

## The Urbanization of Baguio: The Gold City of the Orient, 1929-1941

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### ABSTRACT

Baguio City's urban growth has always been studied from its American colonial beginnings (1900-1913) yet as late as 1918 Baguio ranked third to the last among seven Philippine cities in terms of density rate per sq. km. Then described by the Halsema family as a "small, quiet ... backwater post," Baguio, by 1939, would report a quadruple growth in its population density from 95 (1918) to 419 (1939) people per sq. km., outpacing all seven cities except Davao. How did Baguio transform from a small colonial outpost in the 1900s into a burgeoning urban center in Northern Luzon, Philippines by the 1930s? This work posits that Baguio's rapid urbanization is traceable to the global events of the 1930s gold boom, which made Baguio the "Gold City of the Orient." This study takes after the pattern proposed by Alfred McCoy and Edilberto De Jesus in studying local societies in the Philippines, which is to examine how global trade provoked local transformations (McCoy & De Jesus [1982] 1998), a pattern yet to be charted for Baguio City during the gold boom of the 1930s. It also contributes to the existing literature on the hill stations of Southeast Asia by exploring its locale of study beyond its colonial inception. To do this, it accounts for the factors leading to the gold boom in the Cordilleras (transportation, gold, capital). It narrates how the growth of the mining industry in the region has shaped the urban character of Baguio, strengthening its service-oriented industries, transforming its once transient population into a more permanent one, and laying the foundation for Baguio's subsequent development as a services hub for Northern Luzon.

**Keywords:** urbanization, urban history, mining, colonial city, Commonwealth government, global trade

## INTRODUCTION

Baguio, long famous as the Gold Capital of the Orient and the Pines City of the Philippines offers unique opportunities to the homeseeker, to the businessman, and to the vacationist. It is a city of unsurpassed climate, where a stimulating atmosphere adds new vigour to every action.

It is a market where you can sell to people noticeably lacking in the pessimism of depression which is so evident in many parts of the world today.

Its gold mines – and more than half of the entire mineral output of the Philippines today comes from the Benguet hills – support a flourishing, modern community.

*Baguio is a good place to visit – but a better place in which to live!*

Baguio Chamber of Commerce  
*Philippine Mining Yearbook (1939)*

The City of Baguio is today the most populous locality in the Cordillera Administrative Region (CAR), with a density rate of 6,005 per square kilometer. Outside of the National Capital Region (NCR), the city ranks fourth among highly urbanized cities (HUCs) after Mandaue City, Lapu-Lapu City, and Angeles City (NEDA 2017, 19). Due to the high concentration of population in Baguio and in its surrounding areas, the Baguio City-La Trinidad-Itogon-Sablan-Tuba-Tublay (BLISTT) area is considered by the National Economic Development Authority (NEDA) as the regional commercial and services center of the Cordillera Administrative Region. Baguio has become the major industrial center, tourism gateway, health center, and education center for Northern Luzon (NEDA 2017, 35).<sup>1</sup>

The continued concentration of economic establishments in this area, with most business establishments being registered within Baguio City, attests to the central role that BLISTT plays in the regional development of CAR (ibid., 53). Driving this economic growth of Baguio and its environs is the city's tourist influx, with Baguio accounting for 75 percent of CAR total tourist arrivals in 2016 (ibid., 115). Baguio's continual economic growth has also been fueled by the boom in the Business Process Outsourcing (BPO) industry in the city. In 2016, Baguio placed 94<sup>th</sup> among all the cities in the world as the preferred investment destination for the BPO industry according to Tholon's list. Being the educational center of northern Luzon, Baguio proved

ideal for this industry's staffing requirements (NEDA 2017, 110; Delos Reyes 2017, 41-43). It was no surprise therefore that employment in the BPO industry in Baguio grew from only 40 employees in 2004 to 20,000 in 2016 (NEDA 2017, 110). This concentration of employment opportunities in Baguio would explain how the city became the most densely populated locality in CAR today.

The urban growth of Baguio as a modern-day services center for Northern Luzon is often attributed to its colonial inception during the first decade of American rule, 1900 to 1913 (Reed [1976] 1999). But a close look at the demographic growth (and descriptions) of the city, post-1913, would reveal otherwise, with Baguio characterized in 1918 as "a small, quiet ... backwater post" that only had a few residents all-year round (Halsema 1991, 161). Out of the four cities identified in the government-published guide *Beautiful Philippines: A Handbook of General Information*, Baguio reported the least population (see Table 1 below; Bureau of the Census and Statistics 1941, 7), with an even lower population density per sq. km. than Iloilo, a city 22 sq. km. smaller than the former (PCI 1923, 63-68).

**Table 1.** 1918 Statistics of Four Other Cities outside Manila.

City	Area (Sq. Km.)	Population	Density of Population (per sq. km.)
Baguio	57.50	5,464	95
Cebu	332.61	65,502	197
Iloilo	34.96	53,358	1,526
Zamboanga	2,912.11	65,096	22

Even in comparison to those of neighboring municipalities in the subprovince of Benguet, Baguio's population size was only marginally larger than theirs for the year 1918 (see Table 2; Commission of the Census 1940, I pt 2, 5).<sup>2</sup>

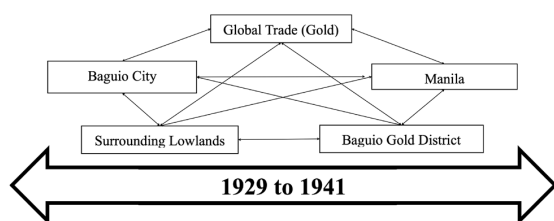
**Table 2.** 1918-1939 Population Statistics of Benguet.

Municipality	1918	1939	Percentage Increase (1918-1939)
Atok	3,065	6,047	67.7
Baguio City	5,464	24,117	341.4
Bakun	4,076	4,383	7.5
Bokod	4,268	6,082	42.5

Buguias	2,611	5,691	118.0
Itogon	3,167	35,179	1011.1
Kabayan	2,841	4,190	47.5
Kapangan	3,916	6,539	67.0
Kibungan	2,589	3,426	32.3
La Trinidad	3,013	6,554	117.5
Tuba	2,764	5,936	114.8
Tublay	2,310	4,265	84.6

But by 1939, Baguio (along with Itogon) experienced a drastic increase in population growth, with their numbers far exceeding the average population size of a municipality in Benguet by threefold (see Table 2). What might explain this exponential population growth of Baguio and, by extension, Itogon, leading to the development of the area as the major urban center for the Cordilleras just before WW II?

Following the pattern determined by McCoy and De Jesus for the different regional histories of the Philippines ([1982] 1999), this study argues that Baguio's accelerated urbanization in the 1930s was a function of the city's deepening linkages with the world-economy—the global trade of gold with the United States; the encroaching influence of the primate city Manila; Baguio's increasing economic relations with the nearby Gold District and with neighboring lowland provinces such as Pangasinan and La Union (see Figure 1).



**Figure 1.** The Shifting Network of Linkages between Baguio and other Luzon Settlements.

Taking a leaf from McCoy and De Jesus' approach, we can examine how the city was integrated into the growing world-economy of the twentieth century, how such integration shaped its urban character and development, and the role this urban settlement played in the colonial circuits of this world-economy (McAndrews 1994, 2; McGee 1967, 52-75; Wallerstein 1984, 1:15). In examining how global trade drove the local transformation of Baguio during the 1930s, this study addresses a gap in the urban history of Baguio, the previous studies

of which focused mostly on the dispossession of the Igorots (Florendo 2000, 57-78; Tapang 1985; Prill-Brett 2009, 17-59), on the colonial genesis of the city (Reed [1976] 1999; McKenna 2017), or on the city's subsidiary role in the growth of its various institutions and industries (Halsema 1988; Habana 2001; Delos Reyes 2014). This project also adds to the existing literature on the hill stations of Southeast Asia as it explores the locale of study beyond its colonial genesis (Kennedy 1990; Mitchell 1973; Jennings 2011; Delos Reyes 2017).

Prior to the gold boom of the 1930s (1929-1936), colonial interest in the city was officially driven by the need to save "thousands of dollars and hundreds of valuable lives" from "tropical neurasthenia" or "Philippinitis" (Luga 2020, 109-117; McKenna 2017, 21-48), with the pursuit of gold as the "unofficial" motivation for American entry into the Cordilleras (Jenista 1987, 21-24). By the 1929-1936 period, however, the lure of gold would exert the most pull to enter the region on account of (1) improved access to the gold mines with continued road construction; (2) the success of Benguet Consolidated Mining Company, Balatoc Mining Company, and Itogon Mining Company in opening up rich veins in the Gold District; (3) and the U.S. Government's intervention in the price of gold, which increased in value from \$20.67 to \$35.00 per ounce (Wirkus 1974, 205).

Heightened activity in mining speculation and development occurred in the adjacent Gold District (Itogon area) resulting in an influx of prospectors and employment-seekers from nearby upland and lowland municipalities. This burgeoning population and expansive mining activity in Itogon would necessitate tertiary industries such as transportation or medical and other immediate services which the mining camps alone could not fully provide for. Baguio, with its existing road networks and tertiary sector, was in the best position to accommodate these requirements. The growth in the city's permanent population and the transformation of its urban character immediately followed as the city benefited from the sudden influx of local capital. This period thus laid the foundation for Baguio's accelerated urbanization and subsequent niche as an important services center for the region in the postwar years.

This development of Baguio as a consequence of the mining industry's expansion accords with Terry G. McGee's finding in a study of colonial cities in Southeast Asia, that the growth of such cities were an "indirect benefit from the colonial process" (McGee 1967, 62-63). In this instance, Baguio's rapid growth during the 1930s may therefore be explained as a function of the city's further integration into the world-economy, with its heavy demand for gold from the colonies, especially during the Great Depression. Colonial cities like Baguio played the "intermediary role between the traditional rural society of Southeast Asia and the rapidly urbanizing societies of western

Europe" (McGee 1967, 53-54). Baguio became an important secondary inland center in Northern Luzon for the global and American colonial order during the first half of the twentieth century.

This narrative of Baguio of the gold boom period drew from the documentary analysis of various government reports, newspaper articles from *The Tribune*, and issues of the *American Chamber of Commerce Journal* relevant to the city's history. From these sources, we periodize the city's development in two broad phases to be discussed in the succeeding sections: (1) the precursors to Baguio's urban growth from 1900 to 1929, and (2) the impact of the 1930s gold boom on Itogon and the rapid urban expansion of Baguio for the period 1929-1941.

### **Precursors to Urban Growth: Transportation, Gold, and Capital (1900-1929)**

American interest in the Baguio area was first driven by the colonial government's official desire to take advantage of the region's "perpetually temperate climate" for the recovery of its tropically ill troops and employees (Reed [1976] 1999; McKenna 2017). Often elided in this narrative was that the Americans were also lured into the region, unofficially, because of its promises of gold (Habana 2001). As early as the thirteenth to fourteenth century (or even earlier), gold had already loomed as the region's greatest attraction to outsiders (Keesing 1962, 14; Canilao 2011, 52-53). Ibalays and Kankana-eyes, in fact, would move from their former coastal settlements in Pangasinan to the region in search of the gold mines of Southern Benguet, and were the first to discover the various mining sites in the area (Bagamaspad and Pawid 1985, 225). Later, through them, the colonizers, particularly the Americans, would come to know of the vast potential of Benguet in terms of mineral resources.

Acquiring this knowledge, however, was difficult. In a speech delivered to the American Mining Congress in Los Angeles, "Gold King" John W. Haussermann compared the process of prospecting in the United States to that in the Philippines. Rather than searching for outcrops of gold-bearing veins, according to Haussermann, prospecting in the Philippines required "living with the natives and gaining their confidence to the point where these natives were willing to show the prospectors their mines, both active and abandoned." He further detailed the process of mining in the Philippines as follows (Haussermann 1938, 23):

first find a grubstaker and then take up residence in an Igorot community, preferably one where the natives were wearing gold ornaments, find out the location of the native mine workings and then cover the same by a location under the newly established mining law.

The Kellys were among the American prospectors to have succeeded in accessing the mining secrets of the inhabitants of Benguet. James Kelly, a mining engineer, arrived in the Philippines in 1900 in search of the ancient mines of Benguet. Alice Kelly, his wife, would follow suit on October 1901. While James was busy prospecting the canyon of Antamok River, Alice was busy teaching American salutations to the Igorots who lived in their surrounding claims (Halsema 2000, 39-40). Eventually, her educational venture paid off when the Igorot Pacalso decided to share "his bounty with Alice Kelly whose husband then staked the claim now known as the 'Kelly Mines'" (Habana 2001, 16).

In other instances, these prospectors would instead marry into the Igorot community to gain access to Igorot mining domains. Such cases of intermarriage occurred between the mining prospectors and the Kankana-ey women of Mankayan (Bagamaspad and Pawid 1985, 227): John Muller Sr. and Laney Ngaosi (Gutierrez 1964, 137), Charles Pettit and Oning Laoyan, Patrick Dugan and Martha Agustin, John Gillies and Minay Maris Sapino, Joe Icard Sr. and Kiding Sacla, George Icard and Kading, Jefferson Douglas and Molly Togidan, John Gaffney and "Paula," Luis Hora and "Margarita," for examples (Wilson 1953, 69; Pekas 2006, 25-26). It was through this process of gaining the confidence of the locals that most of the Benguet mines would be discovered by the Americans. Also, through their rampant staking of claims, many American prospectors ended up dispossessing the earlier Igorot miners of their mining sites, depriving the elite Ibalays (Baknang) of their precolonial source of capital (Habana 2001).<sup>3</sup>

Despite having appropriated most of the Igorot gold mines for themselves, the early American prospectors were not able to introduce any significant improvements on these ancient mines during the first decade of American occupation. This inability to grow the mining industry was caused by: (1) the lack of transportation facilities (2) the lack of confidence in the profitability of the gold mines in the area; and (3) the lack of ample capital. It was not until these factors were addressed that the mining industry in Benguet and the Mountain Province (M. P.) would ascend to industrial levels.

### *Transportation*

In the late Spanish period, the Philippines saw a rush of gold exploration ventures by various foreign mining companies. One such company was the English-owned Philippine Mineral Syndicate which explored possibilities in the Paracale-Mambulao district of Camarines Sur in 1892 (Wirkus 1974, 11). Under the Syndicate, the Mambulao mines were able to yield a weekly output of 1000 ounces of gold from the "primitive way of washing the pounded quartz." Seeing the potential productivity of the Paracale-Mambulao district,

Syndicate President Mr. Frank Karuth, in a pamphlet dated 18 May 1898, extolled the potential of the Philippines as “a new center of gold production.” But for him, “the utter absence of practicable roads” in the country laid such potential to waste. He recounts the difficulties encountered in reaching these mines, requiring one to

trudge contentedly single file, laden with their simple implements, through the trackless primeval forests, cutting their way patiently through endless tangles of lianas and swaying labyrinths of luxuriant greenery which would make a botanist’s heart swell. In many parts vehicles of any kind are unknown; in others, their only representative is the creaking country car, drawn by a pair of stolid buffaloes. (“Consular Reports” in U.S. Philippine Commission 1909, 43-46).

These obstacles confronted the Americans in the first decade of their rule. In fact, the widespread lack of practicable roads was verified by the Bureau of Public Works, an agency established by the Americans in 1905. According to the Bureau, it found no Spanish road to be worthy of being categorized as “first-class”<sup>5</sup> until 1908 – meaning no roads were found in the Philippines to have been “well graded and surfaced, thoroughly drained and constantly maintained.” More importantly, no roads were found to be capable of “carrying automobiles weighing almost 2 tons or more” and no road was found to be “continuously passable” throughout the year in the archipelago (BPW 1917, 5).

As a result, despite the numerous mines which the Americans have prospected early on, the Census of the Philippine Islands for the year 1903 would evaluate them as underdeveloped – “little work has been done on them, and it is not believed that any deposits likely to prove profitable under present conditions of labor and transportation” (US-BC 1905, 81). Crucial to the development of mining in the Philippines at that juncture, in other words, was the upgrading of the transportation system and the development of roads.

The Benguet Road found its purpose in this regard. Aside from serving as the major thoroughfare for accessing Baguio as a health resort, the Benguet Road also eventually functioned to open up the gold mines surrounding Baguio, particularly in Itogon, later to be known as the nucleus of the Baguio Mining District. Chief of the Division of Mines Warren D. Smith attested to the value of Benguet Road to the development of mining in the Baguio area, regarding it

a matter vital to the general weal of the whole Philippine Islands that there is a means provided for hauling into the interior stamp mills and cyanide plants and other heavy machinery. *This is the real justification of the Benguet road, and,*

neglecting for the moment the question of cost, the building of the Benguet road will probably be considered one of the wisest acts performed by our Philippine Commission in its whole period. (Smith and Goodman in U.S. Philippine Commission 1909, 63-64, emphasis added)

The Benguet Road would make possible the transportation of heavy machinery and other necessary mining equipment from the Manila ports to Baguio, and from Baguio to the outlying mining sites of Itogon through the wagon roads. The Road, as early as 1908, not only made modern mining in the region possible, but also established Baguio’s role as a connecting hub to the mining sites surrounding it. Baguio’s central location in respect of the mining sites called for the development of civil facilities to respond to the gold district’s need for them. For example, in 1908, arrangements were made for the Civil Hospital at Baguio to make its facilities and services available to the miners and surface workers of the neighboring mines. In exchange for this accommodation by the Hospital, 40 centavos per month was deducted from the miners’ wages and 20 centavos from the Igorot surface workers’ (Bureau of Science 1909, 24).

By 1930, the role of Baguio as a transportation nexus would expand with the completion of the Mountain Trail. The Mountain Trail, known today as the Halsema Highway, was first constructed in 1907 by the Americans for the purpose of connecting Baguio with Lepanto. Much like Benguet for its Itogon district, Lepanto was known for the mining potential of its Mankayan-Suyoc District. The construction of the Mountain Trail was meant to stimulate the growth of the mining industry of Lepanto (Anongos 2015, 83). The Mountain Trail was also built to open up the M. P. to tourism. Through the Mountain Trail, tourists could visit and experience a Mountain Province, notable, as former governor general Francis Burton Harrison advertised it, for its “cool and bracing” air, “at an altitude of from three thousand to eight thousand feet,” and with a “scenery gorgeous beyond description” (cited in Anongos 2015, 85).

However, this Trail, for the first two decades of the American period, would remain suitable only for travel on ponies and horseback (“The Halsema Mountain Road” 1953, 309). Consequently, the transportability of heavy machinery and other necessary equipment needed for the Lepanto mines remained limited, a problem noted as late as 1919-1920 by Division of Mines Chief Smith in his report for that year, that despite “the good horse trails in those regions, *there is no road suitable for the transportation of heavy machinery*” (Smith 1922, 19-20, emphasis added).

This condition only changed by 1921 when widening of the trail was gradually undertaken under the supervision of Benguet district



engineer Eusebius J. Halsema and Bontoc district engineer Roque Peredo. Slowly, automobile travel over the trail was made possible. In 1926, the first vehicle to traverse the Mountain Trail, a Ford Model T, reached Haight's Place. By 1929, automobile travel reached as far as Abatan, a municipality of Buguias, Benguet and by September 1930, Halsema declared the road complete, with his foreman able to traverse the entirety of the road via automobile from Baguio to Bontoc ("The Halsema Mountain Road" 1953, 310; "Via Mount Data" 1930, 10). With the completion of both the Benguet Road and the Mountain Trail, the important mineral districts of Baguio and Mankayan-Suyoc were made more accessible to both miners and machinery transport by the 1930s, paving the way for increased production in the gold mines.

### Gold

In the *Philippine Mining Yearbook's* assessment of the Philippine mining industry in 1939, the Chamber of Mines of the Philippines underscored two important preconditions for mining ventures to succeed – "you must have the gold in the ground, and you must have capital with which to undertake the extraction of gold." But the checkered past of the Benguet mining district inspired little confidence among potential capital investors in the mining industry's prospects and profitability. Until 1926, only the Benguet Consolidated Mining Company was able to pay dividends, with the other mines left stagnant in an indefinite prospecting and development stage.<sup>6</sup>

By 1927, however, the Baguio gold district witnessed the growth of another venture, the Itogon Mining Company. The Itogon firm started from the eleven claims discarded by the Acupan Mining and Milling Company when it was undergoing its own reorganization into the Balatoc Mining Company (Robb 1938, 22). These eleven discarded claims were picked up by the Swedish Nels Petersen and eventually inherited by his wife after Mr. Petersen's passing. In 1920, Mrs. Petersen would remarry, to the Dutch chemist Jan Hendrik Marsman and, together, they would incorporate these claims in 1925, starting the mine's operations in 1926 (Benton 1936, 29). By 1927, Itogon was able to pay its first dividends, ensuring that despite the company's medium to low-grade ore, mining could still be made profitable through efficient management (*Philippine Mining Yearbook* 1939, 6). The success of Itogon, although a welcome development for the Baguio Gold District, was not enough to persuade local capital to invest in the region given that its gold production value was not as hefty as that of Benguet Consolidated. In 1928, for instance, Itogon could only lay claim to a total gold value of PhP440,362 compared to Benguet Consolidated's PhP2,717,929 (Benton 1936, 14). It would take

another mining company of equal profitability to be established for this situation to change and, in 1929, the Balatoc Mining Company began to fit the bill.

The Balatoc Mining Company was built on the claims of prospectors Major Harry Howland and Clinton H. Hubert in 1909. Failure to get additional funding for its development and exploration led to its abandonment until a second attempt was made by Hubert together with former Baguio vice-mayor William Haube in 1915. With the organization of the Acupan Mining Company, they took over these mineral claims situated on Butwann Creek, about 13 kilometers southeast of Baguio. But eighteen months later, the new company again shut down due to lack of capital (Benton 1936, 27). Another attempt was mounted to reopen these Acupan claims in 1923 with Paul A. Gulick, a clerk in the Bureau of Public Works office in Baguio, taking the lead. What convinced capitalists to support this revitalized venture however was the exploratory report made by the veteran Australian prospector, Thomas D. Philips, who vouched for the claims as the most promising he has ever seen. With the eventual discovery of the rich 231 Vein, capitalist interest in the Acupan area was renewed and, by 1927, the now renamed Balatoc Mining Company would enter into an acquisition agreement with Benguet Consolidated for Balatoc to be developed in exchange for acquiring 60% of company shares (De Jesus 1978, 25-27). The infusion of Benguet's administrative and technical skills in mining, in addition to its capital investment of Ph600,000 for the construction of Balatoc's 100-tons/day mill, led Balatoc to a gold production value of PhP2,345,941 in 1929, allowing the company to distribute dividend payments among its shareholders for the first time (Haussermann 1938, 36).

The combined success of Benguet, Itogon, and Balatoc transformed the Baguio District from being a "one-mine district" to a true capitalist destination for gold ("Rivals Alaska in Gold Production" 1932, 7 & 16). By 1932, gold production in the district was so abundant that the American Chamber of Commerce dared to proclaim that it may soon surpass Alaska, then the leading gold production center of the United States ("Rivals Alaska" 1932, 16). This prediction of the Chamber did partly come true in 1935 when, on the strength of the Baguio District's output, the Philippines out-produced Alaska in gold production (Cutshall 1942, 296). By 1937, in fact, the Philippines would out-produce all gold-yielding states of the United States (Agbayani 1939, 20; Haussermann 1938, 42). Although Philippine gold production would eventually fall to second place after California, this leading status of the Philippines continued until the outbreak of WWII, signifying how Philippine mining, by the 1930s has truly come of age (Cutshall 1942, 296).

### Capital

The gold discoveries of Benguet, Itogon, and Balatoc gave local capitalists confidence in the mining prospects of the Baguio District. However, the assured presence of gold was not enough to compel the Filipino elite to invest in this fledgling economy. The native elites, in collusion with foreign nationals, have long invested in the commercial sugar industry of the Philippines in response to global demands of the nineteenth century (McCoy [1982] 1998, 297-358; Larkin 1993). This reliance on sugar exports as a source of revenue was sustained by United States demand for the crop due to mounting shortage caused by WWI ("Food Conservation During WWI" 2016; Friend 1963, 180). Indeed, the early twentieth century saw the value of export in sugar to the United States rise by 450 percent, making it the leading cash crop of the Philippine economy. But the Great Depression of 1929 created a precipitous drop in the value of sugar exports to about 40 per cent for the years 1929 to 1932 (Legarda & Garcia 1966, 129-130). Furthermore, to curb competition from Philippine sugar planters, American farmers and Cuban sugar lobbyists pushed for Philippine independence in an attempt to impose duties upon Philippine sugar exports (Friend 1963, 180).

With the decline in sugar's export value, together with the imminent threat of quotas on its export through the Tydings-McDuffie Act of 1934, local sugar planters had to look for new investing alternatives. It was at this juncture that successive US government policies were implemented which made gold that new lucrative investment avenue for accumulated capital from the sugar industry. In August 1933, President Franklin D. Roosevelt increased the price of gold from \$20.67 to \$35.00 per ounce. This policy was followed by the lifting of the gold embargo on August 30, allowing domestic producers to sell their gold to other countries at the highest price available. In addition, the implementation of the higher official United States price of gold was completed on October 31 when the United States Treasury was permitted to buy gold at the current world market price ("Manila's Gold Row Seethes; Bank Official Explains Why" 1933, 6; Wirkus 1974, 205). Finally, these policies coincided with the United States' release of compensation funds for the loss the sugar planters were expected to experience with the imposition of the Tydings-McDuffie Act. A total of fourteen to sixteen million US dollars, paid between 1935 to 1936, landed on the hands of these sugar planters, and this windfall came at a time when they have fully paid off their bank loans for sugar mill improvements, and when reinvestment in the sugar industry was no longer lucrative (*Philippine Mining Yearbook* 1939, 6; Larkin 1993, 205).

These successive government policies provided both the impetus and the excess capital the sugar planters needed to expand

into the gold mining industry (Larkin 1993, 211). An example of this diversification is the case of Andres Soriano, who through the investment of Placido L. Mapa, manager of the sugar central Talisay-Silay Milling Co., Inc., and the Aranetas of Ma-ao Sugar Central Co., Inc., was able to acquire controlling interest in the Antamok Goldfields in 1932 (*Philippine Mining Yearbook* 1939, 6; De Jesus 1978, 32; Nagano 1993, 228-229). Sugar magnates of Iloilo and Negros who also ventured into mining were the Montilla family and sugar planter Magdaleno C. Peña (son-in-law of Gil Montilla), together founding the Northern Itogon Mining Association in October 1936. Located 23 kms. away from Baguio, these 99 hectares of mining property were almost exclusively organized by the Montillas ("The Northern Itogon Mining Association" 1936, 15). The Montillas would go on to add 12 other mining firms (e.g., Kalinga Goldfields Co., and the Macawiwili Mines) to this haul, with properties in Baguio, Abra, Zambales, Pampanga, Paracale, Mambulao, Capiz, and Pilar ("Montilla Interests Expanding Business" 1936, 2). Following the Montillas, other Manila and Negros sugar barons established their own mining stakes in the district through the South Itogon Mining Association. With 38 mineral claims identified in its mining property, the Association, through its board of trustees, floated a capital of P300,000 for its immediate development. Some noteworthy members of the Association were the Manager of the Bataan Sugar Co., Don Francisco M. Esteban, who served as South Itogon's Chairman; Secretary of Bataan Sugar Co., J. Victoriano Corpus as Treasurer; and former Philippine National Bank member Mr. B. T. Capili who represented the claim owners in the Purchasing Agent of the Philippine Sugar Centrals and Mining Companies Agency and allied Mining Companies under Magdaleno C. Peña ("Notables Back South Itogon" 1936, 18).

Aside from the Negros sugar planters, Filipino government officials also capitalized on the boom years of the mining industry. Provincial Governor Emilio Gaston of Negros Occidental, Gov. Vicente Noble of Batangas, and Gov. Rafael Martinez of Leyte, for instance, all served in the Board of Trustees for the Sta. Monica Gold Mines, with Gaston as the board's Chairman. The said mine company owned 42 lode mineral claims in a property adjacent to the Icard Mining & Benguet Consolidated Mining Company properties in Itogon ("Sta. Monica Gold Mines" 1936, 8). Even Manuel Roxas, the country's post-war President, entered the gold business of the M.P. In 1936, while serving as the 1<sup>st</sup> District Representative of Capiz, Roxas paid Louis W. Hora the sum of PhP153.60 for expenses incurred in the exploration of the mineral claims of the Busan group at Mankayan (Manuel Roxas Papers, Series III, Box 1). In the same year, Roxas also purchased 33 mining claims of the Gold Dollar Group at Suyoc, Mankayan for PhP 1,000.00 (Manuel Roxas Papers, Series IV, Box 12). When not directly

involved in the development or purchase of mining claims, Roxas opted to buy shares of already existing mining companies. In a 1936 breakdown of his mining shares, Roxas indicated that he bought stocks from the following: Demonstration Gold Mines (Baguio, M. P.); Gumaos Goldfields (Paracale, Camarines Norte); Homestake Gold Mines (Paracale, Camarines Norte); I. X. L. Mining Company (Balete, Masbate);<sup>4</sup> Masbate Goldfields (Rio Guinobatan, Masbate); Mother Lode (Paracale, Camarines Norte); Suyoc Consolidated (Suyoc, M. P.); Universal Exploration (Maliit, Camarines Norte); and United Paracale (Paracale, Camarines Norte). Accounting for losses, Roxas' ventures yielded him a total net profit of PhP34,031.09 for 1936 (Manuel Roxas Papers, Series III, Box 1).

Aside from the large surplus capital unloaded by both sugar planters and high-ranking government officials, the mining industry of the 1930s also benefitted from the accumulated pool of speculative capital provided by small retail investors through the Manila Stock Exchange (MSE). Opened in 1927, the MSE allowed ordinary Filipinos to purchase shares of mining companies. With the gold boom of the 1930s, the MSE saw an increase in the listing of new mining companies seeking public capital: the six (6) mining stocks listed at the beginning of 1933 would immediately increase to 16 in August of that year, to 40 by 1934, and to 70 by 1936. The willingness of the common *tao* to subscribe to the mining stocks kept apace the speed with which the number of mining stocks grew. (See Figure 2 for such hectic scenes of gold stock trading at the MSE during trading hours; "Manila's Gold Row Seethes; Bank Official Explains Why," 1933, 14, 6; De Jesus 1978, 32).



**Figure 2.** Hectic Scene at Manila Stock Exchange as Blocks of Gold Mining Stocks Change Hands, 1933.

Soon, the combined influx of local capital from both the native elite and ordinary salaried Filipinos outgrew American and other foreign national investments in the industry, amounting to a large Philippine stake in the commercial development of mining (see Table 3; *The American Chamber of Commerce Journal* 1937b, 24). It would be the confluence of these three preconditions – transportation, gold, and capital – which would reconfigure Baguio between 1929 and 1941.

**Table 3.** Comparative Statistical Data by Nationality of Domestic Mining Corporations Registered from 1929 to 1936.

Year	Nationality	No. of Companies	Authorized Capital Stock	Capital Stock Subscribed	Paid
1929	Filipino	1	P 50,000.00	P 50,000.00	P 27,150.00
	American	3	P 461,000.00	P 97,350.00	P 24,679.00
	Total	4	P 511,000.00	P 147,350.00	P 51,829.00
1930	Filipino	No Data			
	American	2	P2,450,000.00	P502,450.00	P12,662.50
	Total	2	P2,450,000.00	P502,450.00	P12,662.50
1931	Filipino	5	P50,000.00	P50,000.00	P27,150.00
	American	3	P461,000.00	P97,350.00	P24,679.00
	Total	8	P511,000.00	P147,350.00	P51,829.00
1932	Filipino	4	P1,080,000.00	P415,170.00	P403,792.50
	American	5	P2,580,000.00	P1,540,504.00	P1,282,201.00
	Total	9	P3,660,000.00	P1,955,674.00	P1,685,993.50
1933	Filipino	24	P3,804,000.00	P1,869,061.60	P520,496.20
	American	32	P12,123,400.00	P6,562,658.00	P4,371,995.00
	Total	56	P15,927,400.00	P8,431,719.60	P4,892,491.20
1934	Filipino	48	P8,731,200.00	P3,923,370.00	P1,607,997.50
	American	18	P4,892,000.00	P1,587,569.00	P695,533.50
	Spaniard	2	P640,000.00	P301,600.00	P37,300.00
	Belgian	1	P100,000.00	P20,000.00	P5,000.40
	Total	69	P14,363,200.00	P5,832,539.00	P2,345,831.40
1935	Filipino	47	P13,631,000.00	P4,136,347.49	P2,891,495.57
	American	34	P9,405,000.00	P4,115,281.00	P3,629,656.00
	Belgian	2	P1,501,000.00	P301,000.00	P76,000.00
	All Others	No Data			
Total	83	P24,537,000.00	P8,552,628.49	P6,597,151.57	
1936	Filipino	159	P84,250,700.00	P23,721,084.00	P7,600,218.00
	American	21	P8,861,000.00	P5,388,100.00	P2,757,808.00
	All Others	1	P600,000.00	P158,400.00	P80,900.00
	Total	181	P93,711,700.00	P29,267,584.00	P10,438,926.00



### The Urbanization of Baguio (1929-1941)

Prior to the developments in transportation, gold mining, and local capital, the city served primarily as the American mountain resort in the tropics (Delos Reyes 2014, I: 44.). Interest in Baguio's unique temperate atmosphere lured people to the city, and this continued throughout the 1920s. Various writings and advertisements about the city prior to the 1930s played up this image of Baguio as a tourist destination.<sup>7</sup> As the Chamber of Commerce of the Philippine Islands would iconically describe life in the city (Camara de Comercio de las Islas Filipinas 1920, 47; emphasis supplied):

Everything about Baguio is in *holiday spirit and invites to recreation and play. No business intrudes. Every day is a holiday*, and every night brings its rest under heavy blankets and solid comfort of languor around log fires in the evening.

Another article published in *The American Chamber of Commerce Journal* in 1924 represents Baguio in similar terms (Allen 1924, 12, emphasis supplied):

He who has not gone to Baguio has missed *one of the real pleasures of the Philippines*; and, to him who has been in the tropics for a year or more, *working hard at a confining occupation, what can be more enjoyable than to break loose, say goodbye to the office for a few weeks, and motor to Baguio?*

Such representations fostered images of the city as a space of idyll from work and business, a "wonderful cool tropic playground" (*Baguio: Sports and Health Center* 1931, 18). It can be gathered from these representations that, for much of the late 1910s (up to the 1920s), Baguio relied on tourism as a source of revenue. In the observation of English Town Planner Charles C. Reade, the city was evolving in character from being a governmental city and a military outpost in the 1910s to a recreational center for civilians and a recuperative center for all branches of the military service in the 1920s ("Baguio" 1928, 303-304).

With Baguio as a center of recreation and a sanitarium, most of the city's business establishments gravitated toward the service sector, potentially able to provide more employment opportunities for people than the goods-producing sector, i.e. agriculture, mining, construction, and manufacturing (Kutscher and Mark 1983, 21-24). Still, no consequential growth in Baguio's population was registered during the 1920s; this was because, beyond tourism, there was little local demand for city services, resulting in limited employment options for people and a stagnant population growth. One only has to compare

Baguio's visitor and population count to bear out this observation: despite the climb in Baguio's visitor count from 17,840 in 1926 to 22,003 in 1927 (Ventura 1928, 121), the city's resident population estimates remained at around 8,000 from 1924 to 1927 (Agoncillo 1926, 71; Forbes 1928, I: 584). If the city's urban character were to change, it would require a different kind of industry that would demand increased services all year-round from a growing local population, a situation ushered in by Itogon's growth during the gold boom of the 1930s.

### *Itogon: Growth of Baguio's Gold District*

With the development of Benguet, Itogon, and Balatoc in 1929, it was only natural for most capitalists to desire to replicate the success of these three mines. A rush in gold exploration and development thus occurred in the region by and soon after 1933, as 27 Itogon mining sites were identified, peaking to 101 by 1939 (*Philippine Mining Yearbook* 1939, 26). One consequence of this gold rush however was the demand for manpower which the municipality of Itogon was not in any position to supply. Population statistics for Benguet in 1918 show Itogon with only a population of 3,167, not far from the average municipal population for the province. The jump in population to 35,179 by 1939 was therefore abnormal and could not be attributed to a rise in local birthrates alone. It is more logical to conclude that it was the pull of the mining industry in Itogon that led to this significant population growth (see Table 2 for Itogon figures from 1918 to 1939; Habana 2001, 32). One strong reason for labor migration into Itogon was the high daily wage rate and other fringe benefits that the mines offered compared to other forms of employment.

A report by *The American Chamber of Commerce Journal* on the issue of miners being underpaid (1940, 19-20), which draws on 1939 census data, showed the average daily wage for Mountain Province miners at P1.48 compared to the average wage outside of mining at P0.68. The mining companies also offered other fringe benefits to their employees such as free housing, utilities, and fuel. The miners' children were also guaranteed free primary and elementary education in the mining camp schools, and laborers had access to company medical facilities for a monthly fee ("Antamok Strike to Labor Court" 1939, 4; Orendain 1940, 284; Ramos 1989, 110, 117-120). These advantages provided by the mines, especially the above-average industry wages, drew many highlanders to work for these companies. Anthropologist Felix Keesing, in his work *Taming Philippine Headhunters*, noted how "a considerable proportion" of the 2,500 laborers in Antamok, Balatok, and Itogon were from the Mountain Province. Reverend Vincent H. Gowen of Besao, Sagada, noticed how many Besao men would seek seasonal work in the Itogon or Suyoc mines every June. Upon

returning from the mines, they would use the money they earned to build “a modern, iron-roofed house instead of the picturesque but uncomfortable huts in which they themselves were born” (Gowen 1937, 20). The American anthropologist Roy F. Barton also observed in his 1941 fieldwork in Kalinga and Ifugao how “nearly all the young men and many of the older ones work in the mines.” As *The Making of the Igorot* author Gerard Finin concluded, it would be these highlanders who would eventually found several “Igorot hamlets” in the Itogon mining camps (as cited in Anongos 2016, 321-322).

The majority of these companies’ labor pool, however, consisted in the lowlanders who were equally enticed by the compensation and benefits package offered for work in the mines. In 1931, the Balatoc Mining Company reported employing 850 Filipino laborers. Its majority stakeholder, Benguet Consolidated, broke down its 1939 employee rolls of 3000 into 65% lowlanders and 35% M. P. highlanders (CSP 1939, 28). This large proportion of lowland laborers in the mines of the Baguio District is reflected in the census of individuals who spoke specific dialects in Itogon in 1939, with Ilocanos in the lead, followed by Pangasinenses (see Table 4; *Census of the Philippines: 1939 I, Part III*, 21-22).

**Table 4.** Number of persons of all ages able to speak specified dialects and languages in Itogon, 1939.

Language	Number of persons able to speak	Percentage to the population
Bicol	132	0.3
Bisaya	373	1
Iloko	24,956	70.9
Kalinga	143	0.41
Ifugao	1,369	3.89
Bontoc	1,486	4.22
Apayao	19	0.05
Pangasinan	13,659	38.8
Igorot, Kankanai	6,132	17.4
Gaddang	2	0.005
Inibaloi	--	--
Chinese	132	0.38
Japanese	218	0.62
Other dialects	884	2.51

Excluding Ilocano, the lingua franca of the Benguet province, Pangasinenses alone constituted 39% of Itogon’s population, outranking the combined percentages of Kalinga, Ifugao, Bontoc, Apayao, and Benguet Kankanai speakers in Itogon (12%). Next to the

Pangasinense, it was also found that Itogon was home to 132 Bicol and 373 Bisayan speakers (Commission of the Census 1940, 21-22).

Apart from the draw of relatively better-paying jobs and package of fringe benefits at the mines, many lowlanders and non-M. P. language speakers moved to the region for other reasons. Some, like the Ilocanos, relocated to the Mountain Province area to establish mining claims in ancestral communities. These Ilocano prospectors would stake their claims on certain sites without hesitation, causing friction between them and the native population (“Mountain Farmers and the Mining Prospects” 1937, 20). According to Reverend Gowen, such situations arose in Besao during the rash of claims-staking triggered by the mining stock boom of 1933. The Pangasinenses were pushed into Itogon by the poor living conditions in their hometowns. A national newspaper, *The Tribune*, reported widespread starvation in Pangasinan in 1932 due to drought; in one municipality, 800 people had to subsist on a meal a day (“Blames Drought for Starvation in Pangasinan” 1932, 9). Drought and starvation were repeated occurrences in the province, peaking in 1936, and forcing Pangasinan’s Fifth District Representative Narciso Ramos, father of future President Fidel V. Ramos, to reveal the “economic depression” his constituents were suffering from at the National Assembly. In a speech to the Assembly on 28 August 1936, Ramos pled for national government assistance in alleviating the extreme rice shortage that has befallen the province, specifically its fifth district (“Reveals Misery of Poor in Pangasinan” 1936, 1,12). One plan which Ramos proposed to address this economic crisis was to construct a first-class road connecting Pangasinan and the Mountain Province passing through San Nicolas and Baguio. Ramos thought of the San Nicolas-Baguio route as a way to shorten the distance between the two localities; Pangasinense laborers could then be encouraged to consider employment at the Itogon Mining Company, the mining camp nearest to San Nicolas (“Baguio Road is Proposed” 1936, 20).

In addition, the Itogon mines presented reemployment possibilities for the many sugar laborers expecting to be thrown out of work because of the sugar quotas of the Tydings-McDuffie Act. Anticipating the dislocation of many migrant laborers by the sugar quotas (e.g. the Ilocanos in Pampanga and the Bicolanos and Bisayans in Negros), Director Hermenegildo Cruz of the Bureau of Labor travelled to Baguio in 1933 to investigate the working conditions at the mines to determine whether sugar industry laborers could work in them (“Cruz to Look for Jobs in Baguio Mining Camps” 1933, 14).

The eventual influx of migrant workers from different regions of the country would strain the limited facilities and resources of the mining camps. By 1937, the lack of adequate medical facilities, nursing service, and proper housing accommodations for the mine workers would be brought to the attention of Mountain Province

Representative Felipe Jose. Several mining companies also reportedly began to lag behind in their payments of miners' salaries ("Mining Firms Are Accused Of Not Paying Men on Time" 1937, 14). Education in the mining camps was also limited to the elementary level. Baguio, as the nearby urban center, would begin to address these problems and deficits attendant to the continued population growth in the mining districts.

### *Baguio City: Servicing Center of the Mining Industry*

The *Philippine Geographical Society* (1998, 117) defines urbanization as "a process leading to the concentration of population over a limited area which brings forth a distinct socio-economic pattern of living." This distinct socio-economic pattern refers to the forms of livelihood which the inhabitants of such a community derive from "commerce, manufacturing, government service and service industries like health, education, and transportation and communication." Itogon, despite having the largest municipal population for Benguet in 1939 reflected little to none of this diversified socio-economic pattern, given its primary orientation toward the mining industry, and with most commercial and government offices having been established elsewhere. For instance, out of the 13 banking institutions that the Philippines had in 1937, not one opened a branch in Itogon whereas two of them – the Philippine National Bank, the country's de facto national bank, and the People's Bank & Trust Co. – did so in Baguio by at least 1935 (1935 *Directory and Souvenir* 1935-36, 230; McNutt 1939, 77-78). Relevant government offices such as the Office of the Division of Mineral Resources or the Office of the Mining Recorder were also located not in Itogon but rather at the Government Center Building on Governor Pack Road, Baguio ("Mining Office Opens in City of Baguio" 1933, 32). Even the Itogon mining companies opened their main offices outside the municipality, many of them in Manila, the center of the mining stock exchange activity. For examples, Enrique J. C. Montilla's Acop Gold Mining, Andres Soriano's Antamok Goldfields, John Haussermann's Balatoc and Benguet Consolidated, and J. H. Marsman's Itogon Mining all maintained their headquarters in Manila commercial buildings.<sup>8</sup> Some retained a Benguet address through their post office boxes at the Baguio P.O. although some companies, like Itogon Mining, did install physical offices in the city (CSP 1939, 73-85). The concentration of government, commercial, and even mining offices in Baguio would indicate that while Itogon was undeniably the driving force in the development of Southern Benguet, it was Baguio that benefited mostly from it, leading to its

transformation into a city with a diversified socio-economic pattern characteristic of urbanization. Baguio's selection as the site for many government and commercial firms was a matter of convenience, its geographic centrality, and relatively developed infrastructure.

Compared to Baguio, Itogon does not have an immediate and reliable road network connecting the district to the lowlands. All major thoroughfares leading to Benguet and its mines, pass through Baguio, Kennon Road, and Naguilian Road, with these two Roads constructed during the first decade of American colonial rule, as the only access roads linking La Union and Pangasinan to Baguio. Entry to Benguet's interior municipalities again is through Baguio, with the Mountain Trail, the 180 km. span of road linking all interior municipalities in between Benguet and Bontoc, originating just 6 km north of Baguio (DPWH 1999, 1). With the city controlling the region's only access points (see Figure 3), it made economical sense for the Itogon mines to hinge their transport network on these city roads. A look at the map of the Baguio Gold District for 1933 (see Figure 4) would reveal how all the mining roads to Itogon were connected either to Loakan Road (originating from today's Apache Circle) or Kennon Road.

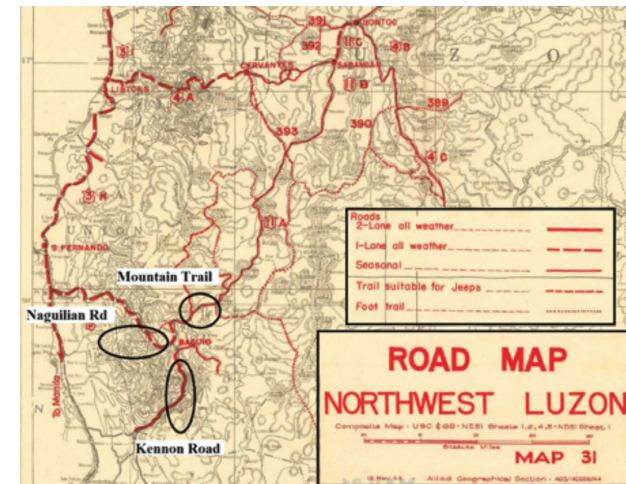


Figure 3. The Road Map of N.W. Luzon, depicting all lowland roads and regional roads leading to Baguio in 1944.





Figure 4. An illustration of the 27 mining sites surrounding Baguio in 1933.

On these access roads, the Itoyon companies like Benguet Consolidated would truck their gold bullions to the Baguio Post Office from where these would be dispatched as first class registered mail to Manila at PhP50.00 a piece (*Philippine Mining Yearbook* 1939, 81). Two means of transportation were available for the hauling of the ores. The gold ores could be shipped out of the mines to San Fernando, then by railway to Manila, through a combination of the Benguet Auto Line's (BAL) truck and train operations (Anongos 2016, 315). With a fleet of 60 trucks from small delivery vans to open trucks with maximum load capacity of five tons each, and trailers of eight to fifteen tons

capacity, the BAL could carry the ores by way of Naguilian to the Manila Railroad Company's San Fernando Station, for delivery to the ports of Manila (Concepcion 1940, 123). Though it was convenient, the travel time of 5-7 hours was still too long for some mining firms, and with the genesis of air transportation in the Philippines happening in the 1930s, these companies looked toward air transport as a possible alternative (Lopez 1992, 78).

Commercial air travel in the Philippines was introduced to the country by the Philippine Aerial Taxi Corporation (PATCO) in 1930. At the beginning, PATCO operated at a loss, earning only 16 cents per letter revenue ("PATCO – Pioneer in Philippine Aviation" 1936, 24). The gold boom of 1933 however would provide the capital needed for PATCO to sustain its operations through subsidies from one of the corporation's directors, Andres Soriano, head of the Soriano Group managing Antamok Goldfields and Masbate Consolidated (Poblador 2016, 163-188; *Philippine Mining Yearbook* 1939, 6). With PATCO's daily flights from Baguio to Manila and back, it was now possible to send gold bullions to Manila within 45 minutes to an hour, making it the mines' preferred means of transport (*Philippine Mining Yearbook* 1939, 6; "Mining Calls for Air Transportation" 1935, 26). A year after it resumed operations, PATCO opened its Manila-Paracale route, essentially becoming the "shuttle service to the country's mining sites" (Wirkus 1974, 211; "Patco Passengers" 1934, 6; Poblador 2016, 173).

Lepanto Consolidated of Mankayan District would also freight its copper concentrates by trucks to Poro, La Union, using the Baguio-Mountain Trail Route (Orendain 1940, 300). The hauling of these ore concentrates from the mines to the port was done by contracting Dangwa Transport trucks for P15 per ton or about 9 centavos per ton-kilometer (Concepcion 1940, 124; "Transporting Ore and Supplies at Philippine Mines" 1940, 19; LCMC 1951, 24; Anongos 2016, 315).

The convergence of all these transportation companies at Baguio led to the establishment of multiple terminals, garages, and transportation offices within the city, three of which operated more than 100 units for all the Mountain Province roads: the Benguet Auto Line, the Dangwa Tranco, and the Trinidad Garage Transportation company. The Benguet Auto Line (BAL) started as the buggy-and-mule stagecoach line of the Philippine Commission in 1904, eventually converted into a true auto line upon the government's purchase of two (2) Stanley Automobiles in 1908. Upon acquisition of BAL by the Manila Railroad Company in 1930, the auto line's total fleet of 27 motor units, expanded to 155 motor units and two trailers, making it the biggest transportation company of Baguio. It ran 14 dispatches everyday via Naguilian Road and three daily dispatches through Kennon Road, connecting Baguio to the Manila Railroad terminals of San Fernando and Damortis, with two of its stations together, and a



garage, located in Baguio (CSP 1939, 99; Concepcion 1940, 124; Corpuz 1999, 84;). Next to BAL, Bado Dangwa's Dangwa Transportation Company began operations in 1928 as the North Garage and grew from five (5) secondhand Chevrolet touring cars to 139 motor units, 90 of which served as passenger buses, with a terminal in Baguio and its office at Trinidad Road. Key to this expansion was Dangwa's purchase of its rival company, the M. P. Tranco, on 1 January 1939. (Concepcion 1940, 124; Ligerero 2018, 186-191). With little competition on the roads beyond Baguio, Dangwa was able to expand its operations to the nearby mines of Itogon and the Mountain Trail. Daily passenger bus operations were extended to the following mines and sawmills: Acupan-Balatok, Benguet Consolidated, Itogon Mining, Atok Gold Mines, Baguio Gold Camp Site, Baguio Gold Mill Site, Gold River Line, Demonstration Line, Cal Horr Line, Acupan Sawmill-Benguet Exploration, Santo Tomas Sawmill, and Camp Holmes (La Trinidad), with intervals as short as 30-minutes in between scheduled trips to the mines and 20-minutes for the Baguio-Trinidad line (CSP 1939, 123-127). Similar to both the BAL and Dangwa, Moises E. Moises' Trinidad Garage Transportation company operated 120 freight trucks for hauling mineral ore and other mountain products to Manila. Five to seven trucks travelled daily between Baguio and Manila, with a modern garage and repair shop situated at Trinidad and an office in Baguio (CSP 1939, 108; Concepcion 1940, 125). Aside from these large passenger and freight companies, the city also had a 24-hour taxicab service in the form of the Royal Garage and its 30-unit fleet. Finally, the city hosted the aerial services of PATCO at Loakan Airport (Concepcion 1940, 124-125).

With multiple transportation companies hubbed in Baguio, shops related to auto supply and maintenance mushroomed in the city: Baguio Vulcanizing Shop (Harrison Road), Elpo Rubber Products, Inc. (Abanao St.), Empire Motor Service (Abanao St.), Express Vulcanizing Shop (Abanao St.), Flying A. Gasoline Station (bordering Burnham Park), Manila Machinery and Supply Co., (Harrison St.), Manila Motor Co. (New Lucban rd.), Pacific Commercial Co. (Abanao St.), Pines Garage, Red Star Automotive Supply Corp., (Harrison St.), Shell Service Station (Chanum St.), Socony Gasoline Station (Market Plaza), and Texaco Service Station. Since many of these transportation companies also served the mining districts, the city unsurprisingly became home to mining-related industries – Bontoc Lumber Co. (Trinidad rd.), Benguet Lumber Co. (Trinidad rd.), Heald Lumber Co. (Military Cut-Off), International Harvester Co. (Session Road), Lucban Lumber Co., (Trinidad rd.), Ore testing and mining management by the Marsman and Company, Inc. (Stewart bldg.), canvas tents for Prospectors by Norton & Harrison Co.), Marsman Trading Corporation (Stewart bldg.). Other specific mining-related

businesses in Baguio included Mackay & McCormick Share Brokers (Bueno Bldg.) and the Philippine Long Distance Telephone Co. (Session Road) for purposes of gold stock trading with Manila ("Rise of the Philippine Gold Industry" ACCJ 1937, 20; CSP 1939, 97-115).

Beyond providing for the transportation and technological needs of the mining companies, Baguio establishments also supplied the daily necessities of Itogon's miners. As early as 1903, Baguio was described by the former governor of Benguet province as greatly resembling "a mining town out west. At night the prospectors would gather around the 'village store,' swapping yarns and tobacco and generally play the role of miners the world over" ("Baguio and Commission" 1903 in McKenna 2017, 80). As the continued influx of laborers into the neighboring mines quickly outstripped camp facilities and provisions, Baguio turned from "village store" to emporium, with various groceries and general supply stores established there during the 1930s (Gutierrez 1960, 152). The symbiosis between Baguio businesses and the burgeoning working population in the camps was made plain in 1935 when I. Beck Inc. advertised: "We don't sell machinery or food – BUT we *do* sell everything else that a miner needs..." (see Figure 5).

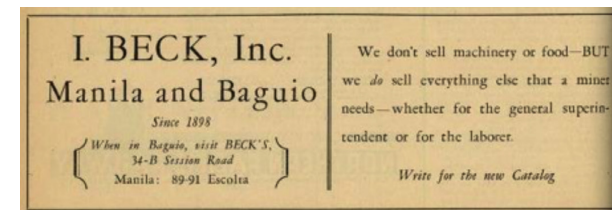


Figure 5. I. Beck Incorporated's advertisement codifies Baguio's role as a services center (ACCJ 1935b, 31).

Other local grocery and general supply stores which sprang up to provide for the miners' necessities were the A. B. C. Grocery (Market Plaza), Abra Grocery (Jalon bldg., Market Plaza), Aguinaldo's Store (Antipolo Bldg., Session Road), Baguio Bakery (Abanao St.), Bombay Bazaar (Session Road), Bombay Silk Store (Session Road), Capital Bazaar (Session Road), Chinese Bazaar (Session Road), Empire Bazaar (Market Plaza), Fernandez Grocery (Manzanillo bldg.), Filipino Bakery (Gen. Luna rd.), General Luna Grocery (General Luna rd.), Heacock's (Session Road), Highland Supply (Session Road), Hongkong Grocery (Market Plaza), Japanese Bazaar (Session Road), Lam Tung Store (Market Plaza), Mountain Supply Store (Market Plaza), Royal Bazaar (Session Road), and the Union Grocery in Manzanillo Bldg., Market Plaza (CSP 1939, 97-115).

Baguio also expanded its medical facilities to serve the Itogon miners. Private hospitals would be set up in the 1930s using the revenues accrued from these adjacent mines. After the Notre Dame de Lourdes Hospital was established in 1931, for instance, the Benguet Consolidated, together with the other mining companies of the Baguio District, practically made it their medical center, staffed by their own dedicated doctors-in-charge. This dependence of the Itogon mines on Baguio's medical facilities became quite clear in 1935, when Benguet Consolidated "took over the maintenance of Notre Dame bearing expenses of the laboratories and physicians," expanding the hospitals' regular dispensary from an 80- to a 100-bed capacity, while purchasing modern equipment and up-to-date clinical, bacteriological, and X-ray laboratories (Kane 1935, 6). In conjunction with the Notre Dame Hospital, Benguet Consolidated also founded Benguet Laboratory. Dr. J. E. Reed served as the director of the hospital and in-charge of the clinic, with Dr. F. D. Manalo as assistant director. All employees of the said hospital were included in the payroll of Benguet Consolidated (Orendain 1940, 290).

The district companies, in addition, established a central rescue station in the city in 1937 ("Rescue Station" 30 Sept. 1937, 2). This station was set up on the heels of the organization of the Mine Operators Safety Association of Baguio Producers. The association, under the leadership of the safety director, trained men, studied conditions to improve the safety of mines, and supervised rescue work in actual accidents. Its Baguio headquarters served as the depository for mine rescue equipment, even as different member-firms operated their own safety stations. A 1939 report of the association disclosed that the Association's affiliated mines did cut down on accident rates to below 44 percent (Orendain 1940, 300-301). In all, from the mines' involvement in the Notre Dame Hospital and Benguet Laboratory to the establishment of the Mine Operators Safety Association, Baguio's integral place in securing the safety of the Benguet miners may be seen.

One could only speculate on the city's role in terms of the district's education needs. Those who could not be accommodated by the limited primary and secondary schooling for miners' children in the camps would naturally pursue schooling in Baguio, with its increasing concentration of educational institutions, especially since the gold boom. From only three public schools in 1924 (Mountain Province High School, Baguio Central School, and Lucban School) Baguio had seven public elementary and six primary schools by 1940 (Orendain 1940, 77). The city also housed numerous sectarian institutions like the Episcopalian Easter School for "non-Christian" natives, and the Brent School, which enrolled the children of European mining executives (Ramos 1989, 116). In addition, the junior college curriculum constituted the distinct advantage of Baguio over the

mining camps. As late as the 1950s, scholars or dependents of Benguet Consolidated were sent outside of Itogon for higher education (Ramos 1989, 122). As Baguio was the only locality in the region to offer a junior college curriculum at that time – via the Immaculati Cordis Mariae's (ICM) Holy Family College, which in 1937 began to offer two-year secretarial and home economics courses (Delos Reyes 2014, I: 289-294) and the recently opened College of Arts and Science of the University of the Philippines at Government Center in October 1938 ("Change in College Name," 1938, 16) – it is reasonable to assume that mining dependents would want to earn their advanced degrees either in Baguio or Manila institutions (Cornejo 1939, 1164).

Overall, most of the firms established in Baguio during the 1930s were in the tertiary industries, dealing with transportation, electric, gas, and sanitary services; wholesale trade; and retail trade (*Baguio Directory* 1939, 70-78; C.W. Rosenstock 1941, 1000-1012). Few firms could be counted as in the primary sector (agriculture, forestry and fishing; mining), with the secondary (construction; manufacturing) industries related to mining (see Table 5).

Table 5. The Primary and Secondary Industries of Baguio City, 1932-1941.

Year and Industry Type	1932 Firms	1941 Firms
Primary: Forestry	1. Heald, H.C. Sawmill 2. Kias Sawmill	Heald Lumber Company
Secondary: Construction & Manufacturing	3. Heald, H.C. Sawmill 4. Marsman & Co., Inc. 5. Mountain Bazaar, 6. Tomita, G. Building Contractor	1. Benguet Lumber 2. Garcia, N. D., Builder-Designer-Contractor 3. Heald Lumber Company 4. Lucban Lumber 5. Macagba Painting and Carpentry 6. Marsman & Co., Inc. 7. Marsman Trading Corporation 8. Nagatomi, S. 9. Pacific Commercial Company 10. Reyes & Co., Florencio 11. Rulloda Painting Shop 12. Rulloda Valentin, Carpenter and Building Contractor 13. San Pedro, Jose 14. Santos, Ireneo 15. Tagudar, A. 16. Takahima, Masaru 17. Tanabe Construction Works 18. Teraoka, Charles

The Heald Lumber Company, for instance, supplied lumber for both constructions in the city and for the adjacent mines (Mr. Heald sold his controlling rights to Benguet Consolidated in 1934 renaming his enterprise as Heald Lumber; *Philippine Mining Yearbook* 1939, 29). Both the Marsman & Company and the Marsman Trading Corporation did not only serve as construction firms but also sold mine machinery and

supplies. The same can be said of the Pacific Commercial Company (C.W. Rosenstock 1941, 1015-1016, 1022-1023).

With the growth of multiple commercial firms in the city, Baguio enjoyed an increase in tax payments, and revenues from city services (see Table 6 for tax and city services revenues from 1919 to 1934; Commission of the Census, *Census of the Philippines: 1939 I*, 21-22).

**Table 6.** Tax and City Service Revenues from 1919 to 1934.

City Services	1919	1934
Cedula Tax	P1,100.50	P6,126
Real Property Tax	P13,584.72	P56,049.30
Building Permits Issued	22	200
Telephone System	P13,030.38	P41,388.06
Electric Light Plant	P53,386.13	P193,074.10
Ice Plant	P7,324.83	P79,928.81
City Market	P13,559.55	P60,600.10
Slaughterhouse	P4,281.07	P15,684.55
Sewage System	P8,291.31	P14,030.26

Additionally, the Itogon mines continued to purchase off-peak power generated from the three Baguio hydroelectric plants in Camp Six, Tuba, and Asin. The revenues collected from the operation of these plants alone amounted to P700,000, perhaps making Baguio, the “Richest City in Commonwealth” (Orendain 1940, 58-59). The city’s prosperity could not only be quantified through accumulating revenues but was also embodied in the construction boom characterizing the term of the first Filipino Mayor of Baguio, Sergio Bayan.

Bayan’s appointment as the new mayor of Baguio on 1 June 1937 marked the beginning of a renewed construction boom in the city. Under his watch, three major projects were undertaken – the Barrio Obrero, Hydroelectric Plant No. 4, and the new Baguio General Hospital (Orendain 1940, 117). The Barrio Obrero was designed to accommodate Baguio’s growing population, particularly in the housing of the city’s working classes. The village was originally planned to consist in 300 cottages but construction was halted by

late 1939, owing to a funding shortage, with only 92 cottages built (“Barrio Obrero Cottages” 1940, 24). Regardless, at a cost of only P300-1000 per unit payable in ten years, this housing project counts as a success, given its affordability, and considering that the regular land prices in Baguio then were estimated at P10 per sq m (Orendain 1940, 67). In honor of Mrs. Quezon, the barrio was named Aurora Hill.<sup>9</sup> Construction of the hydroelectric plant no. 4 also began under Bayan’s term to meet the increasing demands of both Baguio and the adjacent mines for electricity. By the end of his term, road construction leading to the new plant was already laid out. The powerhouse was also completed, and the turbines were already installed. However, it would appear that the plant was not able to operate before WWII, since no mention of it was made at the *Tribune* nor in any other later publications. Similar to the two previous projects, the new Baguio General Hospital was constructed to address the growing demands “for a more commodious public hospital.” Upon its completion in April 1940, the hospital became the largest concrete building in the city and was even considered to be the largest hospital outside of the Philippine General Hospital in Manila (Orendain 1940, 118).

The city government undertook various government constructions from 1938 to 1940: the construction of the Rizal Memorial Health Center in New Lucban (Orendain 1940, 85); widening of the Loakan Airport; creation of the Athletic Bowl and the nearby skating rink (Concepcion 1940, 104); expansion of the Baguio Central School (at Military Cut-Off), Lucban School, and Campo Filipino School; the improvement of the Mines View Park; the renovation of Baguio’s Post Office; and the continued maintenance of various roads and parks of Baguio (Orendain 1940, 27, 39-40, 119-140). Yet, perhaps the best reflection of this prosperity which Baguio experienced during the gold boom years was the transformation of its Central Business District, on Session Road. Formerly dominated by wooden edifices in 1929 (see Figure 6; University of Michigan Special Collections Library online), it was all rebuilt using concrete, a more expensive building material, by 1940 (see Figure 7; Orendain 1940, ii). Despite the supposed impact of the great depression, gold, and its indirect but equable effects, have helped make Baguio a thriving community amidst a global economic crisis: “Man’s conception of heaven is that its streets would be paved with gold. Baguio is nearest that expectation” (Orendain 1940, 281).



Figure 6. Baguio Session Road prior to the gold boom was built mostly of wood, 1929.



Figure 7. Baguio Session Road was now made of concrete just before the war, 1940.

### Baguio as a Colonial City during the Gold Boom

As already demonstrated, this tertiary character of Baguio's gold boom industries is a consequence of the gateway role the city played in the region. Since the Itogon Gold District could not bypass Baguio, it had to rely on the already existing road network linkages the city had with the lowlands. As a result, the Itogon mining population became dependent on Baguio's imports from its surrounding hinterland and lowland areas. To redistribute accumulated resources

to its surrounding mining districts – from Itogon to Mankayan – the city hubbed various transportation facilities, commercial stores, and medical facilities. To support and operate these growing service industries, Baguio, like the mines, had to rely on migrant labor.

Comparing the language speakers for both Itogon and Baguio (see Tables 4 and 6), we see that both localities hosted large lowland-origin populations, primarily Ilocano and Pangasinense speakers, whereas the Kalinga, Ifugao, Bontoc, Apayao, Kankanaï, and Ibaloi speakers only comprised 14.37% of Baguio's population, half of what was registered in Itogon for the same group (26.42%). This disparity of uplander population between Baguio and Itogon can be explained by juxtaposing both these localities' sources of employment – whereas Itogon's mining companies employed unskilled labor, Baguio's tertiary industry "required a level of literacy and specialized training" not initially available among highlanders during the early American period (Jenista 1987, 188). Most government offices and commercial establishments in Baguio employed white-collar and skilled lowland-origin workers. And given the city's consumer-driven economy, there was no primary production of immediate commodities. Imports from Manila (e.g., mining equipment and supplies) or from its neighboring lowland municipalities such as La Union whose Ilocano merchants travelled to Baguio to sell their produce and poultry covered these needs (Galang 1936: VIII, 347; Luga 2016, 163).

Another important point of comparison is the difference in population size by citizenship between Baguio and Itogon (see Table 7; Commission of the Census, *Census of the Philippines: 1939 I*, 9).

Table 7. Population by Citizenship for Baguio and Itogon, 1939.

Municipality	Philippines	Japan	China	U. S.	Spain, Great Britain, Germany, and Others
Baguio	22,227	505	862	277	246
Itogon	34,454	223	139	324	39

The latter's American population appears larger than Baguio's, but this is explicable by the employment of American executives and professionals (e.g., engineers, consultants, assayers) in the Itogon mines. The 1939 Census list 58.3% of Itogon Americans as male compared to 46.6% of the Baguio Americans, and considering that "practically no women find employment in the mines," the larger number of Americans should present no surprise ("Are Miners Underpaid in Mountain Province?" 1940, 19).



This does not mean that Americans and other Westerners residing in Baguio had nothing to do with mining-related industries. On the contrary, quite a few of them had affiliations with the mining companies. The famous Muller Mansion, for example, along Abanao Extension Road (today the Heritage Mansion Hotel), was owned by the German John Muller, a Mankayan prospector and later foreman of Benguet Consolidated (Gutierrez 1960, 137). Dutch Jan Marsman of Itogon Mining ran the Marsman-associated stores in Baguio, while ex-American soldier Herbert Herald operated the Heald Sawmill. Outside of mining, Baguio Westerners ventured into the city's tourist industry, like the Spanish Salvador Vallejo of Vallejo Hotel, Ex-Governor Hubert P. Whitmarsh of the Garden Theater, E. M. Bachrach of the Baguio Theater, and J. J. Murphy of Baguio Cine which was reopened as Alhamar-Chainus in 1930 (Luga 2020, 228-230).

The Asian population of Baguio followed the lowlander pattern of employment within the tertiary sector. The Japanese, from their participation in the Benguet Road project, developed a niche in construction and later expanded into gardening and farming. The Chinese who also worked in Benguet Road construction preferred the city's domestic trade and opened dry goods stores, groceries, and bakeries. It would be in these various foreign-dominated enterprises that the local population (lowlanders and highlanders) would find employment. Though some Filipino lowlanders and highlanders did run their own businesses (e.g. the Zig-Zag Hotel of Major Jose N. Evangelista and Bado Dangwa's Dangwa Transport), they were more the exception than the rule (Luga 2020, 228-230). In sum, Baguio of the 1930s was a cosmopolitan city, with Westerners dominating most of the city's primary-related and recreational businesses, while the locals ventured into tertiary sector enterprises.

The variety of nationalities to be found at different levels of Baguio's socio-economic life would cause friction among different groups and representative personalities. In Bado Dangwa's case, economic rivalry led to his frequent clashes with the other transportation companies in Baguio during the 1930s, e.g. the foreign-controlled Pines Garage, and the Filipino-owned (lowlander) Valles Transportation Company (Ligero 2018, 136-140). Other conflicts took on racialist overtones, based on contemporary theories of white supremacy. One example was the derogatory and discriminatory treatment meted to children of mixed Western-Igorot heritage, prohibited from enrolling in the all-white Brent School (Licuanan 1982, 48). "Squaw man" families often experienced some forms of exclusion or ostracism. "Squaw man" was an offensive epithet first used to refer to a white man married to a Native American.<sup>10</sup> For the white husband of a local woman to be labelled a squaw man had tangible consequences for him and his family in Baguio "high society," especially true in the case of William

Dosser and his wife Rosario "Charing" Madarang. Despite the Dosser family's high-ranking position in the Mountain Province, as Dosser used to be a Cordillera Police Constabulary officer and later served as the provincial Governor, his marriage to Madarang earned him the label and spelt the family's inability to socialize with Baguio's pure-American bred circles (Finin 2005, 71-72). Another well-known "squaw man" in Baguio society was Vice-Mayor Emil Speth who, like many of the Baguio Americans, came during the first decade of American colonial rule. A former Philippine Scouts officer, Speth would be appointed as Vice-Mayor of Baguio in 1925. His marriage to a Filipina meant that his mixed-heritage family could never be "accorded full membership in Baguio's American community" (Halsema 1991, 192).

Filipino-American tensions characterized city life during this period. The American colonial enclave has been described as a "residential park" where "American officials have handsome homes, clubhouses, polo grounds, and other sources of recreation and amusement" (Jones 1913, 7). The city served as the last American bastion for the colonial government in the country's transition toward Commonwealth status and eventual independence. Tensions erupted between Baguio's then incumbent American mayor, Eusebius Halsema, and his aspiring Filipino successor, labor leader Felipe Jose. In James Halsema's biography of his father, he specifically chose to describe Jose as a "fly in the ointment" of Mayor Halsema's final years as Mayor. He narrates how Jose continually criticized his father's administration for its "partiality, abuse of authority, anti-Filipinism, indifference to Filipino welfare, illegal transactions, illegal appointments, illegal exaction, and dangerous tolerance." Whether such allegations made against the elder Halsema were true or not, the city's government did stand out since it was the only local government in the country to have retained an American chief executive entering the Commonwealth period. (Sergio Bayan would be appointed as the city's first Filipino mayor in 1937.) Most municipalities have already had local chief executives even before the Filipinization program of 1916 (Philippine Heraldry Committee 1971).

The labor strikes during this gold boom period, the most notable of which was the M. P. Tranco Incorporated's transport strike, remain the least-noted aspect of Baguio's socio-economic tensions then. The transport strike which commenced on 10 July 1938, at 5am, was described as the "biggest labor dispute in Baguio" ("Baguio Transport Strike is Called" 1938, 2). Organized by the Baguio Federation of Labor, a subsidiary of the Ilocano National Labor Union, the Federation presented the following demands:

1. Compliance with the 8-hour labor law, all labor outside of eight hours to be paid as over-time work;

2. Furnishing of each laborer with a copy of the rules and regulations affecting the workers;
3. Allowance of 15 days' leave with pay a year;
4. Payment by the company of hospital bills of workers injured in line of duty;
5. Conference every two weeks between the management and representatives of the workers to ascertain the needs of the latter;
6. Continuance of the insurance privilege ("Baguio Strikers Told to Return" 1938, 1, 12).

With the company's 200 drivers mostly plying the Itogon routes, the walk-out of these workers "paralyzed transportation in the summer capital." The striking drivers were also reported to be circulating "seditious pamphlets in Ilocano" among the mine laborers, "inciting them to rise against *American capitalists*" ("Baguio Quiet as Strike Talks Fail" 1938, 6 & 16; emphasis supplied). A truce resulted from firm owner Jan Marsman's agreement to the said terms of the laborers on 16 July 1938, pending resolution of the case under the Court of Industrial Relations, but the crisis was only resolved in 1939 when the new owner of the company, Bado Dangwa, agreed to the stipulations demanded by the National Labor Union ("Accord Terms Sent to C. I. R." 1939, 16).

With such tensions arising out of the city's complex mix of ethnicities and multi-ethnic relations, inhabitants organized themselves along social demarcations, based on "one's association with certain categories of people," either to avoid conflict or to uphold their own group values at a time of transition (Finin 2005, 72). Each of these groups kept to their own exclusive circles. Filipina women formed the Baguio Women's Club and the American women had their own Monday Afternoon Club. There were three chambers of commerce – the Baguio Chamber of Commerce (mostly American with few Filipino members), the Japanese Chamber of Commerce, and Chinese Chamber of Commerce. The city also had parochial schools by nationality or group – the Baguio Japanese School, Baguio Chinese School, the Brent school for the pure-bred whites, and the Easter School whose enrollment was restricted to Igorots (Luga 2020, 227-232). Through these divisions and exclusions, a clearly defined pyramid would constitute the city's social structure during the gold boom era: the Americans and other Europeans on top, followed by Spanish and Chinese Mestizos, and well-to-do Manileños, with the provincial lowlanders, locals, and other Asian populations at the bottom.

The conspicuous absence of the Igorots in our narrative is unfortunately the by-product of Baguio's rapid urbanization during

this period. The 1918 census recorded for Baguio a total Non-Christian population of 6,490, outnumbering the city's 5,462 "civilized" population (COPI 1920, 1:140). By 1939, this figure was reduced to almost a half or 3,792 (the total number of M. P. language-speakers in Table 8; ACCJ 1935b no. 5, 21).

**Table 8.** Number of persons of all ages able to speak specified dialects and languages in Baguio, 1939

Language	Number of persons able to speak	Percentage to the population
Bicol	303	1.26
Bisaya	771	3.19
Iloko	18,634	77.26
Kalinga	--	0
Ifugao	179	0.7
Bontoc	255	1.06
Apayao	--	0
Pangasinan	4,654	19.3
Igorot, Kankanaei	2,975	12.34
Gaddang	--	0
Inibaloi	64	0.27
Chinese	871	3.61
Japanese	500	2.07
Other dialects	--	--

What is more pronounced from the statistics is that only a mere 64 Ibaloi-speakers were counted for Baguio, considering that they were the city's indigenous inhabitants. This "minoritization" of the Ibaloi was a consequence of the dispossession of their lands, begun by the American desire to establish an exclusive colonial enclave in the tropics, and completed by the colonial demand for gold in the 1930s. With the loss of their lands, the Ibalois – particularly the baknang – were deprived of their economic base. Land was their primary capital for the cattle-grazing industry which historically shaped Ibaloi society (Tapang 1985, 21-22; Habana 2001, 28-38). It was also through land that the Ibaloi were able to acquire gold as another capital for the purchase of cattle from the lowlands. The gradual reshaping of Baguio during the 1930s led to the loss of open land, and with no other means to contribute to the development of the city, the Ibalois were forced to leave it for its fringe areas or for the interior areas of Benguet (Prill-Brett 1990, 8; Florendo 2000, 71). In their place came

the Chinese, Japanese, and lowland laborers lured by the employment opportunities in Baguio's tertiary industries, marking the beginning of the city's reconfiguration as a community of migrants and settlers.

### Conclusion

One hallmark of urbanization is a socially stratified economy. Baguio was only able to achieve such a level of stratification with the gold boom between the years 1929 and 1936. Prior to the development of the gold mining industry, Baguio's identity lay in its role as a colonial mountain resort for the American government. By the 1930s, however, with the development of roads, gold mining, and local capital investments, and the increased value of gold due to U.S. government intervention, the city became recognized for the service industries it developed in response to the need for them by the adjacent gold industry of Itogon. That it was situated at the crossroads of the mining district and the important regional export centers for the gold trade (San Fernando, Damortis, and Manila) all but made this developmental trajectory of the city certain. With all roads coursing through Baguio, the city gained monopoly over almost all service industries related to mining such as transportation networks, medical services, technological support, etc. Auxiliary services like government offices and educational institutions were also concentrated in Baguio, as already noted. Ironically, Baguio's monopoly over all tertiary industries inhibited the economic growth of Itogon, the epicenter of the gold boom, by restricting its economic base to mining alone.

Another important consequence of this concentration of tertiary industries in Baguio was the influx of a skilled and professional labor force into the city, sourced from the lowlands and from the country's immigrant Asian population (Chinese and Japanese), and contributing to Baguio's socio-economic complexity. Unfortunately, the gold boom has left others behind, particularly the city's Igorot population whose economic base – land – has been appropriated by the demands of the global economy. This socio-economic stratification of Baguio was not unique. On the contrary, this was the typical pattern for most Southeast Asian colonial cities during this same period, where the Europeans who had unrestricted access to capital and political power were “the most clearly defined social group at the top of the social scale,” followed by the Asian community which comprise the commercial, artisanal, and unskilled labor force of such cities, while the local indigenous population was minoritized in the process (McGee 1967, 58-63). Such a description however was thought to have only been true for the great colonial cities of Southeast Asia – Rangoon, Batavia, Singapore, and Manila. With this narrative, Baguio proves that this socio-economic structure also defined secondary inland centers, those

that served as intermediaries between the “traditional rural society of Southeast Asia and the rapidly urbanizing societies of western Europe” (McGee 1967, 53-54).

This urban characteristic of Baguio spared it and primed it for recovery after WWII when most mining companies were destroyed by the Japanese occupation and subsequent Philippine liberation. Comparing Baguio and Itogon population tallies for 1948, the former increased to 29,262 whereas the latter declined to 16,970, losing more than half of its prewar population (BCS 1948, 165). Since Baguio had a more varied economic base (and not restricted to tourism alone), it was able to weather the collapse of the gold mining industry where Itogon could not. Although Itogon would eventually exceed its prewar population in 1960 at 50,436, it has continued to lag behind Baguio's growth rate to date (PSA 2017a, 3). Interestingly, even La Trinidad, the town which Itogon has outpaced since 1918, has begun to overtake the latter beginning in 1995, perhaps indicating the peri-urbanization which is a function of its proximity to Baguio's rapid urban growth (PSA 2017b, 3).

The role of Baguio as an important services hub for Northern Luzon has armed the city with the resilience to tide it over through different global economic downturns – from the economic depression to the postwar rehabilitation period. This resilient nature of Baguio, no doubt, is what will allow the city take on other challenges on the horizon, including the continuing COVID-19 global pandemic.

### NOTES

1. This project in Baguio local history first began as a research proposal for the 2017-2018 Cordillera Studies Center Research Grants. This proposal eventually became the fourth chapter of this author's MA Thesis in History, “An Urban History of Baguio City: The Transformation of an American Enclave into an Urban Center of the Cordillera, Northern Luzon, Philippines (1900-1948).” The author would like to thank the Cordillera Studies Center of the University of the Philippines Baguio for funding this research project.
2. The 1918 Census conducted two separate surveys of the “civilized” and “non-Christian” populations of the Philippines. But while it gives a census count for the non-Christians of Baguio, it has none for the other municipalities, only providing the total number for the entire province. No distinctions are made between non-Christians and “civilized” populations for 1939. Later national statistics such as the *Yearbook of Philippine Statistics 1940* would still rely on the civilized population reports for 1918 in its computation of the population growth rate for cities (Bureau of the Census and Statistics 1941, 7). For consistency's sake, the author opted

to rely on the same figures as including the 1918 non-Christian population in the total tally for Baguio, which could not be done for the other Benguet cities and municipalities.

3. An example of this was J. F. "Tex" Reavis' attempts to invalidate Jose Fianza's claims to his Antamok mines in Itogon. See Jose Fianza et. al., v. J. F. Reavis, G.R. No. 2940 (1907, [https://www.lawphil.net/judjuris/juri1907/mar1907/gr\\_2940\\_1907.html](https://www.lawphil.net/judjuris/juri1907/mar1907/gr_2940_1907.html)).
4. The I.X.L. Mining Company was one of the three mines managed by Andres Soriano. The other two were Antamok Goldfields Mining Co., and Masbate Consolidated Mining Co. ("Annual Meetings" 1938, 13) <https://trove.nla.gov.au/newspaper/article/250096268?searchTerm=I.%20X.%20L.#>.
5. The Bureau of Public Works (BPW) was first established in 1905. No first-class roads were built until 1908 (Henry 1913, 42).
6. In a 1923 report of the Chamber of Mines and Oil, Frank Ingersoll mentions how "for several years last past there has been... but a single mining company which has operated at a profit" (1923, 4). Evidently, Ingersoll was alluding to Benguet Consolidated, which had been able to distribute dividend shares since 1915 ("Balatoc and Benguet Mines" 1937, 32).
7. See advertisements in the following issues of *The American Chamber of Commerce Journal* 2 (no. 4). "The Lure of Travel" (April 1922): 8; 3 (no. 4). "This is Baguio Season" (April 1923): 17; The Pines Hotel, "We Offer" (4), no. 11 (October 1924): 12; 4 (no. 12), "Baguio for Christmas and Holidays" (December 1924): 20; 9 (no. 5), "Better than a Doctor – Baguio" (May 1929): 21.
8. The four mining offices gave Ysmael bldg., Soriano bldg., Chamber of Commerce bldg., and their Main Office P.O. Box Address at Manila, as their Manila addresses, respectively (CSP 1939, 73-84).
9. It is logical to deduce that since it was Mayor Bayan who oversaw the construction of Aurora Hill, its nearby park was therefore named in his honor.
10. Merriam-Webster.com Dictionary, s.v. "squaw man,," <https://www.merriam-webster.com/dictionary/squaw%20man>.

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