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Letter of Nicholas Loney to
General Jose Lemery

London, 15 April 1863

On a steamship company in the Philip-
pines in the 1860s . . . Mail route from
Singapore through Zamboanga to Manila
. . . Telegraph connection between
Manila and China and Europe.

Sir,

When, through the kind office of Sir
John Crampton and Mr. Eduardes, I had
the honor of seeing Your Excellency at
Madrid, you were so good as to express so
continued an interest in the future of the
Philippines — for which you have already
done so much — that in the belief that
interest still exists, and that you will hear
with pleasure of anything likely to con-
tribute to the prosperity of that most
important colony, I venture to place

before Your Excellency a few observa-
tions with reference to a subject of con-
siderable importance in connection with
its material development.

Your Excellency will not have failed
to observe during your residence in the
Philippines how great a want exists of
rapid mercantile communication between
the different provinces of the Archipelago,
especially between the populous and
productive islands of the South and the
capital.

The tardy voyages of the coasting crafts,
tediously protracted by opposing moon-
soons, render prompt communication
impossible, with great detriment of com-
mercial operations, and while this con-
tinues to be the case, many of the islands
and provinces remain, and will continue
to remain, a sort of *terra incognita* to
Europeans, who would otherwise, if easy

* *This letter, now found in the Public Records Office, London (PRO FO 72/1070), was copied through the assistance of the British Embassy, Manila. Copies of the "Loney papers" are in the possession of Demy P. Sonza, C.P.U.*

means of transit and access had existed, long ago have conveyed capital and labor to places which would amply remunerate them for the employment of both, but which are still in a state of nature and their unsurpassed resources of fertility of soil and variety of the most valuable tropical products completely unheeded.

Several years ago the Government at Manila saw the great desirability of changing this state of things and of vivifying the whole of the present defective state of commercial intercourse as a colony, comprising nearly five million of inhabitants, by employing the agency of Steam. The decree of the late General Norzagaray is an indication of the wishes then entertained. That decree remained without effect, for various reasons not the least of which was the many conditions as to time and specified rates with which it was embarrassed.

But since the commencement of Steam Communication with the South by means of the small steamer "Esperanza," and more particularly since the rapid increase of mercantile transaction with Australia and England at the island of Panay, the subject has excited attention in this country among persons connected with the Philippine island trade, and latterly the idea has been conceived of forming a small company with the object of establishing a line of Steamers in the Archipelago — reserving part (\$75,000) of the capital to be contributed at Manila.

I beg to send Your Excellency herewith a blank prospectus of the projects above alluded to, accompanied by a small map of the proposed route. As yet, as the matter is quite new, there has not been

time to form a very complete Board of Directors for the Company, but several gentlemen of excellent position have been spoken to, who have readily consented to give their names and influence.

I have been requested to give some information on the matter, and have done so as far as lay in my power, and I have promised to aid the project at Yloilo and Manila, where there is a large number of mestizo and native traders much interested in the subject of rapid intercourse with the capital.

If Your Excellency can inform me whether I should find the Authorities at Manila predisposed to sanction and encourage the proposed Steam line, a communication from you to that effect would have great weight in inspiring confidence here. Perhaps also Your Excellency might, if you saw no objection, ever be so good as to give me a few lines to the present Captain General at Manila, who I intend to see on the subject, and to whom a note from Your Excellency would serve as favorable introduction of it to his notice.

I do not know (though perhaps Y.E. can throw some light on this point) whether the Manila Government would still be disposed to grant a subsidy proportionate to the services performed by the Company. It is not a point of very essential importance, as in case a subsidy were not granted, the operations of the Company would be confined to two small steamers alone which would be expected to make a sufficient profit from passenger and goods traffic; but in any case, if Y.E. could give any assurance of

the probability of a subsidy of a moderate amount, it would cause a more rapid accession of shareholders to the project and enable it to be carried out on a more important scale.

On mentioning this matter to the Director of the Borneo Company, of this City — a company which has important transactions with (the) East — he made some observations with regards to the route which the European mails at present reach Manila which Y.E. may not judge unworthy of attention.

It has been always quite evident that the direct route between Singapore and Manila would be the most expeditious way of obtaining the mails at Manila, and much preferable to that from Hongkong. This would not occur if the Singapore route were adopted. I believe, however, that the difficulty of contending with the N.E. moonsoon between Singapore and Manila (unless steam of more size and power were employed) has led to the adoption of the Hong Kong route. That difficulty would be overcome if the steamers were to run between Singapore and Zamboanga and Manila during the periods of the strength of the moonsoon; for, as Y.E. will see on looking at the map, the route from Singapore to Zamboanga takes a direction which avoids the direct action of the northerly moonsoon, is sheltered for a considerable distance through the Palawan passage, and enables steamers of moderate power to make safe passages, with little or no risk of having to put back. And even in the case of the latter alternative being rendered necessary for unusually bad weather, the steamers would have the great advantages of being able to put in

at the excellent port of Labuan and there, if necessary, obtain coal, which could be supplied to them, as Y.E. will see from the documents I enclose from the Labuan Company, at the comparatively low price of \$5 1/2 to \$6 per ton — or about one half of the price at present paid by the Government at Manila. The Labuan coal has been proved to be of satisfactory quality and it is much less expensive than European coal. It could also be provided in case of need at the important military and naval station of Balabac, which would moreover be placed in more frequent and rapid communication with the capital.

The steamers, either in going or coming or both, could touch at and deliver, or take, mails from the most important places in the line of route — Zamboanga, Yloilo, Zebu, etc. — greatly to the advantages of these places, which would thus be enabled to receive, or despatch, their mercantile correspondence with Europe and Australia in a much more efficacious manner than at present. If it were found to be conducive to the better arrangement of this service, the steamers of the proposed interisland steam company could undertake the delivery of the mails between Zamboanga and Manila, or even the carrying of the mails between Singapore and the Philippines, as this would only involve having a few additional vessels, of better qualities and more speed than the "Escaño" and "Malaspina," which at present perform this service between Manila and Hongkong.

There is another consideration to which as a merchant accustomed to sell goods in considerable quantities to the native traders and personally conversant

with the class of articles required by them in the islands of the extreme South of the Philippines, I venture to call the especial attention of Y.E.

The port of Zamboanga has been opened for some years to foreign trade, but has hitherto produced nothing to the revenue, and as the district yields little or no produce of its own, in the immediate vicinity, to attract foreign vessels, in all probability, under the present system, it never will produce a tolerable income. It is only as a depot that, like Singapore and Hong Kong it can be made of importance, but, like these places and as a depot, it could from its excellent position become of very great importance indeed.

The merchandize sold at Singapore is very much adapted for the consumption of the Mohammedan population of Sooloo and Mindanao than that imported at Manila, which is much more suited to the tastes of the Christianized population of the Philippines and is besides much increased in price by the duties at Manila and the cost of transit from that market to Zamboanga. A very large cargo is done by the native prahus between Borneo, Singapore, Macassar, and the islands of the Sooloo Sea. If the Steamers between Singapore and Zamboanga were allowed to carry cargo (as, being under the Spanish flag, they no doubt would) considerable imports would take place by them at Zamboanga, greatly to the benefit of the Revenue of that port, especially as, by a wise regulation, intended to encourage its trade, the Custom House dues there leviable are less than at Manila.

A trade of this kind once commenced

would soon be taken up by sailing vessels and these will require return cargoes, for which Zamboanga would naturally become the depot. This would again react beneficially on the important establishment of Cotabato on the "Rio Grande de Mindanao," and on the whole part of the island which the Government is making very strenuous efforts to bring into commercial life.

It would also have a beneficial effect in still further reducing the piracy which has of late been the object of such persevering and efficient exertions on the part of the Philippine Navy. Visited continually by merchant steamers and European vessels, bringing with them all the pacific influences of commerce, the Southern Bisayas and Sooloo islands would, it is reasonable to expect, undergo a most important change.

Your Excellency will, I trust, excuse me for writing at such length and venturing suggestions which you may possibly think misplaced. I have lived so long in the Philippines that I cannot help taking a deep interest in what concerns them, I have moreover been so well situated during my residence at Yloilo for observing their importance and their great capabilities for a much larger trade than they at present command that I feel impelled to point out what I consider to be of benefit to them. The small steam line which find the subject of the present communication is a case in point, and I hope Your Excellency may be able to find leisure to communicate to me something favorable regarding it. Your Excellency will observe that \$75,000 of the

Capital is to be taken in the Philippines. The Company would of course have a Spanish title and the steamers be sailed under the Spanish flag and by Spanish captains and Philippine crews.

There is nothing more wonderful in commercial history than the increase of the European tradal element in China and the East generally during the last ten years, but more especially in China. The Philippines have to some extent participated in the movement, but not nearly to the degree in which they eventually will. The numerous lines of private steamers established in the Chinese coast are giving to their promoters very remunerative results and contributing much to the development of both local and foreign trade. The same results, in a proportionate degree, must be expected from the more general employment of steam in the Philippine Archipelago, which, in geographical position, in fertility of soil, in richness of products, and in the industrial, maritime and commercial aptitude of its numerous population, yields to no other tropical possession in the world.

Your Excellency, may perhaps, be interested to hear that the progress of the new port of Yloilo the chief tradal center of the rich island of Panay (which is so justly termed the "Perla de Filipinas") has been of late very rapid. The export of Sugar by foreign ships to Australia was last year 86,000 piculs. The crop of Sugar amounted to 192,000 piculs, though six years ago it was barely 12,000. A vessel has been loaded with Sugar for England (the first which has ever sailed from the Bisaya islands for Europe) and another vessel has recently left this

country for Yloilo which I have engaged to load with Sugar at that port, and with Hemp at Zebu. The crop of Sugar at Yloilo is calculated this year at 270,000 piculs.

The house of Russell & Sturgis, of Manila (American), which Your Excellency will recollect as being the largest firm there, has lately established a branch house at Yloilo — a step which completely secures the commercial future of that port and will soon give it an important status as a market. The operations of this house at Yloilo will be on an important scale, for the supply of the sugar refineries at Melbourne and Sydney. In confirmation of this remark I would add that last year the Philippine export of Sugar amounted to the large quantity of 1,267,000 piculs (79,187 tons), of which Messrs. Russell and Sturgis alone shipped 600,000 piculs, or about one half — 400,000 of which they despatched to Australia.

My friend Mr. Horatio Perry, of the American Legation at Madrid, spoke to Y.E. some time ago regarding Electric telegraphs for the Philippines. Your Excellency then remarked that although the Government would be very happy to see telegraphic communication established between China and Manila, and the latter colony thus placed in prompt communication with Europe, either by way of Labuan and the Southern islands, or via Siam and Cochin China, it did not see its way to the large outlay which this project would involve, especially after the heavy expense which the Philippine finances had recently borne for the cost of the steam gunboats which have lately been so effectual in checking piracy in that quarter

and in view also of the diminished receipts for the Manila Custom House consequent on the American War.

I have been in communication with Sir Charles Bright, who is one of the most eminent telegraphic engineers in this country, and who is also a friend of Mr. Perry. Sir Charles Bright ventures to think that the Philippine Government would be glad to adopt a scheme which he has sketched out, for inter-island telegraphic communication only for the present. He has accordingly, with the assistance of some suggestions from me, prepared a sketch of a telegraphic map for the island of Luzon and the Southern islands, which I have the honor to send to Your Excellency, herewith.

It will be observed that the distances over which the telegraph would require to be submarine are not formidable, the longest being the space between Negros and Zamboanga. The submarine portion would be the only really expensive part, and, if necessary, the line for the present could be confined to the island of Luzon only and land lines, as Your Excellency will know are very inexpensive.

I take the liberty of sending herewith two Manila newspapers, containing some important remarks on the utility of which an electric line would have been during the late destructive gale at Manila, if such a line had existed from the North of

Luzon to the capital.

Will Your Excellency be so good as to say whether you think the Government would be prepared to entertain favorably this notion? Sir Charles Bright is at present engaged in the construction of the telegraphic line from Calcutta to Rangoon. From Rangoon it will naturally, in course of time, be conveyed to Singapore, and from this latter point the continuance, at a more or less remote period, to China, is a matter of certainty as is also its prolongation to Australia by way of Timor. The exceedingly important expedition in charge of Captain Sherard Osborne (one of the most important in future results which ever left these shores for the East) takes with it means for the establishment of telegraphic lines to China. The Philippines cannot long remain isolated from these most interesting commercial and political events of modern times.

I must again ask Your Excellency's indulgence for writing at such length. I include a copy of the tender of the Labuan Company to supply coal to steamers entering that port, and also certificates of its satisfactory quality, and a very favorable notice of the present state of the Labuan Coal mines. I am aware that the coal mines at Zebu are progressing favorably, and their further development will be a most important

feature in aiding the establishment of inter-island lines of steamers in the Archipelago. I notice in the Manila "diario" that 300 Tons of Zebu coal had recently been brought from that port to Manila. This is of good augury.

I return to the Philippines and to Yloilo early next month, but any letter which Your Excellency might do me the

honor to send will reach me if sent to the address given below. Should Your Excellency think any of the suggestions I have ventured to make of importance, it would be well if you could writè me before the end of the month, so that I might be able to make valuable use of your communication before leaving Europe —

I have the honor to be
Your Excellency's most
Obedient Servant

N. LONEY

Address:

N. Loney
Care Capt. R. Loney, R.N.
27 Torrington Place
Plymouth
Devonshire

Documents enclosed & forwarded:

Prospectus of Steam Line
Map of route
do of telegraphic do
Diario de Manila of 5 and 23 Dec 62
"China Telegraph" of 13 April
Tender for supply of Coal from
Labuan Coal Co
Certificates of good quality of Labuan
Coal.