

Manila: A General Headquarters Point

● *Reside here and Canvass the Far East*

The catastrophe of war that has ruined a great deal of Shanghai and placed in jeopardy the civilian population and its places for residence and business, suggests Manila as the better central point for the headquarters of American manufacturers' general representatives in the Far East. There have been some such removals, the Philippine government is wisely cordial to the movement. Manila has every advantage as a general representative's place of residence.

Modern government, good health and sanitation conditions, tolerable schools, universities, churches, these are features of a Manila that opens an expanding market to a wide variety of imported manufactures. Peace has been unbroken in the Philippines during a generation and more, and the political integrity of the Islands is a responsibility of the United States. Manila is subject to no upheavals rising from the clashing interests of the Powers. Her means of communication are incomparable, as opposed to anything offered on the China coast. By air she is within about one week of New York as the western terminus of Pan American's airway across the Pacific, and within five hours of Hongkong (with connections to China and Europe) as the eastern terminus of Pan American's Manila-Canton-Hongkong circuit via Macao. Steamship arrivals and sailings are very frequent, passport facilities convenient. Exchange is stable.

Put all these items together and add security, and you have a good case for Manila as a commercial headquarters point for the Far East.

Malacañan is so cordial toward the movement that it has been proposed to establish a free-port zone here. The suggestion has merit, but is not essential to Manila as a commercial headquarters. If the necessary legislation were perfected, and the essential foreshore in the district north of the Pasig reclaimed, future events might give the project substance. In the present instance, it is chiefly helpful as a manifestation of goodwill.

Manila has some of the features of a free port now. Transit cargo is handled here with economy, safety, and dispatch. A great deal of it is being handled, for China, while Shanghai's facilities lie paralyzed.

For a charge of P5 a ton, transit cargo is unloaded, stored accessibly in good bonded warehouses, and reloaded for export at the will of the shipper. Steamship men say this is a very reasonable charge. The service is unexceptionable. The warehouse charge the first month is P1 a ton, 50 centavos a month thereafter. The government's checking fee is 15 centavos a ton. A ton of transit freight is therefore handled at Manila for one full month for P6.50, or \$3.75.

Actual free-port facilities such as space for manufacturing and reconditioning and the splitting of shipments inward for various points outward, would not now be used at Manila in normal times. The

reason is, Manila has practically no advantage over Hongkong and Shanghai in ocean freight rates, while both those cities enjoy the advantages of guild and coolie labor and a keen indigenous banking and commercial class.

But why not the free-zone legislation now, against opportunities that would justify implementing this legislation in the future? It might be that domestic manufacturing could be drawn to such a district, while it could certainly do no harm to reclaim the foreshore for it. A time might arise when the Philippines and the United States effected an accord about shipping. At that instant, the free zone would be needed.

Manila exports raw and semiraw products chiefly. But she now has some important manufacturing business that weighs considerably in her exports. This trade is expanding. If it would be a benefit, the encouragement of factory sites in the Tondo shore area should be offered. This hinges upon reclamation for the potential free zone.

There are some dozen companies, several of them quite large, manufacturing here, and exporting largely to the Far East, margarines and cooking compounds made from coconut oil. They also export these products to more distant fields. The business seems to be well established.

Another group of companies makes and exports reed furniture. A world market is enjoyed, monthly shipments run from 600 to 1,000 tons a month, 40 feet cubic measurement. Manila has the largest and best equipped reed furniture factory in the

world. Her factories of this sort utilize the world's choicest supply of rattan, a native Philippine product that is cheap and abundant, supplemented with the best hardwoods. One factory at least, is able to warrant its product against insect attacks—it has perfected a method to destroy them.

Such utilization of Philippine natural products is bound to expand, the quality and price can not be touched by competitors. The fact that such enterprises are constantly expanding, attests the existing good facilities of the port of Manila.

Araneta gave . . .

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program will entail, should be replaced with the importation from the United States of more capital goods that we shall need in connection with the establishment of our industries, as well as of consumer's goods of various kinds necessary to the refinements of modern life and which can not be efficiently produced locally. The foregoing will be made possible by a concerted programme of achieving a higher standard of living for our people with a more wide-spread distribution of the benefits derived at present from our trade relations with the United States.

"The protective tariff duties that will be necessary to levy to protect our infant industries will serve the added purpose of protecting American goods, thereby making our trade relations with the United States more truly reciprocal for the United States than at present."

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