



## The American Chamber of Commerce

OF THE  
PHILIPPINE ISLANDS

(Member Chamber of Commerce of the United States)

### DIRECTORS

H. M. Cavender, *President*  
K. B. Day, *Vice-President*  
John L. Hestington, *Treasurer*  
J. R. Wilson, *Secretary*  
C. H. Salmon  
J. C. Rockwell  
E. M. Grimm  
Verne E. Miller

### ALTERNATE DIRECTORS

E. J. McSorley  
L. D. Lockwood  
S. R. Hawthorne  
G. H. Hale

E. E. Selph, *General Counsel*

### COMMITTEES

#### EXECUTIVE COMMITTEE:

H. M. Cavender, *Chairman*  
K. B. Day  
J. R. Wilson

#### RELIEF COMMITTEE:

J. R. Wilson, *Chairman*

#### MANUFACTURING COMMITTEE:

K. B. Day, *Chairman*  
F. H. Hale  
John Pickett  
C. A. Kesler  
F. O. Boyd

#### LEGISLATIVE COMMITTEE:

H. M. Cavender, *Chairman*  
K. B. Day  
L. D. Lockwood  
E. J. McSorley  
J. R. Wilson

#### FINANCE COMMITTEE:

Verne E. Miller, *Chairman*  
E. J. Deyme  
S. R. Hawthorne  
C. E. Casey

#### FOREIGN TRADE COMMITTEE:

H. B. Pond, *Chairman*  
E. E. Spellman  
Kenneth B. Day

#### PUBLICATIONS COMMITTEE:

H. M. Cavender, *Chairman*  
K. B. Day  
R. C. Bennett  
J. R. Wilson

#### BANKING COMMITTEE:

B. Cartman, *Chairman*  
N. E. Mullen  
J. R. Lloyd

#### RECEPTION, ENTERTAINMENT & HOUSE COMMITTEE

E. J. McSorley, *Chairman*  
J. R. Wilson

#### LIBRARY COMMITTEE:

S. A. Warner, *Chairman*

#### SHIPPING COMMITTEE:

E. M. Grimm, *Chairman*  
E. J. McSorley  
C. F. Bradford  
E. W. Lacie

#### INVESTMENT COMMITTEE:

H. M. Cavender, *Chairman*  
K. B. Day  
J. J. Hestington  
J. C. Rockwell

## THE OUTLOOK

Looking toward the economic future of the Philippines as it is to be affected by the commonwealth-independence bill or by newer legislation by congress, now talked of, setting up independence much sooner, it would be fairly easy to amass statistics overwhelming any hope of success. It could be proved that the public debt could not be serviced, since it takes about \$11,000,000 a year and tax revenue might easily shrink to no more than \$30,000,000 for all purposes. It could be proved that the public school system, even now far from adequate to the people needs, could not be sustained. It could be proved that the civil service would have to be scrapped. In fact, the situation as it might be outlined with statistics would be entirely dark. As soon as independence comes, no Philippine sugar can be sold in the United States; while Java-bagging sugar 2-1/2 times cheaper than we do, would have easy advantage in China and all other possible markets.

What could substitute sugar, our great cash crop that sustains such a large portion of our general commerce? Sugar growers giving up the unequal struggle and turning to food crops, would major in rice and soon close the market in the Bisayas for rice that Luzon rice growers now enjoy. How would anybody get any money, to buy anything? This is but one example of how black the statistical picture of our economic future looks.

The besieged coconut industry, sustaining a third of our population, is another equally dark example. The possibility is, as this is written, that coconut oil must bear a tax of at least 3 cents a pound in the United States regardless of provisions in the commonwealth-independence act or of when independence comes. This seems ruin to that great industry; it seems to entail poverty verging on semistarvation for some 4 or 5 million of our people. With all the islands descending quickly from plenty to poverty, it is natural to surmise, and even to fear, an emotion that immolates all property values, that domestic tranquility must inevitably be radically disturbed.

In short, it is easy to vision a thoroughly demoralized, troubled and helpless country whose activities should be reduced to futile

inadequate channels. Statistics show nothing but this. What, for instance, currently depresses the market for the proved bonanza shares of our two great gold mines, Benguet Consolidated and Balatoc; what but the conjecture that, revenue from other sources failing, the government will lay a heavy hand upon mines? This is one of the first symptoms of impending decline; if liquidation in flourishing industry begins. You hear it on the street; the least that may be said of it is this, it is uneasiness.

But statistics are not, after all, a rounded index of human affairs. There is a destiny that shapes our ends, and of this destiny most prophecies fail.

Now let us go back, without statistics, over the facts just traced. Let us look at the soil's adaptability, and sense the salubrity of our situation. Not only can the great shocks of rain: the country be real failure here, it would be the failure of men: the country itself will never be found wanting.

So there is something to go on, the soil, the climate, their dependability. There is also something more, an unspoiled peasantry.

If the commonwealth-independence act prevails, we shall market another million-ton sugar crop duty free in the United States, and 10 more 850,000-ton crops during 10 years afterward. This is as much as we wanted, 2 or 3 years ago, and as much as we then sold: the industry at the limit of a faded out would should again. If it can't survive on a duty basis, essentially it is not an economical industry and its confinement to strict limits would do the country no ultimate harm.

If coconut oil and copra must pay an excise tax in the United States, so long as this tax applies to competing foreign oils the soap trade there will probably continue buying our coconut oil and copra; and we can take chances with the 20% of the oil now taken by the marginal trade, since a general advance in the fats and oils market would favorably affect our coconuts in any case. The excise tax in itself would not determine the price of copra, a product in worldwide demand yielding the world's prime oil for soap; so the tax would appear in the price of soap rather than in the price of copra, after the first shocks had spent themselves, when we should still have our coconut groves.

Should added revenue be sought from mining, in lieu of revenue lost elsewhere, it is an even wager that levies would not be ruinous. The good repute of the new government would be at stake. Also, mining is developing here; at the existing rates it will yield increasing revenue. There is no precedent that the Philippines have used the taxing power to destroy any substantial industry, men who make up the government don't incline that way.

Rice will always be widely grown in these islands. Bread of the people, it should be widely grown. If the general trend of future prices was so low that large plantations no longer yielded profit enough to keep them together, their division into smaller farms would not be at all adverse to the public weal. Such a level of prices, too, would be basic in sustaining other industries yielding reduced returns: cheaper bread would mean cheaper labor.

Though the volume of overseas commerce must be measured by the islands' ability to sell surplus products abroad, and there is therefore the prospect that a limited American market will cut this volume in two, or even fourth it, revised taxes might well save the public revenue from falling equally low. For a decade at least, the islands have the opportunity to make much revenue out of their customs charges. Supplementary to this, there is now opportunity to sell Philippine alcoholic products in the United States and build an industry in distilled and fermented liquors from which more revenue would come.

How far manufacturing for a general export market may go in the Philippines hinges upon many factors, some of them inter-related with conditions in other countries. But this field is filled with possibilities. It is not to be denied that we could put Philippine ships on the seas; for a natural maritime country whose sailors are sober and capable to have no ships is highly artificial and irregular. Should ships come into being, overseas trade, the bulk of all trade the islands have, would soon be sustained by banks, insurance companies, merchants and manufacturers.

The commonwealth-independence act cuts off immigration to the United States. This throws an increasing peasant population upon the islands, and the Philippine lands administration is too befuddled to meet the problems this situation presents to it, while the school system is in need of permanent revenue. An obvious solution of this dilemma would be to appropriate the public domain to the schools, in fee simple, ownership never to lapse. Then squatters might go on the public domain freely, and securely: they could be made to pay rent before their holdings were surveyed, and instead of being compelled to take up the minimum acres, as now under the homestead law, they could take up only what they could put under the plow, and could pay rent accordingly.

Beginning, the schools might have small revenue from the public lands; later it should be abundant. The squatter on the public domain would no longer be an offender of the law, but a public benefactor from the tithing of whose crops the schools would live.

Philippine population will grow, and probably both by natural increase and substantial immigration. The Chinese up to now have the Chinese up to now comprise two-fifths of the Dutch East Indies population, where too, the Caucasian population has mounted to 650,000. There are Philippine leaders and men of thought who are not disinclined toward Chinese immigration here, primarily to stimulate farming. It would influence industry no less. Peace is the open sesame for Chinese everywhere; give them but assurance of internal order in any country and only the most impragable

barriers keep them out of it. In the Philippines there would probably be no such barriers, popular psychology and political leadership not running in that direction. If in a few years, therefore, the Philippines should be domiciling 30 million people, among them a few million sturdy Chinese—and at least an industrial class of Japanese—realty values would return to tempting levels, certainly in the metropolitan area, because of expanding business and industry. History gives the Philippines unstinted luck. It is at

least possible that they will pass the present crisis and keep that luck. It is also not to be forgotten that if the immediate future rests on the commonwealth-independence act, the more remote future may be worked out in permanent association with the United States. In short, the present clouds may lift; the havoc of threatening storm may pass with only slight and temporary harm done. Sanguine revision of the statistics may, after due trial, be in order.

—W. R.

# Advertising the Philippines Through the Movies

**Fox "Magic Carpet" scouts shot more than 30 different subjects here: the ice broken, others must venture too**

Three visiting newspaper folk were in Manila at one time a month ago. At least one of them writes for a syndicate service used by the New York *Times*; and the other two specialize on feature news. All visited the walled city, took notes, will have filed stories: on the Clare nuns, on the Cathedral, on the Agustinian church. Of course they found many other subjects. Their stories will bear Philippine date lines; besides being news, they will advertise the islands better than it could be done in paid space. Aside from what they write, what they say will be even more valuable in setting up favorable repute for the Philippines in the United States; what they say in conversations, perhaps in lectures—to just the class of people who travel.

All are women, so talk enough is assured. One has announced plans to return to the islands next year and head of party of travelers who will make a somewhat extended visit here. This shows how the world is learning, slowly, that the Philippines abound in interest for visitors.

Another paper in this issue of the *Journal* tells how the Philippines have wrought their strange spell on Carl Werntz, well known American artist, and on his wife, Milicent Werntz, who is a writer. Werntz has high repute among painters both from wide friendship among them because of his 25 years of art teaching in Chicago. For 3 years he and Mrs. Werntz have been on a sketching-writing trip, going where it pleases them to go, doing into pictures and stories only what they like. The Philippines have so delighted them that they definitely plan coming back here in November, and afterward making visits here frequent events.

Werntz thinks that for the artist there is no richer field in the world than the Philippines. He finds much talent among Philippine artists and intends enjoying the watching of its progress. Exhibitions of his Philippine sketches, in the United States and Europe, will do no end of good in exciting traveler-interest in the islands. Folk that come here upon such an invitation will tend to make long stays. (Three engravings of Werntz sketches appear in this issue of the *Journal*).

Best of all, for a wide public, is the fact that the Philippines have come into world new enough of late to bring here, for a stay of 9 weeks, a fox movietone troupe. For the Fox *Magic Carpet* feature, more than 30 subjects were recorded here by this troupe. Such reels run to about 1,000 feet. Some have already been released in Manila. Fox news reel

No. 36 carried shots of Governor General Frank Murphy signing the woman franchise bill in the presence of a woman's delegation. Reel No. 38 featured a review of scout troops at Fort Wm. McKinley by Major General Frank Parker, upon his arrival here as department commander. Fox news reel No. 40 pictured the fashion show at this year's carnival, a big news break for the Philippine woman's formal costume.

This reel was on at the Metropolitan during the showing of *Jimmie and Sallie* featuring James Dunn and Claire Trevor. Other releases will follow throughout the year, while Fox plans recording the news of the islands more regularly from now on.

Universal has taken many news subjects in the Philippines. Their news cameraman for the Far East is George Krainikov, stationed at Shanghai. He recorded Mayon's latest eruption and has done many other subjects here that have gone into Universal's news reels. Many events are in prospect here that should make more than the usual appeal to movie audiences, especially audiences in the United States. The session of the legislature accepting the Tydings-McDuffie bill will be one, and Governor Murphy's confirmation of the act. Then the call for constitutional convention delegates, and the convention deliberating; and after that, things going by schedule, soon the inauguration of the commonwealth government.

Jack Wooster, *The American Vagabond*, who syndicates news features and dabbles at camera and recording work, was thrilled by the voice of a leper boy 12 years old, at San Lazaro hospital, singing *The Last Round-Up*. Jack wants that voice recorded, wagers it must be one of the big radio hits. Success to his effort.

He plans it for a leper fund. As the Philippines rise in world attention, cameramen will discover that there are feature subjects here for the maximum footage they can induce their employers to let past. And hardly now, since Fox alone garners more than 30 subjects in a single expedition, can any of the newsreel agencies afford neglecting the Philippines. Now that Manchuria quiets down and political curiosity about the Far East shifts to the Philippines at least for a while, the islands win footage in the newsreels and, in a sense, reap where they have not sown. For they have given no particular attention to the business of getting into the newsreels; it is interest abroad, not here, that puts them there. But it will bring the islands visitors, who will bring money: in short, it is a fine beginning.

When you order matches,  
call for

**SUNSET  
MATCHES**

On Sale Everywhere



These and other brands, bearing the name

**Philippine Match Co.**  
Limited

will save you trouble. They light at any time, rain or no rain. You can throw them anywhere after lighting and the flame will be immediately extinguished, leaving no afterglow. They are, therefore, the SAFEST.