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The American Chamber of Commerce

OF THE
Philippine Islands

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by the Bureau of Customs: (all figures are for the first 9 months of each year)—

	1937	1938
U. S. Textile exports to Philippines	P7,389,191	P16,292,918
Japanese Textile exports to Philippines.	5,455,495	4,781,667

In other words, the U. S. gained nearly P9,000,000 in this line alone, where the Japanese lost only P750,000 or so. One explanation is that war has jumped Japanese textile prices to a point where they are very nearly equal to those of the U. S., under which circumstances conditions operate in favor of purchases from the U. S. rather than from Japan. Nevertheless, the situation is one which gives us cause for thanks.

Machinery imports from the U. S. have increased in the same period from P6,000,000 in 1937 to P12,000,000 in 1938, while Japanese machinery imports also increased in very nearly the same ratio, although of course Japanese machinery figures have never at any time approached American: are, in fact, only about 4% of the American volume.

In iron and steel products, the U. S. gained some P10,000,000 in the first 9 months of this year over last, from P16,000,000 to P26,000,000—but the Japanese in this category lost less than a quarter of a million pesos in the same period.

The list could be extended to great lengths. To us the figures proved just one point: that is, that the tremendous trade increases favorable to the U. S. this year are accounted for primarily by the growth of purchasing power of the Commonwealth, rather than by the fact that Japan is handicapped in trade expansion by war conditions existing in that country.

And that is cause for thanks.

In still another way, it is cause for particular thanksgiving on the part of the American community in this country. These large increases in exports to the Philippines of American goods should eventually mean an awakening of interest on the part of American producers in the possibilities of the Philippine market. This stimulation of interest on the part of U. S. manufacturers may serve to counteract the effects of the sugar-beet—dairy—Cuba bloc, and may thus lead to the establishment of a fair and equitable trade pact to insure the continuation of good business for both countries.

As residents of the Philippines, we have cause to be thankful for good government, for peace and prosperity.

A government which, as manifested in the last elections, commands the support of an overwhelming majority of the people, and is thus implemented for the accomplishment of the good intentions with which a fair observer must credit it.

For peace which, even when it appeared so short a time ago that Europe was in for another great war, left this country unaffected, so remote is the possibility of actual entanglement in such a sanguinary conflict. Stock market prices momentarily had the jitters, as is inevitable; but no gas masks were distributed, no parks

1938, AD INFINITUM

As we write this, the third anniversary of the founding of the Commonwealth has just been celebrated. This leads us into some very pleasant thoughts as to what we have to be thankful for in this country as the end of the year 1938 rolls around, and Christmas comes rushing upon us with, it seems to us, even more than its usual haste.

As business men, we are thankful for good business. The volume of imports from the United States is higher this year, in many lines, than ever before in the history of Philippine-American trade relationships. Some commodities are being imported now in good volume which have not found a market in the Philippines for many years past: such, for example, as cement. In other lines, notably textiles, U. S. trade has more than doubled. Similarly in machinery, and a host of other American products, have found an increasingly tempting market in the Commonwealth.

We find even more cause to be thankful for this state of affairs since it is evident from the figures that the U. S. gain is not, except to a surprisingly small extent, accounted for by Japanese losses, which in the main have been negligible so far. For instance, where the U. S. textile exports to the Philippines have more than doubled in value for the first 9 months of this year as compared with the same period of 1937, the Japanese in the same period have lost only some P750,000 worth of business. The figures are actually as follows, as given

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America's Prospective Prosperity

Seemingly bound to ebb and flow during decades to come, America's business volume is currently rising and may up Philippine commerce.

In our November (Holiday) number it is fitting to review current homeland conditions. Yuletide reflections turn inevitably in that direction, while nothing else is so vital to Philippine trade. Last year at this time Depression II was approaching, now it seems to be receding. Our direct references will not be later than

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dug up to make bomb-proof shelters for the population, no mobilization took place. We were not sure what might happen in the rest of the world, but at least here we were sure of peace.

For prosperity—and a prosperity which, because it does not owe itself to any boom, is all the more to be appreciated.

For a comprehensive program of public works, now being systematically carried out—roads, public buildings of all kinds, transportation facilities, and so on.

For a treasury amply supplied with cash to back up its good intentions.

For these, and a multitude of other, smaller and more vital reasons, we find it possible this year to contemplate the Christmas season with genuine thanksgiving. The more so since, as we see it, the same is going to hold true for many, many Christmas seasons yet to come.

The *Journal* wishes you a Merry Christmas.

Time of September 12, but we feel confident that later ones will be mere corroborations. Recovery is plainly afoot even though no one quite tells why nor foretells its probable duration. Defense is in it, particularly as to steel, and make-work projects and vast relief outlays of all sorts go on and on. But public credit is still unimpaired. An intense congressional campaign took the heart of the summer, and it is rather a phenomenon that business improves at such a period—the usual tendency runs the other way.

In August, commercial loans in New York and throughout the country had been rising week by week for three weeks. Basic yardstick, if not for carrying stalled inventories over, it seemed as though this would keep up. *Time* jibed the Federal Reserve for ceasing to break down the loans by types of collateral behind them, but the comeback was that there was nothing sinister in the decision to abandon old classifications—the feeling behind the decision had been that such tabulations had proved an unsatisfactory way of showing the purpose of loans. (Chain and department store figures would give insight into inventory conditions as to consumer goods, and sales were good).

House rents rose during 1937 out of proportion to living costs, building costs declined, and the administration liberalized its lending policy. Home building that had been lagging far behind has gone booming until

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