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OF THE

PHILIPPINE ISLANDS

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LIVING HIGH

J. Bartlet Richards' January report as American trade commissioner opens with a number of interesting data:

January sales of automobiles and trucks were exceptionally good.—Orders for cotton textiles were higher than for several years, the bulk of the business going to the United States.—Credit conditions were satisfactory.—Gold production P4,720,438 set a new January record.—Banks reported increased loans, discounts, and overdrafts, also increased cash balances, meeting importers' demands for dollars by drawing on their New York balances.—Monetary circulation increased by York balances.—Monetary circulation increased by P2,500,000 to an all-time high (but not, once more we remind the reader, a per capita record by any means).—Tax collections ran far and away ahead of estimates.—
Export cargoes continued in good supply.

Freight space to Europe and the United States was well taken up. We know copra is low priced, also Manila hemp, and sugar no great shakes. But bulk of copra and hemp makes up in part for the low levels of prices and if war puts no hex on freight space 1938 will, as usual in the Commonwealth, be a good business year with overseas commerce topping \$\mathbb{P}600,000,000. But as this is written, March 14, the situation for peace looked desperate in Europe. If peace is broken, shipping will be scarce and the Commonwealth will feel the pinch.

Well, if it must come it must come. The Commonwealth can face it out as well as the next one. War

either in the East or the Wset ought never to involve the Commonwealth while the ties with the United States remain unbroken.

Other interesting data come to hand in a pamphlet from the commerce bureau sent in by Acting Director A. de Castro.

Commonwealth domestic trade runs to 13 billion pesos a year.—Arable land is 18,594,260 hectares, and cultivated land less than a fourth of this, 3,943,300 hectares.—In the following table from the pamphlet, note 1937's imports and exports:

STATISTICAL FACTS ABOUT THE PHILIPPINES

Aproximate area (square miles)	144,398
Potential agricultural area (hectares)	18.594.260
Estimated area cultivated (hectares)	3,943,300
Population as of July 1937	13,700,000
School population (setimate) 1936	3,419.200
Total enrollment-Public and Private	
Primary 994,1	73
Intermediate 204,9'	
Secondary 83.98	34
Assessed value of real estate	P2,235.198,118
Total net bonded indebtedness	86,321.178
Currency in circulation	P161,489,425
Revenue from taxation	70,437,700
Government (Commonwealth) Ordinary Income	
(1938)	P80,445,700
Government (Commonwealth) Ordinary Exnendit-	
ures (1938)	76,296,207
Total foreign trade:	
Jmports (1937)	P218,051,490
Exports (1937)	302,532,500
Rice mills	1,903
Sugar centrals output, long ton (1936-1937)	970,459
Number of warehouses	851
Transportation:	
Railroad mileage (miles)	835
Number of motor trucks registered.	17.355
" vessels—coastwise service	572
Motor vehicle registered	46,293
Roads and bridges (km.)	16,743.9
Shipping—Foreign (net tonnage)—	
Entered	6,716,706
Cleared	6,222,960
Shipping-domestic-	
Entered	4,802.260
Cleared	4,789,341
Gold production of 1937	P 51,000,000
Savings deposits of all banks (1937)	P115,385,880
Deposits of all cheque paying banks (1937)	105.735,467
Total bank assets (1937)	378,265,623 357,396,770
Total value of agricultural production 1936)	357,396,770
Agricultural Crops, as of June 30, 1936:	B110 007 150
Rice (palay) . 42.219.600 cavans	
(37)	
Sugar 14.954.450 piculs	
Abaca 3,146,961,200 nucs	
Tobacco 70.067.000 kilos	3,729,280
Maguey 433,840 piculs	
maguey 400,040 picuts	020,100

We are in total disagreement with this table respecting population. It was nearly 13 million in 1918, and will have increased nearly 40% since; so we believe the figure we use is most conservative, 17 million; we find one American almanac says 20 million, and we doubt that this is far wrong.

Last year's imports were 1.798,500 tons of goods, P121.24 per ton in value. Exports were 2,058,706 tons, P146.90 per ton in value. So the Commonwealth is primarily a staples market, yet a good one. May war pass us by. Mark the gateposts.

HEMP IN BORNEO

We have recent news about Manila hemp, the Commonwealth's natural monopoly of which the world tries to destroy, quite naturally. Mitsui Bishi Kaisha are promoting Manila hemp plantations at Tawan, North Borneo. They got the seed in Davao, together with ex-

perienced Japanese to plant it. They have 99-year leases. Ten thousand hectares have been planted, another 10,000 hectares are being planted. At 20 centavos to 30 centavos a day, native and Chinese labor is plentiful. Some disease has appeared, not very serious. Plants are said to grow 50% larger in thickness and height than in Davao, but the strippers are as yet little experienced and for this reason the fiber is not up to Davao's in quality.

Rumor is that a British syndicate has leased 100,000 hectares in North Borneo for Manila hemp. It would probably he imprudent to seed such a tract, larger than all Davao's together. Enterprising Japanese in Davao are reported as making progress with a modified stripping machine that does not require twisting the tuxies round a spindle for cleaning. This would make shorter fiber more merchantable, since use of the spindle by the present method tangles fiber ends into waste that must be cut off and sold as tow. An improved machine would extend the useful period of Davao plantation, since the older the plants the shorter the fiber—untill after fifteen to eighteen years yields run below commercial values.

But it has been established that run-out fields in Davao can be restored to fertility for Manila hemp and successfully replanted. Yields are somewhat reduced, but the fiber is stronger and finer, hence of more merchantable grade. Borneo is probably a more genuine threat to Commonwealth hemp than Sumatra was. Let us hope not.

Looking Forward...

(Continued from page 7)

when Borneo will not belong to Holland nor to Britain, and has in it nothing but immediate advantage.

But could Washington and the Commonwealth (that is to say, Washington in behalf of the Commonwealth) bring any real pressure to bear in case Holland and Britain were cold to the proposal outlined?

We think the pressure available is considerable. Holland and Britain enjoy many courtesies from the Commonwealth, the rule of quid pro quo may be applied -such states are familiar with it: Chamberlain invokes it just now, with Italy, has it in mind with Germany. Holland wishes to have a bank here, and gets it; she wishes to land commercial airplanes here, and will be granted the privilege; besides, she runs many ships to the Commonwealth, and hauls between the Commonwealth and the United States. These are all courtesies, and Britain's here, with two banks, are more extensive. If it came to a matter of swapping, the Commonwealth would have a good deal to talk about. But if the secretariat were established, that this paper proposes because the need of it is so obvious, and the case were worked up as it should be, the conversations should never descened to swapping. Holland and Britain should see at once that an ethnic wedge inimicable to the Commonwealth should not be driven into Borneo.

As soon as a democracy is launched anywhere, it has, of course, to look to its boundaries: on every hand it finds nought but opposition, quiescent or active according to circumstances, and it must shoulder through and make room for itself. Problems strikingly similar to the border problems confronting the Commonwealth of the Philippines now, confronted the United States when that federation was founded—with the expectation in:

Europe that it would be shortlived. Some men argued the unimportance of these problems, but wiser men felt their vital importance from the outset and exerted unceasing effort until in James K. Polk's administration they were all resolved. All this was difficult indeed. Circumstances affecting the Commonwealth should yield much more easily.

In America's case, resolution depended upon how the general elections turned; the south and the west blew hot on the questions at issue, the east blew decidedly cold—save for the patriotic apostasy of John Quincy Adams. With Washington handling the situation, the Commonwealth will not have to face this—consistent policy may be expected.

At any rate, the case of Borneo shows clearly, we think, that the machinery for America's successful handling of the state affairs of the Commonwealth is not all in place; that parts are lacking, at Manila, and by all means ought to be provided without delay. We think it also shows that diplomatic questions may be unique to the Commonwealth, that the mere routing of these questions through the sate department at Washingon is far from being enough for their solution. There must be an office devised, interested in these questions solely. Nor is at all remarkable that the foreign affairs of a people numbering seventeen million persons really require such an office, the Commonwealth's location being what it is. It would rather be remarkable if anything less would be found to serve in the circumstances.

The least that can be said is that Washington, in behalf of the Commonwealth's future—that future associated with the United States or not—must bestir herself with all possible cupidity and intelligence, and without delay.



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