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ANNUAL REPORT
OF THE
GOVERNOR GENERAL
OF THE PHILIPPINE ISLANDS
1934

MESSAGE FROM
THE PRESIDENT OF THE UNITED STATES
TRANSMITTING
THE REPORT OF THE GOVERNOR GENERAL OF THE
PHILIPPINE ISLANDS FOR THE
CALENDAR YEAR 1934



FEBRUARY 17, 1936.—Referred to the Committee on Insular Affairs
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MESSAGE FROM THE PRESIDENT

To the Congress of the United States:

As required by section 21 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands", I transmit herewith, for the information of the Congress, the report of the Governor General of the Philippine Islands for the calendar year 1934.

I concur in the recommendation of the Secretary of War that this report be printed as a congressional document.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
February 17, 1936.

LETTER OF SUBMITTAL

WAR DEPARTMENT,
Washington, February 14, 1936.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: I enclose the annual report of the Governor General of the Philippine Islands for the calendar year 1934, together with drafts of messages for your signature transmitting it to the Congress as required by section 21 of the act of Congress approved August 29, 1916, entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands."

I believe that this report should be printed as it contains valuable and historical information, and I so recommend.

Respectfully yours,

GEO. H. DERN,
Secretary of War.

REPORT OF THE GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS, 1934

MANILA, *December 20, 1935.*

The SECRETARY OF WAR,
Washington, D. C.

SIR: I have the honor to submit my report as Governor General of the Philippine Islands for the year 1934 as follows:

The economic situation of the islands continued substantially as reported for the preceding year. That is to say, there was general freedom from suffering from destitution such as was prevalent in other lands, but in some areas there was economic distress due to low prices of the principal products, and destructive typhoons. Peace and order prevailed and the public health was good.

Inasmuch as it became apparent early in the year, with the approval of the Tydings-McDuffie bill on March 24, 1934, that the political relations between the United States and the Philippine Islands were soon to undergo a radical change, the main objectives of the administration were to take such steps as would insure orderly transition to the new government, and turning over existing agencies of the government in the best possible condition. The first and most important objective of this program was to exert every effort to insure the establishment of the new government in the soundest possible financial condition.

CONSTITUTIONAL CHANGES

Following the approval by Congress of the Tydings-McDuffie bill, a special session of the legislature was convened on May 1, 1934, to vote on the acceptance of this bill. The legislature having voted for acceptance, provision was made for the election on July 10 of delegates to the Constitutional Convention, provided for in the act of Congress. This Constitutional Convention assembled on July 30 and was still in session at the close of the year with the prospect of early adjournment. At that time the progress which had been made in the drafting of the constitution gave promise that this document as finally approved would be a credit to the convention.

In this connection, it seems pertinent to mention that at the general elections, held on June 5, some weeks prior to the election of the delegates to the Constitutional Convention, the returns showed an overwhelming victory for the Quezon party, which had sponsored the Tydings-McDuffie Act. Following this election the leaders of the opposing parties came to an agreement to abstain from partisan action in the election of delegates to the Constitutional Convention in order to afford an opportunity for the electors to choose on a basis of personal qualifications. The result was that a large proportion of the delegates chosen were men well qualified for leadership in this im-

portant undertaking. The convention conducted itself in a praiseworthy and statesmanlike manner which augurs well for the future of the Commonwealth.

LEGISLATION

The regular session of the legislature convened on July 16. Among the more important bills which were approved during the session were provisions for an aviation unit in the Philippine Constabulary, and the appropriation of funds for landing fields. Another provided for a much needed increase in the line forces of the Constabulary. Provision was likewise made for the building of a badly needed psychopathic hospital and for a building to provide for the children of lepers and other wards of the Philippine government. An appropriation of ₱1,000,000 to make provision for the colonization of public lands was also approved. Another measure which was a cause of considerable satisfaction, inasmuch as it reflected the feeling of the Philippine government toward the American people, was a measure providing liberal retirement privileges for American citizens employed by the Philippine government.

A number of other bills making large appropriations for projects which were meritorious in nature had to be vetoed in accordance with the policy of keeping the Government in the soundest possible financial condition. Among those was a proposal to appropriate ₱2,300,400 to set up a system of national defense, another to appropriate ₱8,000,000 to establish a national electric power organization, and several smaller appropriations for minor projects which did not appear to be indispensable.

BALANCED BUDGET MAINTAINED

The basic finances of the Government were substantially improved. Sinking funds and currency reserve funds were adequately maintained. The cash surplus increased after having been almost exhausted through failure during the years 1930, 1931, and 1932 to reduce expenses to actual income. The government's financial standing was materially improved through continued economies and the continuation of the detailed central control which was established during the latter part of the preceding year.

The cabinet, as in the previous year, cooperated wholeheartedly toward this result. The efficiency and economy committee, with subcommittees in each department, continued its work. The soundness of the financial policy is shown by the fact that ₱6,893,813.44 was added during the year to the previous year's surplus in the general fund.

The campaign for the collection of land taxes was continued, and expenditures under conditional and discretionary appropriations were in general withheld. The so-called "pork-barrel" items in the Public Works appropriations were eliminated. Thus, between efficient collection and economical expenditure the budget was not alone balanced but a very material addition was made to the surplus. The following tables, nos. 1 and 2, show the continued improvement in the trend of the Philippine government finances:

Insular auditor's report

CONSOLIDATED STATEMENT OF OPERATION OF THE GENERAL, SPECIAL, AND BOND FUNDS OF THE CENTRAL GOVERNMENT, 1930 TO 1934

Year	Income	Expenditures	Difference
1930	P97,869,947.92	P104,037,078.88	-P6,167,130.96
1931	82,159,869.77	91,018,511.81	-8,858,642.04
1932	74,716,772.26	79,696,887.23	-4,980,114.97
1933	70,025,933.81	69,535,029.86	+490,903.95
1934	78,674,751.33	70,719,589.10	+7,955,162.23

RESULTS OF OPERATION OF THE GENERAL FUND ONLY OF THE CENTRAL GOVERNMENT, 1930 TO 1934

1930	P84,494,630.24	P95,828,238.78	-P11,333,608.54
1931	69,425,591.75	76,641,465.73	-7,215,873.98
1932	61,441,172.50	65,936,588.72	-4,495,416.22
1933	58,047,374.35	56,631,361.51	+1,416,012.84
1934	63,203,962.02	56,310,148.58	+6,893,813.44

The continued success of the financial program is shown by the fact that the average savings in all departments were 5.32 percent or a total saving of P2,293,143.60. Every department and bureau lived within its income and as in the previous year closed with a surplus. This was brought about by both forced and voluntary savings. The statement of the secretary of finance, reproduced in condensed form in the following table no. 3, shows the ratio of savings in each of the departments:

Ratio of savings in the departments of government, 1934

	Appropriations	Expenditures	Savings	Percent
Senate	P579,344	P579,344.00		
House of representatives	1,049,488	1,049,488.00		
National library	151,193	143,632.69	P7,560.31	5.00
Resident commissioners to the United States	5,100	4,845.00	255.00	5.00
Supreme court	341,629	327,861.89	13,767.11	4.03
Bureaus and offices under the control of the Governor General	961,532	886,462.32	75,069.68	7.81
Department of the interior	5,014,870	4,895,008.11	119,861.89	2.39
Department of finance	3,141,331	2,591,067.69	550,263.31	17.51
Department of justice	3,416,498	3,204,599.24	211,898.76	6.20
Department of agriculture and commerce	4,418,187	4,188,187.47	229,999.53	5.20
Department of public instruction	18,285,249	17,466,940.38	818,308.62	4.47
Department of public works and communications	4,541,689	4,281,782.47	259,906.53	5.72
Department of labor	178,169	171,916.14	6,252.86	3.51
University of the Philippines	1,018,067	1,018,067.00		
Total	43,102,346	40,809,202.40	2,293,143.60	5.32

GOVERNMENT-CONTROLLED COMPANIES

With the exception of the Manila Railroad Co., the position of the government-controlled companies shows a continued improvement. The Manila Hotel Co. showed a net profit of P122,652.89 as against a nominal profit of only P500.19 for the preceding year. The Cebu Portland Cement Co. continued its profitable operation with a net profit of P432,510.68 as compared with P258,483.73 for the year 1933. The Manila Railroad Co. showed a loss of P1,155,650.71 due to competition of private busses and trucks and to losses in exchange caused by the optional currency clause in its 4 percent Southern

Lines bonds. This loss was advanced by the insular government under its guarantee and is to be repaid by the railroad from future earnings. Negotiations are under way looking toward the purchase of these bonds on a favorable basis. The Philippine National Bank had a profit of ₱3,931,266.90 as compared with ₱3,153,759.21 in 1933.

PROVINCES

With the fullest cooperation of the department of the interior, the Provinces ended the year 1934 in excellent financial condition in general. All but five of the Provinces registered increases in their income. On the other hand, due to careful supervision, the expenses were kept well below income and registered a net decrease from the expenditures of the preceding year. Of the 13 Provinces which had overdrafts at the beginning of the year, 6 Provinces wiped out the overdrafts and obtained credit balances, while the others, with the exception of the Provinces of Marinduque and Romblon, fully covered the installments required under their rehabilitation program. The two Provinces of Marinduque and Romblon registered overdrafts on account of typhoons toward the close of the year when it was too late to make the necessary readjustments. In all Provinces the program for an increased tax collection and a reduction in expenses was carried out. All of the specially organized Provinces closed the year with surpluses.

SOCIAL SERVICE

The Philippine Islands is a tropical country and here as in all tropical countries the problem of existence is simple as compared with that faced by the poor people of the colder countries. For these reasons the spirit of social service is not so strong in the educated and wealthier classes as it is in accidental communities. If left to private initiative there would be little done.

In view of this condition, and having in mind the impending change in the form of government, a very strong effort was made to establish a broad and comprehensive social program, placing the responsibility for the social welfare upon the government, both as to direct welfare work and coordination of the efforts of private organizations.

COMMUNITY HEALTH-SOCIAL CENTERS

It was stated in the annual report of this office for 1933 that one "Community Health-Social Center" was established on an experimental basis in August of that year, for child and maternal health work, tuberculosis control, general dispensary services, and social rehabilitation. Daily clinics were held in the center, but the chief activity consisted in home visiting by public-health nurses and social workers. The family was the unit served and all the health and social difficulties of a given family were attacked as one problem. Designed for intensive public-health nursing and social-service work in congested urban districts, this first center was so successful that the legislature provided funds for three additional centers in Manila and one each for the congested districts of three other large cities: Iloilo, Cebu, and Zamboanga. These were established in 1934.

Each community health-social center consists of a social rehabilitation section, a general dispensary section, a tuberculosis section,

and a dental clinic. Basically, but subject to modification to meet local requirements, the personnel of each center in Manila consists of three full-time physicians, a part-time physician furnished by the Philippine Islands Anti-tuberculosis Society, and 10 nurses. Each center has a chief who is one of the physicians, and a chief nurse. There is also a chief of centers who supervises all centers, and a chief nurse who supervises all the nursing work.

SLUM CLEARANCE

Over a long period of years slums have developed in Manila to such an extent that now about 10,000 families live in a slum environment. The housing and other social conditions in the slum areas are extremely bad. Because of the environmental, economic, and social conditions prevailing in the slums, such diseases as tuberculosis, intestinal parasitism, and undernourishment are rampant. There is no suffering due to climatic factors, but there is much distress due to poor housing, lack of proper food, and the unwholesome environment.

Attempts were made in previous administrations, notably during the Wood administration, to effect some degree of slum clearance. An extensive survey was made in 1926 of the housing conditions in Tondo and San Nicolas, but no subsequent action was taken.

Following the surveys made in connection with the establishment of community health-social centers a housing committee was appointed. This committee carried out experimental work in the Tondo slums, which included actual slum clearance in a small area and a housing project of 31 houses. This experiment developed the feasible methods of slum clearance. The housing committee thereupon prepared and submitted a plan for the housing of low-income families and the insular government sponsored one project to provide homes for about 2,500 of such families in the slum districts, who are financially able to buy or rent low-cost homes, and appropriated ₱250,000 to finance it.

RURAL IMPROVEMENT

In order to do something for the underprivileged people of the rural districts comparable to that which was done in slum-clearance work for the corresponding class in urban districts, a rural improvement committee, which was appointed in the latter part of the preceding year, promoted the growing of individual vegetable gardens by the country people. Studies had revealed that in many instances barrio families had or could obtain land for a vegetable garden and for fruit trees, yet these same families subsisted largely on rice and fish and made no effort to grow garden produce or fruits. Sufficient work had been done to show that many such families could and would grow enough vegetables and fruit for their own use if they were given proper leadership and encouragement.

The rural improvement committee proposed only to demonstrate to provincial and municipal officials that the barrio people could be stimulated to produce for themselves sufficient vegetables and fruit for their own use, and that the economic status and the health of these families would be thereby improved. To this end the committee selected barrios in the municipalities of San Miguel, Bulacan, and Gapan, Nueva Ecija, in which to start the work. Local municipi-

pal committees were appointed to take active charge of the work with the rural improvement committee providing only general supervision and guidance. The bureau of plant industry took an active part by providing local agronomists and furnishing some of the seeds and seedlings. The Red Cross also cooperated during the first year by providing some of the personnel. The cost of the seeds and seedlings furnished free was defrayed by the Office of the Governor General and the bureau of plant industry.

The rural improvement committee continued its work through 1934 during which year over 500 gardens were planted and cared for under the direct supervision of the committee.

The work was successful in demonstrating that, given the proper municipal leadership, the barrio people who now subsist largely on rice and fish could be encouraged to raise vegetables and fruit. Much interest has been displayed by the people of other municipalities and there is every reason to believe that the work of the rural improvement committee will have a lasting effect.

UNEMPLOYMENT

There is no acute unemployment problem in the Philippine Islands of the proportions and of the character which has prevailed in western countries. In the larger towns there has always been in the past a certain amount of distress due to unemployment and this has increased during the past few years, but not to a serious degree. The existing unemployment is due to social maladjustment, sickness, and social misfortunes, as well as to the economic depression.

A varying number of cases of unemployed and unemployables has been present in the Philippine Islands for many years, but no organized effort was made for the relief of distress among these people until 1933. As stated in the annual report of this office for that year, an unemployment committee was appointed and made a start, obtaining an appropriation by the legislature of ₱30,000 to be expended in 1934 for the relief of distress caused by unemployment.

The committee coordinated the work of the existing relief agencies which included the work of the Associated Charities, the Red Cross, and the Bureau of Labor. The committee also sponsored and supported relief by the Government through the agencies of the community health-social centers. Under the auspices of the unemployment committee the Associated Charities was encouraged to promote the development of small industries which would afford employment for destitute unemployed. These industries included mat-making, brush-making, repair of clothes, etc. The placement of destitute unemployed in jobs by the Associated Charities and the Bureau of Labor (now the Department of Labor) was facilitated and to some extent supervised by the unemployment committee.

The work of the unemployment committee pointed to the necessity of extending the work throughout the islands to include the relief of distress caused not only by unemployment but by other conditions. A national relief board was therefore organized during the latter part of 1934. It includes among its members the Government officials whose activities pertain in any way to relief, as well as representatives of the private relief agencies.

DISASTER RELIEF

The year 1934 witnessed a series of disasters due to typhoons, each of which caused great damage, occurring on September 5, October 16, October 20, November 14, November 29, and December 4. In addition to the damage caused by the typhoons a serious flood occurred in the first week of December in the Cagayan Valley.

In years previous to 1934, disaster relief work had been conducted entirely by the Red Cross. In 1934, pursuant to its policy of assuming responsibility for and the direction of all welfare and relief work, the Government took charge through the national relief board and its subsidiary committees in the localities where these disasters occurred. The legislature made available an appropriation of a million pesos.

The relief work was organized under the supervision of the government and relief was given promptly and adequately in all cases of distress. Doctors and nurses were sent to the scene of each disaster for the purpose of participating in the emergency relief work and carrying out whatever health work might be necessary to prevent the occurrence of an epidemic. Wherever practicable the community public-health nurses stationed in the devastated district were used as relief workers. The relief workers of the government functioned in cooperation with the Red Cross and under the supervision of the national emergency relief board.

In a country such as the Philippine Islands there is always serious danger of an epidemic following any disaster which disrupts the normal economic and social conditions of the community. In previous years it has been the rule that epidemics of intestinal diseases, usually dysentery and sometimes cholera, have followed major disasters. During 1934 the prompt and vigorous application of health measures has served to prevent the occurrence of an epidemic following any of the disasters noted above.

PUBLIC HEALTH

The general public health conditions were satisfactory throughout the year, as compared with those prevailing in previous years. The cholera epidemic continued in the Visayan Provinces during the first months of the year, but was eventually eradicated. Dysentery and typhoid fever prevailed in endemic form but no widespread epidemics occurred. Improvement in environmental sanitation and immunization procedures was successful in controlling the spread of the intestinal diseases and in thus preventing the occurrence of epidemics.

Noteworthy advances were made in the fields of public-health nursing, nutrition and the disposal of human wastes. In the city of Manila where complete statistical reports are now on hand the total death rate in 1934 was 25.49 per thousand population as against 25.81 representing the average number of deaths per thousand population during the past 5 years. This reduction is encouraging, but more substantial was the reduction in infant mortality—it was 150.34 per thousand births in 1934, while the corresponding mortality for the past 5 years was 154.93. On the other hand, there was observed in the city an increase in the rate of birth which, on the basis of each 1,000 population, was 58.02 as against the corresponding average for the past 5 years which was only 54.16.

While the foregoing data are not all derived from complete reports, they, nevertheless, indicate that a relatively satisfactory sanitary condition obtained throughout the archipelago during the year. The population increased from 12,759,811 in 1933 to 12,929,526 in 1934.

As heretofore, health education and enlightenment were the object of unremitting effort on the part of the Government during the year. Publicity in this connection was pushed through all available means, such as the health exhibits and radio broadcasts and the press, including the two organs of the bureau, namely, the Monthly Bulletin and the Health Messenger. More than 30,000 copies of the latter were sent to schools, where the useful health information they contain has become common knowledge among pupils and teachers.

The bureau of health took a leading part during the year in the Manila Carnival Exposition, clean-up week, child health day, and other activities whereby useful health ideas were effectively disseminated. It may be stated that the service of the bureau in the matter of educating the people in the preservation and promotion of their general health was rendered in cooperation with other government entities and semigovernment organizations taking interest in public-health education.

During the year the government gave the matter of proper nutrition serious attention. To this end, theoretical instruction and practical demonstrations were given to mothers under the auspices of the community health and social centers and the puericulture centers in Manila. Lectures were given in the dialects whenever necessary. Nutritional investigations were conducted consisting of examinations of different kinds of rice, especially those for government institutions like the Culion leper colony, to determine their beriberi preventing quality. About 18,250 sacks of rice for the Culion leper colony were tested by the iodine method and 15,750 of them were found to be preventive of beriberi. Investigations were also made to determine the nutritional content of the food ration for laborers and of the milk of Filipino mothers.

Out of a total of 7,632 samples of food products, which were collected and submitted to the bureau of science for examination, 450 cases were found of noncompliance with the pure-food law. Of the 127,021 cases of different food products applying for admission to the Philippines, 49 were denied entrance due to their unfitness for human consumption or to failure of importers to comply with the requirements of the existing food rules and regulations. Twenty of the twenty-one applications for licenses for biologic products were approved.

The cholera epidemic in the Provinces of Bohol, Oriental Negros, Occidental Negros, Cebu, Samar, Iloilo, and Occidental Misamis continued to prevail during the early part of the year. Partial reports from the Provinces indicated a total of 925 cases with 618 deaths. In Manila and in 22 Provinces gastro-enteritis likewise prevailed during the last half of the year. Typhoid fever continued its endemic occurrence throughout the year, more particularly during the period from June to October, in the districts of Tondo, Santa Cruz, and Sampaloc, with a total of 660 cases and 154 deaths. Dysentery occurred during the rainy season in Manila and in eight Provinces; 12,503 cases of dysentery with 363 deaths were reported.

No case of smallpox was reported during the year. Measles and influenza prevailed although not so extensively as in 1933. With regard to diphtheria, whooping cough, and beriberi, the situation during the year was better than in 1933.

In August there was an outbreak of poliomyelitis in Fort William McKinley, with 19 cases and 3 deaths. In Manila 15 cases were reported. Of the total number, 61.76 percent were Americans and 38.24 percent were Filipinos. As in previous years, cases of illness brought about by intestinal parasites were predominant during the year. Sporadic cases of skin diseases such as scabies, yaws, and tropical ulcers were also noted. Partial reports regarding venereal infection gave 1,075 as the number of cases treated in the venereal clinic of the San Lazaro Hospital. The corresponding number for the Provinces was 334.

Incomplete reports for 1934 gave a total of 24,144 deaths from pulmonary tuberculosis and 1,383 from tuberculosis of other organs as against 30,400 and 1,786, respectively, during 1933. Diagnosis of cases through the use of traveling X-ray clinics and the other tuberculosis clinics in Manila and in the Provinces showed that of the 53,707 persons examined fluoroscopically, 4.40 percent were suffering from pulmonary tuberculosis. A movement to establish tuberculosis pavilions and clinics in the Provinces gained some ground during the year, particularly in the Province of Batangas.

The admissions in the different leper treatment stations were as follows: Culion leper colony, 696; San Lazaro Hospital, 390; Eversley Childs treatment station, 296; Western Visayas treatment station, 179; Bicol treatment station, 92; and Mindanao central treatment station, 13. With the exception of the Mindanao central treatment station, these leper treatment stations released negative lepers numbering 79 altogether.

The malaria control units which were in operation during 1933 continued to function during the year. In Manila 475 suspected cases of malaria were investigated in the malaria clinic, 228 of which were confirmed as a result of blood examination. Blood smears from the Provinces totaling 5,150 were examined and 30.22 percent of them were found positive for malaria parasites. The drugs used for treatment and for experimental purposes were plasmochin compound, plasmochin simplex, quinine sulphate, chinoplasmin, and atabrine. During the year, the hospitals operated under the bureau of health were 63, distributed as follows: Thirty-six general hospitals, 7 emergency hospitals, 2 hospitals for persons suffering from contagious diseases, 1 psychopathic hospital and 17 maternity hospitals. One maternity house was closed, however, leaving only 62 hospitals at the end of the year. The bed capacity also decreased from 4,116 to 3,773 during the year. This reduction was largely the result of depleted finances. With the exception of maternity cases, the patients treated in the hospitals during the year were fewer than those treated in 1933.

The care of the insane remained the concern of three government institutions, namely, the Insular Psychopathic Hospital, the City Sanatorium and the Bilibid Prisons Insane Ward. At the beginning of the year there were confined in them 1,089 inmates, while at the end of the year there were 1,376. The San Lazaro Hospital, on account of the renovation and improvement of its quarters in 1933,

was during the year able to extend a greater service to the public, particularly the residents of Manila. The dispensaries which were operating in practically every municipality numbered 1,082.

Additional emphasis was given to child and maternal health work throughout the year. A total of 208 puericulture centers (child and maternal health clinics) were operated in Manila and the Provinces. Home visiting work and health instruction in the home has been emphasized with good results. The 1934 legislature appropriated ₱260,000 for public-health nursing in 1935. This will permit of considerable extension of the child and maternal health work during the coming year. Additional community health-social centers will be opened in Manila and puericulture centers will be provided for the poor municipalities and barrios of the Provinces.

In order that the health of the pupils may be properly safeguarded, the observance of sanitation in all the public schools was given stress during the year. Through physical examination, certain cases of diseases affecting the pupils were detected and proper measures applied to remedy these diseases and to prevent them from spreading. The correction of physical defects of pupils was, in this connection, emphasized. A fund for the purchase of eyeglasses for distribution to the poor was raised. The general development of the health of all school children was the object of a persistent campaign during the year.

As a control measure against the increase of gastro-enteritis in Manila, 30 eating places were ordered closed. To thwart the development of epidemics which had possibilities to break out on account of the typhoons, emergency units composed of physicians, nurses, sanitary inspectors, and patrolmen were organized for medical relief and for the enforcement of sanitary measures. These were supplemented by the subsequent organization of a traveling clinic.

Close and frequent inspection of public and private markets and of public eating places continued to occupy the attention of the health authorities during the year. The abatement of nuisances and the extermination of rats, flies, and mosquitoes were no less emphasized. It is significant that of more than 56,000 rats caught during the year, none was found positive for plague.

Other phases of health service included vaccination, industrial hygiene, and sanitary engineering. As in the past, vaccination was carried on as an effective preventive against smallpox, cholera, dysentery, and typhoid. According to partial reports, there were performed during the year 2,517,541 antismallpox vaccinations, 4,301,885 injections with cholera-dysentery vaccine, and 1,046,065 with cholera-typhoid vaccine. There were given 675,611 inoculations with pure cholera vaccine and 161,628 with pure typhoid vaccine. The campaign for the improvement of industrial hygiene included close supervision of the sanitary condition of industrial establishments and physical examination of laborers to minimize industrial hazards and to prevent the spread of communicable diseases. At least 1,100 applications for business licenses were acted upon and no less than 5,700 inspections made to business establishments, especially the factories. As a result, it was found that 153 establishments were provided with physicians, 35 with registered nurses, and 174 with medical supplies.

AGRICULTURE

Agriculture is the mainstay of Philippine economics. Its development during recent years in the direction of profitable crops for export must now suffer a modification with the establishment of the Commonwealth and the trade restrictions which are in prospect. This readjustment was the subject of careful planning during the year under review.

The importance of crop diversification and the local production of those food supplies which are now being imported from foreign lands, is in the program, as well as the manufacture of certain local products, such as meat packing, abaca sacks, manila paper, vitrified clay pipe, and other articles.

The success which is obtained in this program will be the determining factor in the success or failure of the Philippine Commonwealth. Faced in the near future with a very serious curtailment of the export market upon which the financial welfare of the Philippine Islands now depends, it is essential that the islands become self-supporting in respect to the large quantities of foodstuffs they are now importing from abroad. There is no good reason why food supplies should be imported into the Philippines and this has been brought about by the fact that it has been more profitable to raise crops for export and to import food supplies. But this situation must change within the next few years and the problems in connection with such changes as they affect a great majority of the Filipino people are ones which will challenge the best minds of the islands. It is a matter of satisfaction that government officials whose duty it is to supervise the agricultural industries are fully awake to the seriousness of these problems.

MINING INDUSTRY

In the annual report of this office for 1933 mention was made of the fact that gold bullion was becoming a very important item of export.

During 1934 there was a great development of the gold mining industry due principally to the increase in 1933 of the value of gold from \$20.67 per troy ounce to \$35. This made possible the development of new mines that could not have operated profitably on low-grade ore at the old standard value. Consequently many new mining companies were organized to develop both lode and placer properties located in various sections of the archipelago. Previously gold mining had been concentrated in the Baguio district.

The most significant result, however, of this advance in the price of gold was the expansion program of the producing mines which will be reflected in the 1935 gold production. In order to mine low-grade ore the mills of the producing companies were substantially increased. By mining low-grade ore the life of these mines will be greatly extended.

The Gold Mining Association of the Philippines reports the value of gold bullion exported during 1934 at ₱23,701,923, and calculating on the known capacity of the mills of producing companies and the value of ore mined, estimates that the 1935 gold bullion production will be ₱34,000,000; and that when the mines now under development come into production the value of bullion exported will be approximately ₱50,000,000 a year.

Prior to 1934 investor interest in mining was practically limited to gold mines. But negotiations were concluded during that year which will bring under development several important chromite properties. This has led to widespread prospecting and to the formation of exploration companies to develop not only chromite, but manganese, iron, and other base metals.

This is a significant development of the mineral resources of the Philippines the future of which cannot now be predicted with any accuracy; but a situation is developing that is potentially very important, particularly in view of the fact that ores of consequence to the manufacture of munitions, not produced in any volume in continental United States, may, according to present indications, be mined profitably here on a large scale.

EDUCATION

The annual report of this office for 1934 contains the following statement:

The system of education that was established at the very beginning of the American regime has proved immensely popular with the people of the Philippine Islands, and the enrollment in the public schools has increased from 150,000 in 1900 to 1,204,375 for the school year 1932-33. Despite this remarkable development, however, the Philippine government is today providing school facilities for only 37 percent of Filipino children of school age; i. e., between the ages of 7 and 17, inclusive.

In 1930-31, the total enrollment in both elementary and secondary schools reached a peak of 1,224,548. Following that year, however, the enrollment steadily declined until during 1934 it was 1,189,201, but this figure is higher than that for any year prior to 1930-31. The greatest loss in enrollment since 1930-31 occurred in the secondary schools, where it dropped from 79,054 in 1930-31 to 56,255 in 1934.

This reduction in enrollment is less than the proportionate reduction in government expenditures for education which have diminished in company with all other expenditures due to the effects of the depression and the consequent loss in revenues.

The expenditures for public education have been generous, as the following table shows. The amounts and percentages shown therein are representative of those prevailing during recent years:

Governmental expenditures for all purposes and the amounts and percentages spent for school purposes in 1934

Government	Expenditures	Expenditures for schools	Percentage which school expenditures were of total expenditures
Insular.....	P70,719,589.10	P14,215,905.35	20.10
Provincial.....	35,182,931.49	4,094,009.70	11.64
Municipal.....	18,540,271.74	4,648,004.80	25.07
Total.....	124,442,792.33	22,957,919.85	18.45

In spite of the great desire of the Filipino people for the education of their children it does not seem possible that public education can continue in the future on the same scale as in the past for the reason

that under the economic conditions which now confront the Filipino people they will not find it possible to set aside approximately one-fifth of their revenues for education, and even if they could their revenues will not continue so high as at present unless new sources of taxation are found.

But whether public instruction continues in the future to be extended or not, one thing is sure; the effort to prepare the Filipino people for a democratic form of government by raising the level of popular education has been efficient in a high degree due to the emphasis of American administration on education, the aptitude of the Filipino people for it and the wholehearted cooperation of Americans and Filipinos in the field of education. A successful effort has been made within the means of the Government to establish a modern and progressive educational system in the Philippine Islands.

FOREIGN TRADE

The overseas trade of the Philippines during the year under review amounted to ₱388,021,492, showing an increase of 11 percent over that of 1933. Of the above amount, ₱167,214,221 represented the imports and ₱220,807,271 the exports. Philippine foreign trade for the year 1934 closed, therefore, with a favorable balance of ₱53,593,050. The total value of imports showed an increase of ₱32,491,295 over that of 1933, and this increase occurred in the value of each article constituting the 10 principal imports. As in previous years, most of our imports came from the United States, the total value reaching the amount of ₱108,751,356, while Japan which ranked second, supplied merchandise valued at ₱20,692,548. From Germany, China, and Great Britain we imported articles to the amount of ₱7,265,956, ₱5,879,214, and ₱4,173,146, respectively.

The total value of our exports in 1934 showed an increase of ₱9,265,166 over that of 1933. With the exception of copra, coconut oil, and cordage, all the products constituting the 10 principal exports registered increases. Of the total exports of the Philippines in 1934, amounting to ₱220,807,271, products valued at ₱183,687,187 were shipped to the United States, ₱8,523,602 to Japan, ₱5,164,930 to France, ₱4,897,986 to Great Britain, ₱2,175,159 to China, ₱2,058,933 to Germany, and the rest fairly distributed to other countries.

The greatest part of our foreign trade was carried on with the United States as in previous years. Our trade with the States during the year amounted to ₱292,438,543, of which ₱108,751,356 represented the imports and ₱183,687,187 the exports, while that with the other countries was ₱95,582,949. Japan stood a poor second in our overseas trade with a total value of ₱29,216,150; with Germany, China, and Great Britain following in the order named. The Philippine commerce with Japan showed a balance of trade in favor of the latter amounting to ₱12,168,946. The Philippines imported from Japan ₱20,692,548 worth of merchandise and exported only ₱8,523,602. Germany likewise held a balance favorable to her in 1934, exporting to the Philippines a volume valued at ₱7,265,956, while taking only ₱2,058,933 worth of our products.

The following tables show the sources of the 10 principal imports ranked as to value:

1. COTTON GOODS

Imported from—	1934		1933	
	Value	Percent	Value	Percent
United States.....	₧15,645,107	50.08	₧16,524,065	62.92
Japan.....	11,111,838	35.57	5,302,765	20.19
Great Britain.....	1,692,278	5.42	1,442,418	5.49
China.....	1,395,024	4.47	1,618,657	6.16
Switzerland.....	652,745	2.09	783,207	2.98
France.....	519,679	1.66	340,380	1.30
Germany.....	90,151	.29	82,358	.31
Netherlands.....	33,911	.11	41,395	.16
British East Indies.....	31,980	.10	56,798	.22
Belgium.....	30,798	.09	13,859	.05
Other countries.....	39,409	.12	57,348	.22
Total.....	31,242,920	100.00	26,263,250	100.00

2. IRON AND STEEL AND MANUFACTURES THEREOF

United States.....	₧17,774,867	77.88	₧12,798,363	73.91
Germany.....	1,893,417	8.30	1,534,615	8.86
Belgium.....	1,201,489	5.26	928,412	5.36
Japan.....	887,221	3.89	566,424	3.27
Great Britain.....	397,217	1.74	681,180	3.93
Sweden.....	313,870	1.38	248,514	1.44
China.....	86,161	.38	86,218	.50
Norway.....	52,188	.23	60,351	.35
Dutch East Indies.....	38,001	.17	103,138	.59
Czechoslovakia.....	30,707	.13	91,779	.53
Other countries.....	147,870	.64	217,989	1.26
Total.....	22,823,008	100.00	17,316,983	100.00

3. MINERAL OILS

United States.....	₧11,001,376	86.07	₧9,880,095	87.66
Dutch East Indies.....	1,729,872	13.53	1,354,699	12.02
Germany.....	30,148	.24	22,802	.20
Other countries.....	19,890	.16	12,689	.12
Total.....	12,781,286	100.00	11,270,285	100.00

4. AUTOMOBILES, PARTS OF, AND TIRES FOR

United States.....	₧10,045,981	97.57	₧6,449,265	91.43
Great Britain.....	130,355	1.27	281,774	3.99
Japan.....	42,507	.41	78,191	1.11
Germany.....	40,781	.40	193,892	2.74
Canada.....	13,776	.13	14,817	.21
Italy.....	12,581	.12	20,538	.29
Other countries.....	10,658	.10	15,910	.23
Total.....	10,296,639	100.00	7,053,887	100.00

5. MEAT AND DAIRY PRODUCTS

United States.....	₧5,540,238	67.31	₧3,715,909	56.92
Australia.....	1,246,841	15.15	1,302,034	19.94
Netherlands.....	550,318	6.69	375,326	5.75
China.....	422,540	5.13	586,540	8.98
Switzerland.....	133,438	1.62	132,946	2.04
Argentina.....	90,301	1.10	147,778	2.26
Uruguay.....	74,936	.91	43,553	.67
Japan.....	44,856	.54	52,802	.81
Denmark.....	30,120	.37	37,285	.57
Norway.....	29,245	.35	39,761	.61
Other countries.....	68,557	.83	94,926	1.45
Total.....	8,231,400	100.00	6,528,840	100.00

6. PAPER AND MANUFACTURES THEREOF

Imported from—	1934		1933	
	Value	Percent	Value	Percent
United States.....	P4, 850, 400	75.96	P3, 200, 390	69.31
Germany.....	338, 911	5.31	336, 167	7.28
Japan.....	262, 016	4.10	190, 573	4.13
France.....	250, 168	3.92	119, 630	2.59
Spain.....	113, 780	1.78	178, 045	3.86
China.....	102, 574	1.61	96, 785	2.10
Canada.....	87, 220	1.37	21, 971	.48
Norway.....	62, 884	.98	129, 826	2.81
Sweden.....	58, 471	.92	79, 119	1.71
Great Britain.....	49, 271	.77	38, 528	.83
Other countries.....	209, 846	3.28	226, 192	4.90
Total.....	6, 385, 541	100.00	4, 617, 226	100.00

7. TOBACCO PRODUCTS

United States.....	P5, 714, 657	97.62	P4, 169, 254	98.33
Dutch East Indies.....	124, 733	2.13	55, 785	1.32
China.....	11, 898	.20	12, 644	.30
Other countries.....	2, 514	.05	2, 536	.05
Total.....	5, 853, 802	100.00	4, 240, 219	100.00

8. WHEAT FLOUR

United States.....	P3, 633, 820	69.25	P3, 272, 302	73.83
Canada.....	758, 525	14.46	520, 946	11.75
Australia.....	560, 454	10.68	530, 357	11.97
Japan.....	237, 773	4.53	75, 808	1.71
China.....	56, 510	1.08	32, 565	.73
Other countries.....	306	-----	230	.01
Total.....	5, 247, 388	100.00	4, 432, 208	100.00

9. CHEMICALS, DRUGS, DYES, AND MEDICINES

United States.....	P3, 390, 441	70.13	P2, 898, 305	76.10
Germany.....	444, 965	9.21	314, 024	8.24
France.....	245, 103	5.07	167, 180	4.39
Japan.....	181, 956	3.76	123, 964	3.26
Canada.....	131, 907	2.73	46	-----
China.....	111, 720	2.31	63, 594	1.67
British East Indies.....	89, 029	1.84	27, 137	.71
Dutch East Indies.....	53, 396	1.10	34, 755	.91
Switzerland.....	33, 726	.70	39, 335	1.03
Spain.....	33, 088	.68	33, 224	.87
Other countries.....	119, 033	2.47	107, 143	2.82
Total.....	4, 834, 364	100.00	3, 808, 707	100.00

10. SILK AND RAYON AND MANUFACTURES THEREOF

United States.....	P2, 354, 124	51.14	P2, 077, 300	51.67
Japan.....	1, 781, 128	38.69	1, 233, 642	30.69
China.....	218, 928	4.75	512, 410	12.76
France.....	90, 258	1.96	64, 480	1.60
Great Britain.....	88, 681	1.93	54, 571	1.36
Germany.....	28, 564	.62	23, 692	.59
Switzerland.....	23, 044	.50	22, 815	.57
Italy.....	9, 011	.19	15, 903	.39
Spain.....	3, 515	.08	4, 077	.10
Netherlands.....	2, 384	.05	5, 455	.13
Other countries.....	4, 013	.09	5, 841	.14
Total.....	4, 603, 650	100.00	4, 020, 186	100.00

Other imports.—Articles, other than the 10 principal imports mentioned above, valued at ₱54,914,223 were imported during the year under review as against ₱45,171,135 in 1933, showing an increase of ₱9,743,088 or 22 percent.

The following tables show the destinations of the 10 principal exports (except gold bullion) ranked according to value:

1. SUGAR

Exported to—	1934		1933	
	Value	Percent	Value	Percent
United States.....	₱130,889,986	99.99	₱128,657,977	99.99
Guam.....	16,860	.01	7,372	.01
Other countries.....	2,315	-----	1,502	-----
Total.....	130,909,161	100.00	128,666,851	100.00

2. ABACA (MANILA HEMP)

United States.....	₱5,391,791	31.13	₱4,025,869	29.28
Japan.....	4,762,660	27.49	3,626,421	26.38
Great Britain.....	3,879,238	22.39	3,099,780	22.55
Belgium.....	393,416	2.27	503,204	3.66
Canada.....	320,460	1.85	369,174	2.69
Netherlands.....	312,971	1.81	274,109	1.99
Australia.....	311,910	1.80	202,078	1.47
Germany.....	286,313	1.65	269,542	1.96
Spain.....	284,316	1.64	206,631	1.50
France.....	257,313	1.49	347,059	2.53
Other countries.....	1,122,748	6.48	823,852	5.99
Total.....	17,323,136	100.00	13,747,719	100.00

3. COPRA

United States.....	₱7,800,120	45.32	₱11,902,453	66.45
France.....	4,324,744	25.13	3,567,996	19.92
Germany.....	856,922	4.98	38,552	.22
Netherlands.....	847,956	4.93	167,532	.94
Mexico.....	820,948	4.77	511,073	2.85
Italy.....	605,947	3.52	12,698	.07
Japan.....	494,087	2.87	310,508	1.73
Other countries.....	1,459,525	8.48	1,401,245	7.82
Total.....	17,210,249	100.00	17,912,057	100.00

4. COCONUT OIL

United States.....	₱12,793,114	94.14	₱18,050,150	98.42
Netherlands.....	283,090	2.08	-----	-----
Canada.....	183,705	1.35	68,167	.37
China.....	98,831	.73	122,997	.67
Japan.....	68,865	.51	47,007	.26
Germany.....	53,389	.39	-----	-----
Other countries.....	108,748	.80	51,324	.28
Total.....	13,589,742	100.00	18,339,645	100.00

5. TOBACCO AND ITS PRODUCTS

United States.....	₱6,727,306	64.75	₱5,951,968	57.48
Spain.....	1,223,092	11.77	2,748,767	26.54
Korea.....	579,542	5.58	676	.01
Japan.....	465,553	4.48	326,001	3.15
China.....	222,104	2.14	285,419	2.76
Hawaii.....	217,809	2.10	210,716	2.03
Belgium.....	178,139	1.71	48,490	.47
France.....	141,604	1.36	63,740	.62
Italy.....	130,898	1.26	210,075	2.03
Hong Kong.....	104,973	1.01	68,839	.66
Other countries.....	398,387	3.84	441,096	4.25
Total.....	10,389,407	100.00	10,355,787	100.00

6. EMBROIDERIES (COTTON AND SILK)

Imported from—	1934		1933	
	Value	Percent	Value	Percent
United States.....	₱5,318,243	99.73	₱3,787,496	99.71
Hawaii.....	12,385	.23	9,332	.25
Other countries.....	2,212	.04	1,803	.04
Total.....	5,332,840	100.00	3,798,631	100.00

7. DESICCATED COCONUT

United States.....	₱4,506,471	99.94	₱3,359,994	99.83
Hawaii.....	2,608	.06	3,172	.09
Other countries.....	-----	-----	2,443	.08
Total.....	4,509,079	100.00	3,365,609	100.00

8. LUMBER

United States.....	₱1,548,481	35.66	₱1,044,418	41.16
Japan.....	1,421,607	32.73	786,226	30.99
Great Britain.....	427,897	9.85	243,071	9.58
China.....	331,919	7.64	246,349	9.71
Australia.....	229,938	5.29	58,339	2.30
British Africa.....	211,440	4.87	130,991	5.16
Portuguese Africa.....	86,574	1.99	5,412	.21
Hawaii.....	13,878	.32	7,697	.31
Other countries.....	71,056	1.65	14,711	.58
Total.....	4,342,790	100.00	2,537,214	100.00

9. CORDAGE

United States.....	₱1,570,106	58.85	₱1,134,689	62.57
British East Indies.....	223,799	8.39	156,518	8.63
Puerto Rico.....	195,957	7.34	129,740	7.15
Siam.....	147,933	5.54	109,214	6.02
Dutch East Indies.....	85,670	3.21	40,173	2.22
China.....	74,147	2.78	85,386	4.71
Peru.....	54,915	2.06	10,043	.55
Hong Kong.....	49,496	1.86	49,070	2.71
Hawaii.....	47,328	1.77	42,317	2.33
Santo Domingo.....	36,072	1.35	-----	-----
Other countries.....	182,796	6.85	56,386	3.11
Total.....	2,668,219	100.00	1,813,536	100.00

10. HATS

United States.....	₱1,395,168	61.09	₱1,109,787	72.44
France.....	378,114	16.56	193,533	12.63
Great Britain.....	297,438	13.02	161,640	10.55
Italy.....	122,080	5.35	34,369	2.24
Canada.....	24,973	1.09	16,100	1.05
Australia.....	23,256	1.02	5,804	.38
Netherlands.....	8,700	.38	-----	-----
Belgium.....	8,195	.36	1,760	.11
Switzerland.....	7,100	.31	-----	-----
Spain.....	6,192	.27	-----	-----
Other countries.....	12,533	.55	9,118	.60
Total.....	2,283,749	100.00	1,532,111	100.00

Other exports.—The value of all exports other than the 10 principal ones mentioned above reached the amount of ₱12,248,899, showing an increase of ₱3,358,950 or 37 percent over those of 1933.

The increase in sugar exported during the year 1934 to the United States is accounted for by the operation of the Jones-Costigan Act

limiting the exportation of sugar from the Philippines to continental United States, becoming effective October 15, 1934, and causing heavy exportation in anticipation of the effectivity of the act. Copra exports, while greater in volume than in 1933 were less in value due to lower prices. The depressed condition in which our market for coconut oil found itself at the close of 1933 was made worse by the imposition of the excise tax on coconut oil in the United States which was applied in May 1934.

SUPPLEMENTARY REPORTS

The reports of the department secretaries are being forwarded herewith.¹

CONCLUSION

In conclusion, I wish to make grateful acknowledgment of the cooperation and loyalty of my associates in the Government, including all the Filipino leaders. I take pleasure and pride in the cordial relationship between the Office of the Governor General, the Filipino leaders, the cabinet and the legislature. There is a prevailing good-will toward the United States and the American people that is unique, I think, between countries having the relationship of a sovereignty and a dependency. Our greatest asset here, good-will and friendly spirit, should be noted in the record.

Respectfully submitted.

FRANK MURPHY,
High Commissioner.

¹ NOTE.—The reports of the department secretaries are on file in the Bureau of Insular Affairs, War Department, Washington, D. C.

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