

China's Importance in Philippine Independence

- Complete separation from the United States would inevitably merge the Islands back into the Orient and raise grave new questions

*Peace, Brother, be not over-exquisite
To cast the fashion of uncertain evils;
For grant they be so, while they rest unknown,
What need a man forestall his date of grief,
And run to meet what he would most avoid?
Or if they be but false alarms of fear,
How bitter is such self-delusion!*

—From Milton's *Comus*.

Joint announcement on March 19 by President Quezon and Francis B. Sayre of the state department at Washington of tentative proposals to advance the independence of the Philippines from the United States to next year or the year after, caused the most widespread misgivings that any political statement affecting the Islands ever created. Nor has the public yet recovered from the shock. Though gold could be expected to be reasonably independent of the Islands' political status, the news immediately depressed the market for shares violently, and the market remains depressed. This was spectacular, but real estate probably took harder blows. The whole range of farming was sickled o'er with anxious care; the sugar industry in particular beheld a most dismal outlook.

Bank credit was affected, of course—something that will have reached deeper into the country's economy than the mere stagnation of demand for real estate or inhibited interest in mining securities. A nation learned overnight that the stability assured by the Tydings-McDuffie act founding the ten-year Commonwealth might be subject to star-chamber alternations reflecting the whimsies of a few statesmen, some of whose credentials were by no means clear-cut.

The pall, therefore, cast by the statement has not lifted: men still blindly plod along through mazes of apprehension and discouragement. The only mitigating factor is the actual briskness of commerce and the high prices current for Philippine commodities. If you ask if the apprehension extends, among Filipinos, to doubts that the Islands could begin in 1938 or 1939 carrying on an independent government successfully, the answer is, yes. It is as evident to Filipinos as to others that grave domestic problems are to be solved here before internal order under independence is reasonably assured. It is further evident to them that assurance of freedom from foreign aggressions is not to be effected in so short a time, with so many other questions to be resolved along with this one.

Most of all, it is evident to Filipinos, the independent producers of this country, that adequate overseas markets for their surpluses will not be procurable in one or two years, and nothing, in that time, can be planted and matured to substitute sugar. The auspices are not favorable, in the judgment of the new business class of Filipinos, for any régime, however national its pride, under which private and public income is bound to decline rapidly, and levies on behalf of the state are bound to increase rapidly. To be faced with this makes them lose confidence in the Commonwealth as a stepping stone to independence. Nor are their fears allayed by the alacrity with which everyone in the United States, who wishes to have

America out of the Islands quickly and completely, seized upon the challenge of the statement and made it an occasion to assert their demands anew.

It is felt that those who would withdraw from the Philippines as early as possible are of larger number and more articulate and influential in the United States than those who would not; those who would withdraw are in the majority, and the Philippines suffer when they are given opportunity to speak.

The incident, however, affords opportunity to reflect on what will be the probable demands of great nations concerned in the future of the Philippines—either now or at any time separation of the Islands from the United States politically assumes the aspect of finality. It may be counted as certain that England will protest consistently; her sway will not be less because it will be exerted quietly, but by every possible means she will try to keep America permanently interested in the Far East. To this end she will have considerable American support, and, without question, much Philippine support.

But China's interest is the more significant.

When the Philippines leave America they will merge at once into the Orient. They are oriental, despite the fact that dominant cultural and commercial interests here have been western for four centuries; and they can not lift themselves up, being so many islands, like a thousand-legged worm and pit-pat into the West—they have to stay where Nature placed them. Being where they are, and the Chinese people and China herself where they are, China has long had a dominant interest in them. So much so that scholars say there is Chinese blood in every Filipino,

while it is obviously true that some 200,000 Chinese actually live in the Islands and are bringing up their children here, well cared for. It is not merely as merchants that Chinese lead the field in the Philippines, their manufacturing plants dot Manila and its environs everywhere—a scope in which their capital and industry are rapidly expanding.

Just how the Philippines merge back into the Orient, when America lets go of them, must interest China greatly; and she is hardly so supine, under the new nationalism that inspires Chiang Kai-shek's leadership, as to permit this interest to lapse by default. What is China's handicap here as things stand?

China labors here under the handicap of the exclusion law. Chinese immigrants are excluded from the Philippines, but Japanese immigrants are admitted. Beyond question, here is something that China will want corrected before she con-

(Please turn to page 16)



The Philippines Bangkus Li So

China's Importance

(Continued from page 7)

sents to any international agreement protecting the neutrality of the Philippines. Exclusion of Chinese immigrants from American territory is something that America and China have painfully worked out together. The elements of its stability are not very strong. But it is one thing, while exclusion of Chinese immigrants from the Philippines as another oriental country, at the same time that Japanese immigrants would be of course continue to be admitted would be quite another thing—not at all to be thought of by China.

China defers, in dealing with America on this subject, to America's high wage and living standards; and besides that, no doubt, to America's power as well as the two countries' historical friendship for no other. In the case of the Philippines, no longer territory of the United States, only the element of friendship would persist: wage differences and living standards would not be at great variance, nor differences in blood and culture.

From the independent Philippines, either Chinese will not be excluded or no orientals at all will be admitted; and the latter alternative is hardly tangible, since the independent Philippines will of necessity merge immediately into the Orient and seek stability among its oriental neighbors. When China advances her claims along this line, it will be good politics and true friendship for America to support them; she can lend this support without giving just offense anywhere. Also, so far as may be seen, England would take a similar attitude. As to that, Japan will hardly oppose. Japan has much territory dominantly inhabited by Chinese, and Japanese go where Chinese settled long

before them and compete with the Chinese — they are doing in the Philippines.

The independent Philippines will not, therefore, be the country we know now: a large and fruitful country, sparsely inhabited and growing in population only by the native increment—its culture western and its commerce mainly with America. On the contrary, the independent Philippines will have floated loose from the West and anchored to the East. Its major interests will build up accordingly. Its immigration from the other nearby eastern countries will be general, and in all probability, heaviest from China but very important from Japan also. It should fill up quickly, and competition for existence should approach what it now is in China and Japan within fifty years. Heavy immigration will change its political complexion, just as similar immigration affected America; more particularly, large cities. The population

will become more mixed, and it is hardly too much to say that the Malay element may be quite submerged.

Whether political institutions will remain what they now are, even in broad outline, is something greatly to be influenced not merely by severance of all political ties with the West but by the immigration—of whole families, setting up whole new communities, to exploit new forms of agriculture or acquire or establish whole industries. The new Philippines must of necessity become a Land of Promise to Chinese as well as Japanese. Its laws, of course, may continue to exclude the foreigner from rights to the public domain; yet because the foreigner will be here, ready and anxious to work, convenient arrangements such as find a place for the Japanese farmer in Davao will find a place to utilize this new immigrant's young and willing energy.

(Please turn to page 16)

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TOBACCO REVIEW

By P. A. MEYER



RAWLEAF: The local market continued quiet during the month. Shipments of tobacco scraps to the United States increased substantially. Comparative figures of March shipments abroad are as follows:

*Rawleaf, Stripped
Tobacco and Scraps
Kilos*

Australia.....	17,968
Belgium.....	3,665
China.....	28,995
Holland.....	6,120
Hongkong.....	10,140
Indochina.....	11,900
Italy.....	596,754
Java.....	420
North Africa.....	18,564
Straits Settlements.....	1,416
United States.....	323,989
March, 1937.....	1,019,931
February, 1937.....	2,400,021
March, 1936.....	172,792
January-March, 1937.....	3,780,096
January-March, 1936.....	4,099,200

CIGARS: Comparative figures of shipments to the United States are as follows:

	<i>Cigars</i>
March, 1937.....	14,793,718
February, 1937.....	12,807,019
March, 1936.....	16,022,918
January-March, 1937.....	32,546,841
January-March, 1936.....	38,410,167

MANILA HEMP

By H. P. STRICKLER
Manila Cordage Company

There were some very interesting developments in the hemp market during the month under review. The American market was firm practically during the entire month, and the prices for Davao grades and for the higher Manila grades advanced steadily, and in some instances very materially. The market closed with the American market still firm, with good demand, especially the grades J1, S2 and above.

The London and Japanese markets were quiet and uninteresting during the first half of March, but a steadier tendency and spotty demand became evident towards the middle of the month, which promised a good demand for the medium and lower grades for April, May, June shipments.

Among the local markets, Davao was firm during the whole of the month, and prices there advanced continuously in response to demand from the American market. The Manila and Cebu markets were quiet, with neither buyers nor sellers showing much interest in operating, excepting on the higher grades.

Prices of Loose Fiber in Manila

February 28th		March 31st	
CD.....	₱30.50	CD.....	₱32.00
E.....	26.50	E.....	29.00
F.....	22.50	F.....	24.50
G.....	19.00	G.....	22.00
S2.....	18.50	S2.....	19.50
J1.....	16.50	J1.....	17.25
G.....	15.75	G.....	16.00
H.....	14.00	H.....	14.00
J2.....	14.00	J2.....	14.25
K.....	13.75	K.....	13.50
L1.....	13.00	L1.....	13.00
L2.....	12.00	L2.....	12.00

Prices of Loose Fiber in Davao

February 28th		March 31st	
F.....	₱24.00	F.....	₱26.50
I.....	22.50	I.....	24.00
S2.....	21.00	S2.....	23.25
J1.....	21.25	J1.....	22.50
G.....	19.75	G.....	21.25
H.....	16.50	H.....	18.50
J2.....	19.50	J2.....	21.00
K.....	17.25	K.....	19.25

China's Importance

(Continued from page 15)

Domestic commerce will grow in proportion to the growing population. Foreign commerce will grow by variation of products and the ability of the larger population to produce for exportation. America will buy what she requires from the Philippines, which is very much, on terms as good as she offers elsewhere. There will be commercial struggles, long and fierce—such as will be precipitated when the independent Philippines attempt to establish their own merchant marine. Just as China pays dearly for every step of her own in this direction, so will the independent Philippines. It will be problematical how long they maintain their independence, since they may well be the subject of oriental war—even world war.

Some will like to take their chances in the motley Philippines born of the period of heavy immigration. Some will not. Many, surely, will sell out to the new-comers. For the great mines, for example, there are standing Japanese orders right now. It is in the cards that numerous other great mines be developed soon, at least to the point of fine promise, and there will be offers for these as well. When Chinese come to the independent Philippines, and acquire citizenship—or thousands now here acquire citizenship—planters will have their chance to sell.

The only way for the Philippines, as the world knows them, to continue in ways they now know, enmeshed in western culture and with the West concerned for their welfare, is for them to retain their tenuous political association with the United States. Tenuous as it is, it yet serves to keep the country in the hands of its native peoples; and if the country develops slowly, yet it develops as these people's own heritage. As to the depression of the stock market and realty values, and the anxiety of business and banking evoked by the Quezon-Sayre statement that the independent Philippines may be upon us next year or the year after, let the depressed count this as quite impossible until China's will respecting migration of her people to the Philippines (as an independent country) is satisfied by nondiscriminatory legislation. China's diplomacy is resilient, but it will never yield so much as to hand over this country to Japan on golden salvers.

The moment the Commonwealth is abandoned, the Powers with interests in and around the Philippines gain their day in court. The question no longer remains a question merely between Washington and Manila. It becomes eminently international. China's interest must, naturally, be paramount. No other country's is so old, large, and socially ingrained, and none so readily asserted and defended under the sheer laws of justice.—Walter Robb.

Among The Mines

In charge for San Agustin Mines, Inc., permit recently granted by SEC, is Henry B. Parfet whom the secretary-manager, Joaquin Herrerias, says had had extensive experience in South America. The property is 20 lode claims at Bakun, Mt. Province, adjacent to Gold Star, Palidan-Suyoc, Suyoc Consolidated. General exploration is in progress and tunnels have been begun.

Since August last year the chromite property of Arsenio Luz and associates in the Filipinas Mining Corporation has been under operating contract with Marsman & Co. The property lies in the jurisdiction of Guisguis, Santa Cruz, Zambales. It comprises 180 claims. Of ₱200,000 authorized capital, ₱160,000 is paid up.

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