o'clock a. m.

No. 303, May 2, 1927. Boys' week.

Fees.—The fees collected in this office during the fiscal year amounted to $17,879.55, as follows:

Filing and registration fees, corporation papers	$7,774.20
Registration of domestic trade-marks	2,543.75
Registration of United States patents and trade-marks	640.00
Authentication of signatures and certified copies of documents	841.60
Passports:	
Federal fees	4,284.00
Insular fees	476.00
Hunting licenses	1,320.00
Total	17,879.55

Other miscellaneous work.—The following additional work was also performed during the fiscal year:

Forty-one new notaries public were authorized and 19 ceased to practice their profession in Porto Rico.

Thirteen ordinances adopted by the public service commission granting new franchises, or making amendments to or repealing those already in force, were thoroughly examined in this office and approved by the governor.

Two hundred and twenty-one commissions for municipal, judicial, and executive insular officers were prepared and forwarded, 101 of which were made in cases of recess appointments.

Six hundred and forty-two dispatches were sent by cable and 476 received, most of which had to be coded or decoded.

Six new foreign consular officers in Porto Rico were duly recognized by the state department in the last fiscal year and entered in the register kept for the purpose in this office: A consul of Belgium, with office at San Juan, for the districts of Arecibo, Bayamon, Guayama, Humacao, and Ponce; a vice consul of Denmark at Mayaguez; a vice consul of the Dominican Republic at Mayaguez; an honorary consul of Mexico for Guayama, Humacao, San Juan, and

United States possessions in the Antilles; a consul of the Netherlands at San Juan; and a consul general of Spain for Porto Rico and Vieques Islands.

Bureau of weights and measures.—The eight insular traveling inspectors made 30,419 visits to commercial and industrial establishments throughout the island and in 3,842 establishments they made a thorough inspection and test of the instruments in use. Every town in the island received at least one visit from its district inspector. The insular and municipal inspectors issued 17,033 certificates of inspection of apparatus during the year.

Two hundred and sixty-one thousand three hundred and ninety-five apparatus were inspected and tested during the year; 84.91 per cent of these were found correct; the year before this same percentage had been 83.18.

The average error per pound in the incorrect weights in use when tested by the inspectors was found to be 3.32 grams. The average error per pound when the bureau was first organized was found to be 8.18 grams.

During the year the bureau tested 216 large capacity platform scales used by the centrales for the purpose of weighing the sugar cane bought from their colonos. Out of this total number, 181 scales, or 83.8 per cent, were found correct, as against 75.7 the previous year. Out of a total number of 137 railroad cars or bull carts loaded with cane delivered by the colonos to the centrales and reweighed by the inspectors, 119 cars or carts were found to be correctly weighed, 4 were found with errors in favor of the colonos, and 14 had errors against the colonos.

The insular and municipal inspectors reweighed 593,504 packages of merchandise already sold or prepared for sale. These packages gave a total of 705,584 pounds, 11,929 quarts, and 5,035 yards. Of this total number of packages, 414,363 were found correct, this being equal to 69.82 per cent; this percentage had been 70.67 the year before. The percentage of light packages was 8.82.

The total number of cases taken to courts during the year by the inspectors and by the insular police, was 430 for violations of the weights and measures law and other legal dispositions related with the work. Three hundred and sixty convictions were obtained, or 83.07 per cent.

The two special inspectors assigned to the investigation and test of the electric, gas, and water meters visited nearly every town of the island during the year. They tested 1,258 electric meters, 1,149 having been found correct, or 91.3 per cent. They also tested 280 water meters, 216 of them having been found correct, or 77.1 per cent. Only four gas meters had to be tested during the year.

Supply committee and bureau of supplies, printing, and transportation.—The supply committee held 15 meetings in the fiscal year 1926–27, adopted 356 resolutions, and awarded 593 contracts, an increase of 190 over the preceding year.

The volume of business handled by the bureau of supplies, printing, and transportation during the year shows a considerable increase as compared with that of the previous year, due largely to intensified building activities of the Isabela irrigation service, the

Porto Rico irrigation service, and the University of Porto Rico, requiring the purchase of large quantities of materials, machinery, and equipment. The amount this year was $3,558,896.90, representing an increase of $324,347.16 over the preceding year.

There was paid for salaries and contingent expenses $62,133.71, so that the operating cost of the bureau this year is only 1.75 per cent.

Total purchases for the year amounted to $1,691,002.23. Of this amount $1,169,620.70 corresponds to purchases made from local merchants. As in previous years, it was necessary to purchase in the United States materials, textbooks, and machinery that could not be obtained locally or that were awarded under contract by the supply committee. Such purchases amounted during the year to $521,381.53.

Total sales for the year amounted to $1,791,810.77.

Improvement of facilities in the printing division is receiving special attention. An appropriation of $5,000 was secured from the last legislature for most urgently needed repairs to the buildings occupied by this division, and work will soon be started. This amount is not considered sufficient to make the repairs required to these buildings but it is expected that an additional appropriation of $5,000 will be secured during the next session of the legislature to complete the work. As soon as these repairs are made much needed additional machinery in the printing plant will be installed.

During the year work was performed by this division on 3,625 printing jobs. The bills introduced in the senate and house of representatives during the regular session of the legislature made 1,622 pages for the senate and 4,169 pages for the house of representatives, which were printed in English and Spanish, and those of the special session made 410 pages for the senate and 678 pages for the house in both languages. The laws passed in both sessions of the legislature were printed in English and Spanish and were delivered to the executive secretary considerably ahead of the time fixed by law for the purpose. Decisions of the supreme court in English and Spanish; governor's messages to the legislature; reports of the commissioners of health, agriculture and labor, education, interior, and attorney general to the Governor of Porto Rico; journals of the house of representatives and the senate; journals of the insular experiment station; monthly issues of reviews published by the departments of agriculture and labor, education and health, as well as the monthly bulletins of the United States Weather Bureau; the register of Porto Rico; the opinions of the attorney general, and a number of textbooks for the public schools were also printed by this division during the year.

The total output of the printing division during the year was $114,328.21 as against $104,016.49 during the previous year.

The automobiles in the service of the transportation division made 801 trips with a running of 182,542 kilometers, or 43 trips and 20,591 kilometers more than last year. The output of this division during the year was $20,372.27. The average cost per kilometer was 11 cents or 3 cents less than last year, due to lower cost of supplies and new automobiles.

Public automobiles were hired for only two trips, at a cost of $143.

The following table shows the assets and liabilities of the bureau of supplies, printing, and transportation as of June 30, 1927:

		Debit	Credit
ASSETS			
Property		$95,905.50	
Printing division	$71,509.77		
Transportation division	16,417.47		
Furniture and fixtures	7,271.15		
Equipment	707.11		
Building		1,858.76	
Funds		104,136.25	
Treasurer of Porto Rico	$104,129.51		
S. D. O., Washington D. C.	6.74		
Merchandise inventory		51,545.82	
Bureau stock (M. and S.)	$50,528.17		
Transportation stock	1,017.65		
Expenses inventory		2,079.16	
Unearned insurance premiums	$1,439.24		
Printing division expenses in suspense	639.92		
Accounts receivable		311,731.97	
Suspense accounts receivable		2,603.86	
Work in progress—printing		16,240.71	
Revised statutes and codes of Porto Rico		152.75	
Post office key deposit		.60	
Purchases in transit		28,413.69	
Manufacture of bread		24.20	
Bureau stock, gasoline in Ponce		29.12	
Bureau stock, gasoline in Guayama		28.60	
Adjustment account		58.73	
LIABILITIES			
Investment			$168,302.37
Appropriation			100,000.00
Loan			105,000.00
Porto Rico irrigation service	$75,000.00		
Department of health	30,000.00		
Audited vouchers and payrolls			172,078.41
United States accounts payable			54,647.12
Local accounts payable			212.95
Reserve for purchase and renewals			14,568 87
Printing division	$12,453.16		
Transportation division	2,115.71		
Total		614,809.72	614,809.72

INSULAR POLICE

Upon the insular police devolves the responsibility of policing the entire island, including the protection of life and property and the maintenance of peace and good order in a population of nearly a million and a half of people. There is no municipal or local police, and the administration of the force is centralized at police headquarters at San Juan. The rank and file are selected by competitive examinations and the officers are appointed and promoted upon the merit system. The organization at present consists of 798 officers and men.

The record of the fiscal year ending June 30, 1927, warrants the statement of the chief, Colonel Lewis, that the police have made "notable headway in suppressing crimes of violence and discouraging property theft and destruction" during the year.

The operating cost for the year was $827,889. For the previous year it was $824,458.

The total number of arrests made during the year was 69,638; a reduction of over a thousand from the preceding year.

The number of cases tried was 56,999, resulting in 47,305 convictions and 9,694 acquittals. Convictions were obtained in 83 per cent of all cases.

Arrests were made in 965 felonies, a reduction of 141 cases below the record of the previous year. Of the felonies tried 590, or 82 per cent, resulted in convictions.

The value of the property stolen during the year was $197,511. Of this, $127,754, or 65 per cent, was recovered.

Arrests in connection with the enforcement of the prohibition liquor law numbered 4,625, as compared with 3,903 the previous year. Over 2,000 stills were seized and 48,018 quarts of liquor. Of the 4,625 cases tried, 4,028 resulted in convictions. Over 2,000 arrests were made for carrying deadly weapons.

Two hundred and twenty-six persons committed suicide during the year and 157 attempts were made. The principal causes were mental derangement, sickness, business reverses, and marital affairs.

There were 3,221 automobile accidents during the year, an increase of 548 over last year. Other accidents recorded numbered 595, an increase of but 31 over last year.

Two hundred and ninety fires were reported, resulting in losses estimated at $738,951. The total insurance carried was $364,625.

In cases of suicides, accidents, and fires it is the duty of the police to attend promptly, to make an investigation and report, and where possible to render every help and protection needed.

It is also the duty of the police to assist the other departments of the government when requested. Investigations and reports are also made at the requests of the national departments at Washington and state and city authorities.

The detective bureau is an auxiliary of the police department. It numbers 29 officers and men. At its instigation 2,410 arrests were made, resulting in 1,832 convictions and only 235 acquittals. Losses and thefts reported amounted in value to $78,181, of which $53,342 was recovered.

An insular police commission consisting of three members is provided by law, whose duty it is to hear and determine charges against the members of the force and generally to assist in maintaining the efficiency and high standing of the rank and file. They serve without compensation and contribute greatly to the present high character and morale of the officers and men.

A relief fund is provided, from which $4,865 was paid during the year for medical, hospital, and funeral services. There is a balance on hand of $10,938.

A pension fund is also provided for physical disability and 25 years' service. There are at present 113 pensioners. The amount paid out during the year was $26,045. The balance on hand is $453.

NATIONAL GUARD

The adjutant general reports that the commissioned and enlisted personnel has greatly improved. The spirit of both the officers and men is everything that could be desired. To many it is an educational institution; it teaches civic pride, respect for law and order, and regard for the rights of others.

The strength of the guard at the close of the fiscal year under review was one regiment and one separate battalion of infantry, consisting of 65 officers, 1 warrant officer, and 1,405 men, making a total of 1,492 officers and men. To this should be added the staff corps and departments consisting of 6 officers and 22 men. This is a reduction from former allotments, which at one time reached a total of 2,014 officers and men. The reduction is caused by economies enforced from Washington.

During the month of August, 1926, the field encampment was held near San Juan. The weather was bad, but the spirit of the men was good. Almost constant rains interfered considerably with the usual work and drills. An admirable program was prepared, which was carried out as far as possible. The colonel and six other officers of the Sixty-fifth Regiment of the United States Army were on duty at the camp. In addition 29 noncommissioners from the regiment reported for duty and assisted in the work.

Recommendations include permanent armories, a suitable building for a State arsenal, and the purchase of land for a permanent camp site and rifle range.

CIVIL SERVICE COMMISSION

During the year under review competitive examinations for 113 different kinds of positions in the government service were held. Applications were received from 2,731 persons and 2,579 competed. As the examinations were held near the close of the year, full returns are not available, but of 698 examined 506 secure eligible ratings.

Appointment of eligibles for the year increased from 159 to 256. The number of temporary employees was reduced 200 during the year. In this work the heads of departments cooperated with the commission to reduce the number of temporary appointments as much as possible.

The United States Civil Service Commission returned examination papers of 700 candidates who had been examined the previous year by this commission for appointments to national positions. Records are kept, registers of eligibles established, and certificates issued as required. Several postmaster examinations were held, for which 25 people applied. The papers of these examinations are sent to Washington for grading. The first eligible on the list is recommended by the National Civil Service Commission and the Postmaster General to the President for appointment. No political interference is attempted or allowed. The appointments are strictly on merit.

It is noted that of the 8,905 employees of the insular government, only 2,470 are in the classified service. It is recommended that the number in the classified service should be greatly increased. The commission strongly recommends that as many as possible be brought under the classified service, and that this be done as soon as possible. There is little doubt that the result would increase the efficiency of the service.

PENSION BOARD

The present board was appointed in December, 1925, and this report covers the period from that date to June 30, 1927.

A pension law for government employees was passed in September, 1923. That law was found defective, and was superseded by the present law, which was made effective December 1, 1925.

To carry out the provisions of this act, a board was created, consisting of a president, who is the ex officio president, and four officers or employees of the government appointed by the governor.

The pension fund is made up of enforced contributions of 3 per cent each month from the salary of each officer or employee. The act includes all under civil-service rules, with certain specified exceptions. Monthly deductions at present amount to about $8,000.

Pensions are granted by reason of age when the employee has reached the age of 55 years, with 15 years of service, and by reason of physical disability after service of 7 years, with some other provisions.

So far 72 applications have been filed under the present law, of which 31 were denied and 41 granted. The average paid is $41.37 per capita per month. No pension can exceed $1,500 per year.

With the pensions granted under the previous law the present pay roll from the pension fund is at present about $25,000 per year. The board has accumulated municipal bonds now in the treasury amounting to $180,000, from which it derives interest amounting to $12,000 per annum.

At present the plan is successful. Whether future demands will exceed the income remains to be seen. The present board is an exceptionally able one, and it is certain that no embarrassment will arise under its management.

GOVERNMENT EMPLOYEES' SAVINGS AND LOAN ASSOCIATION

This organization of government employees is very successfully managed and is increasingly beneficial and prosperous.

During the year the association increased its capital $103,000 on account of savings; 3,257 loans were granted to members, amounting to $747,000; insurance paid for disability amounted to $18,000; and $35,000 was paid for death dues.

The loans made were for worthy causes and have resulted in great benefits to the borrowers.

At the close of the year the savings fund amounted to $386,000 and the interest receipts to $30,000. Expenses were $10,000. The cash in bank was $66,000.

The total amount of loans made from January 3, 1922, to the close of the year 1926–27 was $2,114,000. The total amount of insurance paid was $135,000. The present membership is 3,495.

ELECTIONS

An insular board of elections is created, to which is given general supervision of all matters relating to registration and voting. It consists of three members, the chairman being appointed by the governor, and two members commissioned by the governor on designation by the central boards of the two principal parties.

July 15, 1926, the general supervisor of elections, Mr. E. W. Keith, who had so acted for many years, resigned, to return to his home in the States, and Mr. C. H. Terry, who had been chief of the civil

service commission and also assistant commissioner of education, was appointed as the general supervisor to fill the vacancy.

At the close of the previous fiscal year there was pending the recount of the ballots cast in the election of 1924 in the precincts of Fajardo and Yauco. This recount was ordered by the district court but was interrupted by a mandamus issued by the supreme court. On final hearing the action of the board was sustained. The recount was resumed and it was found that the vote as certified for Yauco was not affected by the recount, and was confirmed. In the recount in Fajardo, however, the ticket which was certified was not sustained by the recount, and an entirely different group of candidates was found to be elected. This resulted in a complete change of administration in the city of Fajardo, which was accomplished without confusion or protest.

In accordance with the provisions of the law, the board is required to destroy all the ballots cast after one year has expired and all the contests have been determined. This it has been found is a slow and tedious work, for each package must be opened and examined, and the duplicate copies of certificates of registration taken therefrom. These must be returned to the local election boards. Certificates to the number of 140,446 were thus returned.

The board has been for some time and is still engaged in recording the exclusions of 54,835 registrants who failed to vote at the election of 1924 without excuse, and in revising and systematizing all the registration records. It is thought that the provision penaling voters who fail to vote at any regular election by depriving them of the right to vote at the two succeeding elections unless excused should be repealed. Only 1,641 of the 56,495 who failed to vote at the general election of 1924 so far have been excused. A proposition to allow reregistration will be presented to the next legislature.

Propositions to grant suffrage to women have been presented to several legislatures but have failed of favorable action.

CONCLUSION

I can not close this report without referring to the exceptionally high character of the service of the heads of departments, not only during the year under review but throughout the entire period of their service. The attorney general is head of the department of justice and is appointed by the President. The present attorney general is Dr. George C. Butte, and under his administration the record of the courts as to the dispatch of business, as to the small proportion of appeals and reversals, as to the high percentage of convictions in criminal cases, and as to the respect and approval of the people regarding administration of justice in the island is remarkable.

The department of finance is under the administration of the treasurer, Juan G. Gallardo, who is appointed by the governor. During the period of his service the treasury has passed through a period of extreme difficulty. For a period of more than two years the government was unable to collect its revenue and a large floating debt was necessarily incurred. With untiring energy the treasurer has set himself successfully to remedying the difficulty and paying the debt. Now the treasury under his administration is functioning well and the financial outlook is bright.

The department of the interior is under the charge of a commissioner appointed by the governor, who is now Guillermo Esteves. The commissioner has supervision of the construction and maintenance of the roads and all public works, both insular and municipal. The exceptional ability of the present commissioner is demonstrated by the character of his work, which is always of the highest type and value. It is fortunate that a man of Mr. Esteves's great worth is in the government's service.

The department of education is under the direction of a commissioner, who is now Juan B. Huyke. The appointment is made by the President, who had the good fortune to appoint a Porto Rican to this most important place. Mr. Huyke's life has been devoted to education and under his charge the development and progress of the public-school system of Porto Rico has made constant advancement.

The department of agriculture and labor is under the supervision of Carlos E. Chardón, who was appointed by the governor. The present commissioner is a young man, but he has already made a place for himself as an expert and authority on tropical agriculture. He is called to all parts of the Caribbean region for advice and guidance in tropical production. The island is especially fortunate to have the service of one so fully qualified.

The department of health is under the direction of Commissioner Pedro N. Ortiz. Doctor Ortiz has risen to a place of distinction in tropical medicine and sanitation second to none in America; his work reflects credit on his administration, and his advice and assistance is sought both in North and South America.

The auditor of Porto Rico is appointed by the President. The present auditor is Frederick G. Holcomb, and a better appointment it would be difficult to secure. Mr. Holcomb not only has the technical knowledge of finance and accountancy necessary for his task, but for service here where tact and inflexibility of action must be combined the present auditor is universally regarded as eminently fitted. He is doing a great work for the island, and his service will benefit not only the present but also the future for many years to come.

The office of executive secretary is a very important one and the secretary who is appointed by the governor has charge of a great many important services. The registration of corporations and associations, the issuance of passports, the registration of trademarks, and supervision of the bureaus of weights and measures and of supplies, printing, and transportation are, among many others, duties of his office. It would be impossible to secure the service of one better qualified than Mr. E. J. Saldaña, the present secretary. He is experienced, able, courteous, and in every way meets the demands of the service.

I render to all these men the tribute of my admiration and esteem. The administration is greatly indebted to them for their efficient cooperation. I am sure they all have the confidence not only of the governor but also of the people, who are to be congratulated on the continued high character of the service which is being rendered by these gentlemen to Porto Rico.

I have the honor to be, sir, your obedient servant,

H. M. Towner,
Governor of Porto Rico.

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