Cane Sugar in the Philippines

Twenty-two years from the beginning of free trade with the U. S., the Philippines have 36 modern sugar centrals.

Sugar cane is probably native to the Philippines. In 1521, when Magellan reached the islands the inhabitants gave his men a kind of caramel such as Chinese on calle Tetuan and other streets of Manila make nowadays; and the sugar for this caramel could not have been imported. But though Europe had a great appetite for sugar, and sugar-cane from India was transplanted to the western continent, the Philippine industry did not develop: sugar could not be shipped from the Philippines to Spain, and space in the annual galleon to Mexico was too costly for such a staple.

The sugar industry did not develop in the Philippines because there was neither a domestic nor a foreign market for it; sugar and sugar-cane products were made in the villages and on the farms, as they are now, and peddled in town, as they are now, by market women. It was only after the advent in the Philippines of the steamship, that Philippine sugar found buyers to speculate in exporting it. The first cargo is thought to have been one shipped to Australia in 1859. The British, because of their China-Japan trade, became quite interested in Philippine sugar. They also led the world in making sugar machinery, and got Philippine planters to buy some of it by taking payment for it out of the additional recoveries it effected.

This was open-kettle sugar. The Filipinos made it eagerly when the British opened markets for it in China, Australia, and Japan; in 1895, on the eve of the revolt against Spain, 341,469 metric tons of this sugar were exported. The century-end revolutions upset things here in all industrie, farmfng particularly, and it was not until 1922 that the sugar exports of 1895 were surpassed: and then only slightly.

The Philippines are now producing and exporting about 800,000 metric tons of *centrifugal* sugar which, with free entry, is marketed in the United States. This yield is from 36 mills. Filipinos own 16 of them, Americans 10, Spaniards 9. 1 is under cosmopolitan ownership. Filipinos own the farms that grow the cane, farms that used to be equipped with the antiquated open-kettle mills that lost so much of the cane juice. These oldtime farms were of medieval quaintness. The point-shared 1-handled plow and the bamboo-branch harrow were the field tools, the carabao the motive power. The farmyard was a square of several hectares. In one side was the plantation house, on the others the mill, the animal sheds, and the warehouses; and around this center the cotters' huts, of bamboo and thatch, were grouped.

All this is present in the industry now, excepting the mill, which stands, rusted and dismantled, a memorial to feudal times when each plantation was self-sustaining. The cotters' women made the cloth their families required, and children made fiber bags for the sugar; the plantation provided all table wants, even fish of an indifferent quality from the streams and ponds; the crops were shared between the cotters and the landowner, and the landowner's share was 100% net profit because he furnished the cotters nothing, not even points for their plows.

Cockpits conveniently located, the only diversions from the year's monotonous work, garnered the cotters' money regularly enough to keep them permanently in debt and obligated to remain on the land and work the fields. The landlord had very light responsibilities; he devoted himself to books, merriment and travel; and after the revolutions and the change of sovereignty, he furbished up his education, made himself a lawyer and entered politics. He is in politics, law and medicine today; he boasts a code and tries to live by it; his younger brother becomes a priest, of Rome, or a commander of constables; occasionally a member of the family goes into business.

Business slowly becomes a respectable calling for sons of the plantations, because they are associated in it with Americans and Europeans: they are stockholders and officers in sugar-central companies, steamship companies, import-export companies, etc. Shopkeeping, of course, is not yet respectable and is still left contemptuously to the Chinese—for whom it makes many a fortune.

The sugar-planter's claim to being a gentleman is no vain assumption. He is hospitable to a guest, gay with women, paternal to subordinates; as a class he gambles inveterately, generously and fairly; he neither abjures religion nor gives it much attention, but his children are born and reared in it, his dead are buried in it; and he makes a thoroughly bourgeois marriage in which the ends of property and propriety are docilely and obsequiously subserved. This gentleman of the sugar industry is a man of parts ill-fitted to the limited rewards of ambition and talent existing in his community: he will fritter a fortune away on a single campaign for a provincial governorship, or the privilege of stepping from the gubernatorial chair to the Philippine legislature.

You can not blame him, and least so if you know him. He is an admirable gentleman, but by the same token he is a most indifferent planter.

Since 1909 his sugar has been going duty-free into the largest sugar market in the world, that of the United States. Seemingly, there has been every inducement for him to enrich his farm and improve its cultivation. Actually, however, he has just had a great deal more money to spend. Frequently he has leased the plantation and moved away from it; and his lessee has subleased the place to men who in turn rent parcels of it to tenants planting sugar *on the shares*. The owner has gained additional revenue from the sugar by his capital interest in the sugar central built to mill the cane in his community,

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Cane Sugar....

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and he apparently has far more interest in milling than in farming.

The result is that since 1895 the Philippines have scarcely more than doubled their output of sugar. The 800,000 tons they sell America each year, though it buys American manufactures enough, is merely that much less sugar bought from Cuba. American sugar prices are still determined by the Cuban production and the American tariff, and the Philippine planter can raise sugar only because he does not pay the tariff. If he had to pay the tariff this year, his sugar would bring him about $1 a picul of 139.44 lbs.

The centrals, getting about half the sugar, on their milling contracts with the planters, are in the better statistical position. But to pay the tariff, with the present average production of sugar per hectare, would do them up, too. It would wipe out, in other words, a capital of some $200,000,000 and contribute tangibly to the pauperization of the Philippines. In the figures just mentioned the value of the plantations is not included; without the sugar they would, of course, be a questionable asset. Mortgages would take thousands of them, perhaps, without in the least enriching the creditors. It is needless definitely to point out the fact that the Philippine sugar plantation is the least vigorous element in the industry; it is there that production fails, because the mills are comparably as efficient as the best, and ocean freights are comparably as favorable as Java may enjoy, not even much above what Hawaii pays. But Java grows on one hectare what the Philippines grow on three; and Hawaii grows on one hectare what the Philippines grow on 2½.

Time can be the one remedy of such a situation. The Philippine planter, though ostensibly he has always been a farmer, is not that thrifty, scientific cane-grower his country requires for the sugar industry to survive. Yet sugar is very important in the economics of the Philippines; even during the past year it has been bringing the islands $4¼ millions every month.

The Manila Hemp...

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bought by American concerns and manufactured in the United States.

While this developed a direct American trade in Manila hemp quickly enough, it gave rise to abuses. A Philippine customs inspector sent to Europe found hemp there that had enjoyed the draw-back and should have been manufactured in the United States instead of being sold and exported. When the tariff for the Philippines was enacted, export duties were prohibited. There have been lamentations at the University of the Philippines over steps taken to break the British monopoly of Manila hemp and give the Philippines a better market while benefiting American cordage interests and consumers, but the record is really not dishonorable; everything the Philippines produced at that time, left Filipinos' hands in the rawest possible state; whereas now the tendency is to manufacture locally.

There are five cordage mills in Manila. A Filipino, Valenzuela, for whom *calle* Valenzuela in Santa Mesa is named, had established a ropewalk in that district prior to the revolutionary period and did a thriving business in making cordage for ships. This ropewalk, skirting *calle* Cordeleria, to which it gives name, on the river side, is now a property of the Johnson-Pickett Rope Company; which has another, of lesser linear capacity, in its fine new works across the river in Pandacan. Valenzuela was a victim of the revolution against Spain; the *Guardia Civil*, suspecting him of disloyalty, drumheaded him to face a firing squad. The incident is memorialized in a painting in President Rafael Palma's office at the University of the Philippines. As usual, the thrifty middle-class bore the brunt of the disorders in the Philippines at the end of the century that led to the change of sovereignty. Valenzuela's career deserves a place in a textbook.

Manila hemp was not grown commercially outside the Philippines until the Dutch stole plantings and got fields of it growing in Sumatra—on plantations still prohibited, it is said, to foreign visitors. This hemp is now on the market and sells on a par with the Philippine product. An excellent review of Manila hemp appears in this journal every month, the work of L. L. Spellman, a leading authority. Reference to that review will reveal how much hemp Japan now buys, much of it from Japanese hemp-growers in the rich Davao-gulf region—the only immigrant farmers in the Philippines.

Rubber....

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own rubber company because of what he considered unfair treatment at Firestone's hands. The feud is a lengthy story but I need not dwell on it here, since it can vitally affect the industry only if General reaches the huge proportions of the Big Four companies. That will probably never happen, for Mr. O'Neil is too wary to be caught in the over-expansion net.

The story of Firestone's connections with the various organizations of rubber manufacturers throws a lot of light on the present situation. The first attempt at getting together was the Rubber Club. It soon became the Rubber Association of America, from which Firestone, chafing under any restraint, resigned. A few years later he joined the Rubber Institute of America, rubber's contribution to the Czar craze among the more farcical industries of the nation. General Lincoln C. Andrews, of Prohibition enforcement notoriety, was named head of the Institute, to exercise the same sovereign sway in the tire realm that Will Hays had in the movies and Judge Kenesaw Mountain Landis in baseball. A higher code of ethics was the goal to which this spotless organization aspired.

Unfortunately, Harvey wouldn't stand hitched. In September, 1928, he leaped