

A Little Matter of Trade

"The Philippines should be free to find markets other than the U. S."—when you hear this, smile.

Lawrence Benton and the Manila Harbor Board for whom he works as comptroller do a first-rate annual service to the world in publishing their booklet of narrative and statistics on Manila and Philippine overseas commerce. The comment on this page is based upon *The Port of Manila, 1931*, and the table of data is reproduced from it. The material is all dehydrated of partisanship; other commentators may use it as they will, for ourselves we shall use it to invite attention once more to the fact that the Philippines are not necessarily losing trade with other countries because they are gaining so much with the United States.

The table shows that American trade with the Philippines was millions ₱10.6 in 1899, millions ₱367.1 in 1930.

But consider the United Kingdom, millions ₱13.6 in 1899, millions ₱19.1 in 1930; and remember Britain did the bulk of overseas trading with the Philippines in 1899, upon terms she influenced in her favor. If to do 50% more trading with the islands now she must quote Philippine customers prices competing with free-entry American goods, the customer benefits from her predicament.

And consider Japan, her trade with the Philippines millions ₱2.4 in 1899, millions ₱34.7 in 1930, or .15 times that of 1899.

China loses (and Britain with her, the Hongkong-Manila oldtime expensive trade), for China's trade with the Philippines in 1899 was millions ₱24.7, and in 1900 it was millions ₱15.5. With trade direct between the Philippines and other countries, Hongkong's utility as a way-port for the islands declines.

France has 3 times as much trade with the Philippines now as she had in 1899, Spain twice as much, the British East Indies 3½ times as much, Australia twice as much, Germany 6 times as much, other countries together 20 times as much.

Two hundred and thirty-nine foreign ships with total tonnage of 280,846 entered the port of Manila in 1899, and 1,273 foreign ships with total tonnage of 5,116,594 in 1930. Domestic ships: 683 with total tonnage of 149,129 in 1899;

upon the Philippines, excepting that she is dependent upon Cuba for sugar and upon the British and Dutch Indies for rubber. She used to be dependent upon Ceylon for desiccated coconut, but chose to transfer this industry to Manila in 1922 by levying a duty of 2½ cents gold per pound upon the foreign product; so the Philippines sold the United States, 19,906,968 kilograms of desiccated coconut in 1930, valued at ₱5,917,419, and they did not sell all other countries even a million kilos of it. Britain is the world's big baker, and Britain has bins of desiccated coconut in Ceylon.

"The Philippines should be free to find markets other than the United States." They should be, they are. The United States even helps them do this. It is a major task of the government here, to which is lent free the trade-representative and consular services of the United States. It is an aim of manufactures here, chiefly sustained by what is sold to the United States. It is a goal of Philippine exporters, whose efforts are not at all handicapped by what they sell the United States. The trade obtained is kept beneficial to Philippine producers by the gold standard of the currency; when customers come to buy Philippine products they pay in gold and find the peso at par, the dissipation of the gold reserve, which made the depression of 1921-1922 more acute, being the only exception. Want of markets is not a primary need of the Philippines, but want of capital is; capital for manufacturing, capital in family earnings creating great domestic demands for goods. American commerce has benefited the Philippines no little during the past 30 years, but the islands as a whole and families and communities individually are still wretchedly poor: you can not can fruits for this market, nor pack fish and meat, nor make steel, nor even, it would seem, graze cattle, Manila being the only important meat market.

But you can raise swine, feed poultry, market eggs, and the people begin doing these things quite intelligently. Industry is incipient here, and, though Senator Hawes says the man who would postpone separation from the United States 20 years doesn't favor separation at all, though he calls this a *graveyard* solution of the problem because in 20 years the advocates of it will be dead, it might pay to ascertain the actual trend of domestic industries dependent upon the domestic market; for if many of these are beginning to succeed and accumulate capital, 20 years of currency and general trade stability would do them a great deal of good.

—W. R.

FOREIGN COMMERCE OF THE PHILIPPINE ISLANDS

Distribution of the values of the total trade with various leading countries during the years 1899 to 1930. Values expressed in millions of pesos
Example: ₱10,576,692 expressed as 10.6

Year	United States	United Kingdom	Japan	China	French East Indies	France	Spain	Hongkong	British East Indies	Australasia	Germany	All Other	Total Trade
1899.	10.6	13.6	2.4	24.7		1.7	7.4		2.3	1.9	1.9	1.6	68.1
1900.	10.2	27.4	2.5	23.7	1.5	7.0	7.1		5.5	1.6	3.5	5.7	95.7
1901.	16.2	33.7	5.3	16.2	4.7	6.5	6.4		8.2	2.4	4.6	5.1	109.3
1902.	31.3	27.3	2.9	20.3	11.2	7.0	7.3		5.0	1.6	4.7	5.4	124.0
1903.	33.8	28.2	4.9	10.1	16.4	8.8	5.8	4.7	6.8	2.3	4.1	6.5	132.4
1904.	33.5	26.8	3.3	8.0	12.8	4.9	6.3	5.0	5.5	3.3	3.2	4.9	117.5
1905.	40.9	26.6	3.0	7.6	10.7	6.2	7.3	6.1	5.1	3.8	3.5	6.2	127.0
1906.	32.7	26.3	2.6	9.5	7.7	7.2	6.8	6.7	4.2	4.1	4.3	6.0	118.1
1907.	30.8	32.4	3.2	9.6	8.2	8.6	7.3	5.4	5.1	4.9	4.8	6.8	127.1
1908.	31.1	26.3	3.5	7.2	11.1	10.2	6.2	6.0	3.2	5.5	4.6	8.7	123.6
1909.	42.3	21.4	3.8	8.2	9.4	11.6	7.0	5.2	3.4	5.9	5.5	8.3	132.0
1910.	74.6	26.9	5.8	6.6	13.4	17.7	7.0	3.4	4.2	6.0	6.2	8.9	180.7
1911.	78.2	24.7	6.5	5.1	13.7	18.9	6.8	3.7	4.3	6.1	6.9	10.8	185.7
1912.	94.4	29.8	11.2	6.0	22.8	20.4	8.0	4.9	7.4	7.9	9.0	11.4	233.2
1913.	86.2	28.9	14.6	7.7	5.4	13.9	7.4	7.4	4.0	6.6	9.3	10.8	202.2
1914.	96.9	23.4	13.3	7.2	6.3	10.0	6.9	4.6	3.8	6.1	6.7	9.4	194.6
1915.	100.1	25.0	15.0	7.9	13.8	12.6	7.0	7.3	3.7	3.9	0.5	9.5	206.3
1916.	117.1	30.0	19.1	9.7	13.0	7.0	6.7	8.4	4.8	3.1	0.2	11.8	230.9
1917.	201.8	26.5	31.1	12.8	11.3	4.5	4.9	11.2	4.3	6.0	0.3	8.1	322.8
1918.	296.0	44.5	42.1	19.7	16.6	4.1	7.9	10.1	7.0	8.9		10.7	467.6
1919.	264.3	37.1	37.3	21.9	10.5	11.4	9.7	14.9	7.6	10.7	0.7	37.4	463.5
1920.	395.0	34.6	47.1	25.9	10.2	5.8	12.9	15.0	9.6	10.2	2.8	32.0	601.1
1921.	249.0	17.9	35.1	24.2	6.5	7.8	9.5	10.0	5.4	5.8	7.4	29.3	407.9
1922.	223.7	16.8	29.0	17.8	6.2	4.5	7.5	5.7	4.6	7.1	7.9	20.8	351.6
1923.	270.8	23.3	31.5	15.9	8.3	7.2	10.8	5.2	5.3	6.2	6.6	25.4	416.5
1924.	315.4	30.0	29.6	19.9	19.6	7.0	10.2	5.4	4.9	6.2	9.5	28.8	486.7
1925.	356.7	35.9	33.6	20.9	13.1	6.5	10.1	4.2	7.7	7.8	10.2	30.5	537.2
1926.	343.2	24.8	37.8	19.6	9.2	8.4	9.9	3.4	7.7	7.4	12.7	28.3	512.4
1927.	375.0	27.9	37.6	18.2	2.5	6.5	13.1	3.3	7.5	6.3	13.4	31.6	542.9
1928.	398.9	27.6	39.8	20.1	4.9	8.5	12.0	3.4	8.4	6.1	15.6	34.1	579.4
1929.	434.1	26.0	38.1	20.6	11.6	7.8	14.3	2.7	9.4	5.4	16.8	36.4	623.2
1930.	367.1	19.1	34.7	15.5	2.0	5.6	11.5	1.5	8.2	3.5	13.1	30.7	512.5

Total Trade with the United States, 1899 to 1930. ₱5,451,846,022
Total Trade with all other Countries, 1899 to 1930. 4,081,829,375
Grand Total of Foreign Commerce, 1899-1930. ₱9,533,675,397

3,671 with total tonnage of 972,695 in 1930.

But other countries than the United States are not as good trade associates for the Philippines as she is, because they generally buy far less than they send into the country and sell: the trade sets up a gold balance in their favor. This is true even of Japan, emphatically true of her; though she is an important buyer of Philippine products, what she sells them in manufactures far overbalances what she buys. Other countries than America have other sources of tropical raw products, if they need them, and more interest in developing them; but the United States is dominantly dependent

upon the Philippines, excepting that she is dependent upon Cuba for sugar and upon the British and Dutch Indies for rubber. She used to be dependent upon Ceylon for desiccated coconut, but chose to transfer this industry to Manila in 1922 by levying a duty of 2½ cents gold per pound upon the foreign product; so the Philippines sold the United States, 19,906,968 kilograms of desiccated coconut in 1930, valued at ₱5,917,419, and they did not sell all other countries even a million kilos of it. Britain is the world's big baker, and Britain has bins of desiccated coconut in Ceylon.