

Addressed to the Chase National Bank of New York

How is it that such a bank is so little aware of the rank of these islands in U. S. overseas exports?

Gentlemen:

You publish *The Index*, for copies of which we are grateful because it is a first rate publication in its field and often serves to inform and guide the *Journal* about economic matters. What consistently disappoints us in *The Index* is its lack of attention to Philippine commerce with the United States. Thus the December issue has a very informative paper on *Milk. The Largest Single Source of Farm Income*. You say that milk today is 25% of total American farm income, and that during the 1924-1929 period "dairy farmers received a total average annual income of more than \$1,900,000,000, an amount greater than the gross value of any other agricultural product."

Obviously then, milk markets are vital to the American farmers as well as to the middlemen who merchandise the milk. This being so, the Philippine milk market is important; it is averaging monthly the value of \$206,500 or \$2,478,000 a year. Your total for dairy product values is \$1,900 million. This market is an outlet, and that during a worldwide depression, for \$2.5 million for dairy products sold here during a year. That, surely, is worth notice. However small in comparison with the total it may be, it is a large and constant market.

You will know better than we the number of dairy farms whose output the Philippine market consumes.

Then in December you review with great clarity *Declines in International Trade*. Here again, we hold, you might have been conscious of the Philippines. We reproduce your tabulation of world trade, because it is interesting and is recorded in gold: our readers can therefore compare it with tables set out in depreciated values. In this paper you quote Farrell, an economist, as saying:

"The fact that increasing industrialization abroad may tend to restrict our exports has no foundation in our past experience. Our best markets are those of highly industrialized countries. Although this depression has brought such a sharp decline in our export trade, Europe continues to be our leading market. Nor are our exports to Europe, as some have assumed, mostly crude products and raw foodstuffs. During 1932 more than 40% of our exported manufactured goods were shipped to Europe compared with about 20% to Latin America. Europe also during this period took 47-1/2% of our semimanufactures and 36% of our finished manufactures."

That must be accepted as true. But there is a comparison that would have reflected much credit on the Philippine market, the comparison of total purchases by countries during the depression with their respective purchases prior thereto. This would have shown the Philippine market holding up remarkably. We think it important for great American banks concerned with international trade to be aware of these things respecting the Philippines. So much doubt involves our future trade relations with the United States that a Philippine commission now in Washington suggests organization of a joint economic commission to deal with questions as they arise, to counsel the United States and the Philippines intelligently.

Such a precaution this *Journal* has often advocated, one reason being that ignorance about this market persists even

in great metropolitan centers, and in their greatest banks, where enlightenment as to the real facts is most to be expected. Your article on world trade deplores the barriers that hamper it, you should therefore try to see to it that unwarranted barriers do not block this market off; and this whether independence for the islands comes or not. We here, speaking generally, concur in the main precept of your article (that barriers to overseas commerce throughout the world have been made absurdly difficult and benefit would result all round from their moderation) without at all disparaging the Roosevelt intransigent policy that looks toward more practical and mutually beneficial relations in trade with Mexico, Central America and South America.

We of course realize here that conditioning factors in the international policy are the Monroe doctrine and the policy that is fundamental to protection of the Panama canal: a waterway through which the bulk of our exports reaches the United States and most of our imports from the United States are delivered. But we do

think that any upbuilding of ocean trade, and export-import trade generally, ought to begin with what is already established; and that the Philippine trade, already large and well established, ought to be conserved. What may be done, for instance, for Cuban sugar—in which we note Chase National is much interested—ought not to paralyze Philippine sugar and wipe out trade the United States already enjoys. If, as you logically contend, an international exchange of goods and services is a stable and

beneficial influence on industry (in which case it can, and should, be squared with intransigent trade), then the more far-flung, the more dispersed, it is, the more its risks will be distributed and the sounder it will be.

All of which is ample reason for you to evidence awareness of America's large trade with the Philippines. Naturally we don't look kindly upon an isolation policy for America, but are you yourselves fully prepared to defend a non-isolation policy while you remain either uninformed about, or indifferent to, America's established commerce here, over the widest seas in the world? If, as already said, *total American trade by countries*, were traced through the depression years, how well the Philippine trade holds up would be revealed. The Philippines' relative position in America's overseas trade through a series of years is appended:

Philippines	Seller to U. S.	Buyer From U. S.
1927	16th	12th
1928	16th	12th
1929	15th	11th
1930	14th	9th
1931	12th	7th
1932	12th	9th
1933 (9 months)	3rd	8th

Since 1929 Philippine farm commodity surpluses giving rise to purchasing power for imports have been at very low prices, and in this issue of the *Journal* the International Harvester

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WORLD TRADE: From "The Index"
(in \$100 Dollars)

	IMPORTS		EXPORTS	
	First six months 1932	First six months 1931	First six months 1932	First six months 1931
United States (1)	\$742,993,000	\$545,715,000	\$819,656,000	\$619,143,000
Canada	212,566,000	135,460,000	219,985,000	188,951,000
Argentina	193,830,925 (6)	109,817,664 (6)	194,431,135	147,990,518
Poland	56,282,407	42,399,370	69,582,904	48,852,357
Germany	568,462,384	497,098,627	711,887,617	566,398,153
Italy	218,588,000	205,066,000	182,409,000	164,112,000
United Kingdom	1,298,670,000	1,089,190,000	1,778,814,000 (3)	1,681,034,000 (1)
Belgium	233,116,000	212,659,000	217,474,000	198,819,000
Netherlands	271,210,000	226,379,000	168,058,000	132,897,000
France	591,318,500	592,147,000	593,144,000	651,888,000
India	185,830,000	156,698,000	182,463,000	177,904,000
Japan	269,709,000	257,421,000	180,008,000	173,632,000
China (2)	178,791,000	199,150,000	87,071,000	49,695,000
Australia (2)	66,600,000	71,383,000	126,738,000 (5)	121,947,000 (5)
U. S. S. R.	99,214,000	99,214,000	141,597,000	115,365,000

(1) Domestic exports and imports for consumption.

(2) Five months.

(3) Including \$105,580,000 of re-exports.

(4) Including \$5,084,000 of re-exports.

(5) Excluding gold bullion.

(6) Based on fixed customs valuations.

Addressed to the Chase . . .

(Continued from page 7)

Company reports the islands' prime farm commodity, Manila hemp, "unquestionably selling below cost of production."

But despite this, the trade has held up well; in fact, it is to be envied of all trade the United States enjoys overseas. Examine it ever so closely, you will perceive it is a good trade as well as large. It does not much engage the heavy industries, essentially it is trade in goods for immediate use and consumption; it is a trade in those very products of American industry that economists agree distribute wealth most equitably and widely: first of all, to thousands of farmers producing the raw products, then to widely dispersed shareholders in moderately capitalized concerns. We have estimated here that our demands in these goods keep a city the size of Kansas City, Mo., profitably employed at all times. You will see main Philippine imports listed in the back of this issue (as in all issues of the *Journal*), but

here are a few typical ones: Cottons, \$1,250,372 a month during 12 months; gasoline, \$198,816 a month; automobiles, \$217,734 a month; meat products, \$107,193 a month; coal oil, \$86,093 a month; crude oil, \$114,090 a month; tobaccos (mainly cigarettes), \$116,568 a month; electrical machinery, \$135,440 a month; wheat flour, \$186,930 a month; and a total of all imports, \$6,160,853 a month.

This is but a beginning of what this market can do. But of course, it will not thrive its best unless it is given attention in New York. (Sgd.) W. R.

DECEMBER SUGAR REVIEW

By GEO. H. FAIRCHILD



NEW YORK MARKET
At the opening of the month under review the improving tone of the market was reflected in the "futures" quotations on the Exchange, recording from 4 to 5 points gain over those at the close of the previous month. These quotations remained practically stationary throughout the early part of the month with

but slight fluctuations. As a result of the heavy demand by refiners to fill their immediate requirements, large premia were paid for prompt-shipment Cubas as compared with Philippine sugar. Large quantities of Philippine sugar were sold during the first week for December-January, January-February and February-March shipments at prices ranging from 3.15 cents to 3.20 cents while sales of prompt-shipment Cubas were effected at 1.30 cents.

The buying interest shown by refiners languished at the close of the first week and this condition persisted for the following weeks and although an improved tone developed in the latter part of the month, the holiday season checked any substantial business being transacted.

Quotations on the Exchange during the second week were from 9 to 10 points lower than the highest quotations recorded during the preceding week, while prices of actual sugar sagged to 3.19 cents for Cubas duty paid as compared with 3.25 cents the previous week. At the close of this week a sale of 2,000 tons Cubas to the U. K. was effected at the equivalent of 0.87 cents f. o. b.

The price of refined sugar was reduced on the 8th from 4.50 cents to 4.40 cents per lb.

During the third week, holders' offerings at 3.14 cents and 3.10 cents did not attract buyers.

Trademarks Registered

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Reg. No. 11467. Trademark consisting of the word "NEET" for deodorants, deodorants and anti-perspirants, registered on September 14, 1933, by Neet, Incorporated, of Chicago, Illinois, U. S. A.

Reg. No. 11468. Trademark consisting of the word "DIAL" with a design, for smoking tobacco, registered on September 16, 1933, by Brown & Williamson Tobacco Corporation

Quotations on the Exchange, however, remained practically unchanged, with slight improvement on the 22nd owing to the news that President Roosevelt had ratified the London Silver Agreement. At the close of the month, "futures" quotations recovered all the losses on the Exchange, while prices of actual sugar remained firm at 4 to 6 cents at which level quite large parcels of actual Philippine sugar were disposed of.

During the month it was reported that the Tariff Commission had recommended a reduction of the U. S. duty on Cuban sugar from 2.00 cents to 1.45 cents, while reports from other sources mentioned the possibility of increasing the Cuban preferential from 20 to 50 per cent, or from 0.50 cents as at present to 1.25 cents per pound.

FUTURES: Quotations for future deliveries on the Exchange fluctuated during the month as follows:

	High	Low	Latest
December, 1933	1.21	1.18	1.19
January, 1934	1.25	1.10	1.19
March	1.30	1.17	1.28
May	1.36	1.24	1.33
July	1.41	1.29	1.37
September	1.46	1.34	1.43
December	1.48	1.40	1.48

STOCKS: Stocks in the United Kingdom, United States, Cuba, Java and European statistical countries, reported on December 20th were 6,773,000 tons as compared with 7,467,000 tons in 1932 and 7,355,000 tons in 1931.

PHILIPPINE SALES: Sales and resales of Philippine sugar were reported in New York during the month, as follows:

	Cents per Lb.
Long Tons From To	
Sales	82,500 3.15 3.20
Resales	10,000 3.15 3.20

In addition to the above, there were sales of 19,000 tons for shipment February to June, price to be average price five days before and five days after arrival.

LOCAL MARKET: A substantial volume of business was done locally during the first week following the activity in the New York market. Export quotations during the week advanced to P7.30 per picul but soon returned to the previous level of P7.20. Throughout the following week small transactions were steadily made on the basis of P7.15-P7.25. In sympathy with the declining trend of the American market, local quotations sagged during the last two weeks to P7.00 and P6.30, at which level only small business was consummated.

CROP PROSPECTS: The following data covering the report of 30 Centrals up to December 31st indicates an aggregate production of 149,634 metric tons, constituting 30.10 per cent of the Centrals' estimates of their 1933-1934 crop:

(Export) Limited, of London, England.
Reg. No. 11469. Trademark consisting of the word "BREVU" for vegetable, animal and mineral substances in their natural state or elaborated, for preparation and manufacture of cosmetics, etc., registered on September 16, 1933, by Duggett & Ramsdell, of New York City, N. Y., U. S. A.

Reg. No. 11470. Trademark consisting of the word "PRESIDENT" with a design, for hair pomade, perfumes, oil or essences, lotions,
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Oh Yeah?

One Fair One to the Other.—
"It's so long since I've been in a taxi I wouldn't know how to defend myself!"

—Cut and comment from *Judge*.

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