

than half of the Philippine market for imports, but more than half.

And what do you gain at home? Nothing. This too a congressional delegation could be made to see.

A million bales of cotton when ginned leaves behind the seed for 50,000 tons of cottonseed oil. America proposes reducing her cotton yield by 3 or 4 million bales a year in order to maintain a living price to the growers. When she does this she will reduce her yearly yield of cottonseed oil by about the quantity of coconut oil she now buys from the Philippines. She buys our oil because she needs it, now; reducing her cotton crop she would create more demand for this and for similar

oils. It could come to this: that crushing plants in Amsterdam using Indian and Egyptian cottonseed would supply cottonseed oil for the American market; and if they did, America would merely provoke, by taxing our coconut oil, fiercer competitors with her cotton industry and put money in their hands. But before this would happen, probably, palm oil, free of duty, and other oils would come into the United States from countries where America could procure but little reciprocal trade—where she would have to settle annual balances with cash.

The time has come to talk straight economics to America. As she wants to do only justice to the Philippines, a cordial hearing is a foregone conclusion.

# Philippine Economic Conditions—January, 1934

Summary of official radiograms forwarded to the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D.C. Prepared by E. D. Hester, American Trade Commissioner, 410 Heacock Building, Manila, with assistance of Government and trade entities.

	Jan. 27 1934	Dec. 29 1933	Jan. 28 1933
Total resources.....	234	237	218
Loans, discounts and overdrafts.....	106	110	114
Investments.....	49	49	54
Time and demand deposits.....	130	132	119
Net working capital, foreign banks.....	11	10	24
Average daily debits to individual accounts, four weeks ending.....	4.7	4.2	3.6
Total circulation.....	127	123	117

The improved and steadier business tone which prevailed during the first half of January was qualified towards the end of the month by declines in the export prices of copra and failure of any substantial improvement in abaca. The month closed with great uncertainty due to the proposal in Washington to levy an excise tax of five cents per pound on United States imports of coconut oil. Local interests claimed that this, if made effective, would cripple our second largest industry and at least temporarily withdraw nearly a quarter of the Philippine population from any significant consumption of imported wares. Actual merchandise movement during January, however, was characterized as satisfactory in textiles, foodstuffs and automobiles which showed some improvement over December with the volume of consumption estimated at approximately equal to January last year. Japanese competition in several lines was noted to be rapidly increasing. Russian textiles made their first appearance in the local market. Sales of hardware and builders supplies were greatly curtailed due to the almost total lack of construction activity.

Construction activity was at a standstill with Manila building permits valued at only ₱194,240 as compared with ₱233,730 for January 1933.

Power consumption during January was reported at 10,860,000 KWH compared to 9,731,000 for the same month last year.

### Transportation

Cargoes: Atlantic seaboard, excellent; Pacific, good; Orient interport, normal; interisland, normal. Passengers: outward, good and increasing; inward, heavy. Highseas tonnage was exceptionally low with a total of only 86 sailings with 205,000 tons of which the United States share was 13 sailings with 35,000 tons.

Manila Railroad: January average daily metric tonnage almost equalled the previous month, 10,601 compared with 10,632 for December and 7,316 for January, 1933.

### Overseas trade

The Customs bulletin for January is not yet available. December statistics were included in the supplementary report to "Philippine Economic Conditions, December, 1933".

### Government revenue

The current fiscal year opened without a Government deficit and with probably a small surplus. The Philippine National Bank repaid to the Insular Government ₱1,000,000 on account. Outstanding Philippine Friar Lands Purchase bonds were redeemed through the War Department on February 1st. Internal revenue collections during January for the City of Manila were 15 per cent above the same month a year ago.

### Exchange

The January requirements for sugar financing caused the usual cash shortage at the year's opening. Seller's quotations for U.S. \$ T.T. were at 1/2 per cent discount, buyer's at 7/8 per cent discount, buyers of 60 days sight D/A bills at 1-3/4 per cent discount. By mid-month the situation eased with rates rising to 1/4 per cent premium for sellers and 1/4 per cent discount for buyers, firming to close at buyer's 3/8 per cent premium and seller's 3/4 per cent premium. The steady tendency at the close continued through to February 15 when weakness again developed. On February 20, sellers were quoting at par while buyers were reluctant at 3/8 per cent discount. Total exchange sold by the Insular Treasurer for January totaled \$400 of demand and \$450,000 of telegraphic transfers.

### Banking

January banking conditions were featured by a substantial increase in average daily debits to individual accounts. Circulation was up, closing at ₱127,000,000, the highest point since June 1932. The Insular Auditor's report showed the following details in millions of pesos:

### Credits and collections

Credits were extremely close. Banks were declining extensions or new commitments in respect to either agriculture or real estate. Installment and merchants' up-country collections were slightly improved but their volume was reduced.

### Sugar

January sugar transactions were steady throughout the month, opening at ₱6.90 to ₱7.10 per picul, improving gradually to close at ₱7.30 to ₱7.40. Current crop recoveries of Negro centrals were still unsatisfactory. Warner Barnes' export data follows:

	Long Tons Nov. 1 to Jan. 31, 1934	Nov. 1 to Jan. 31, 1933
U. S. Atlantic:		
Centrifugal.....	306,454	283,420
Refined.....	1,350	
U. S. Pacific:		
Centrifugal.....	11,612	11,505
Refined.....	11,829	16,002
Totals:		
Centrifugal.....	318,066	294,925
Refined.....	13,179	16,002
Centrifugal and refined.....	331,245	310,927

### Coconut products

The copra market was extremely weak with crushers unwilling to make further contracts due to the generally unfavorable world market conditions which included the Spanish restriction on copra imports with rumors of a similar action in France. This was further accentuated by the proposed levy of an excise tax of five cents per pound on coconut oil imported into the United States, forcing copra exporters and oil millers to curtail purchases pending further developments. No extensive contracts for either oil or copra were possible and all transactions were limited to small parcels for prompt delivery. Manila copra prices opened at ₱4.40, improved to ₱4.60, but dropped 30 points by February 10. The copra cake market was dull with little transactions due to the fact that most crushers were sold out. Schnurmacher's statistics follow:

	Jan. 1934	Dec. 1933	Jan. 1933
<b>Copra</b>			
Estimated arrivals:			
Manila, sacks.....	224,690	430,087	242,382
Cebu, sacks.....	206,216	389,466	200,580
Estimated exports, metric tons:			
All countries.....	21,664	38,196	15,449
United States.....	15,623	21,040	10,896
Estimated stocks, Manila, end of month, metric tons.....	66,976	82,558	33,532
Prices, resacca, buyers' godown, Manila, pesos per 100 kilos:			
High.....	4.20	4.50	6.00
Low.....	4.00	4.00	5.60
<b>Coconut oil</b>			
Estimated exports, metric tons:			
All countries.....	11,792	18,478	7,711
United States.....	11,647	18,359	7,611
Estimated stocks, Manila, end of month, metric tons.....	20,427	15,335	21,215
Prices, drums, Manila, pesos per kilo:			
High.....	0.105	0.1075	0.125
Low.....	0.095	0.1030	0.115
<b>Copra cake and meal</b>			
Estimated exports, metric tons:			
All countries.....	10,974	12,335	3,154
United States.....	1,576	1,354	149
Estimated stocks, Manila, end of month, metric tons.....	4,293	3,961	4,947
Prices, f.o.b. Manila, pesos per metric ton:			
High.....	18.75	17.75	25.50
Low.....	18.30	17.05	25.00

<i>Desiccated coconut</i>			
Estimated exports, metric tons:			
United States	1,030	1,520	304

**Abaca (Manila hemp)**

Few transactions at nominal prices were registered at Manila, with sellers showing resistance. Slightly higher prices ruled from mid-month to close but receded in early February to the January opening quotations. Production was normal. Direct shipments from Davao may tend to diverge the market from Manila, especially due to lower quotations on better grades. Saleeby's statistics follow:

	Jan. 1934	Dec. 1933	Jan. 1933
Estimated receipts	82,124	130,701	67,661
Estimated exports:			
All countries	94,108	128,577	82,321
United States and Canada	19,924	36,929	12,501
United Kingdom and Continent	43,499	45,185	29,341
Japan	27,620	41,633	37,414
Estimated stocks, P. I. ports	124,176	138,160	150,347

Week-end prices, f.a.s. buyer's godowns, Manila, pesos per picul for various grades were:

Grade	Dec. 29	Jan. 6	Jan. 13	Jan. 20	Jan. 27	Feb. 3	Feb. 10
E	11.50	11.50	11.75	11.75	11.75	11.50	11.50
F	10.50	10.50	10.50	10.75	10.50	10.25	10.25
L	7.50	7.50	7.75	7.75	7.75	7.50	7.50
J-1	6.50	6.50	6.75	6.75	6.75	6.50	6.50
J-2	5.25	5.25	5.50	5.75	5.50	5.50	5.50
K	4.75	4.75	5.25	5.25	5.00	5.00	5.00
L-1	4.25	4.25	4.50	4.75	4.50	4.50	4.50

**Tobacco**

Nothing of importance occurred in the tobacco market. Prices were unchanged and no important transactions were reported. Weather conditions continue ideal for the new crop. Alhambra's export data covering rawleaf, stripped filler and scraps follow:

	Kilos
Austria	819
China	1,995
Gibraltar	11,800
Japan	475,309
North Africa	35,700
North Atlantic (Europe)	27,766
Straits Settlements	833
United States	76,254
Total	630,476

Cigar shipments to the United States was slightly up, 18,000,000 pieces compared with 18,182,001 (Customs final) for December and 8,518,824 (Customs final) for January, 1933.

**Rice**

The rice market continued weak throughout the month. New paddy has arrived on the market with quotations at the close from 30 to 50 centavos below the old crop, which were quoted at from P1.90 to P2.50 per sack of 44 kilos, cars, Cabanatuan. Rice arrivals were heavy, 221,000 sacks compared with 130,000 for December and 168,500 for January last year.

**Lumber**

Lumber production for December was reported at 10,600,000 board feet compared with 8,500,000 for December, 1932. Inventories at the end of December showed 21,500,000 board feet as against 25,200,000 for the same month in 1932.

**Automotives**

Car sales declined seasonally during the month due to the anxiety of the market pending the arrival of new models. Arrivals and stocks were on the low side. Truck sales were considered satisfactory with stocks and arrivals low. Fair trading was noted in the second-hand market but trade-ins were rather restricted due to the limitation on instalment sales. December figures follow:

	Estimated Registrations	Estimated Arrivals
Cars	324	76
Trucks	231	131

**Tires**

Business in tires was good with arrivals not above normal. Stocks were normal and prices showed an increase of 10 per cent. January 1st collections were reported satisfactory.

**Leather**

The leather market improved above the seasonal level with orders good, arrivals normal, stocks normal, and prices slightly up and lagging behind United States quotations. The unfavorable exchange situation is excluding Australia from the market except where contracts were involved.

**Foodstuffs**

The seasonal improvement reported in the foodstuffs trade during December continued through to January although the general level appears to be lighter than January last year. Foreign goods evidenced an upward price tendency which is contrasting to the slightly lower quotations from the United States, especially in flour. Movement was attributed mainly to the lower value of the dollar.

Flour.—Flour demand and sales improved due to the effective export subsidies of the Pacific Northwest Wheat Export Association. Manifested arrivals were:

	Sacks
United States	237,500
Canada	41,100
Australia	25,100
Japan	7,800
China	500

The continued heavy arrivals from Canada were due to the existing heavy six months' contracts with local bakers which will expire in April. Prices were: United States patents P9.50 to P10.00, cutoffs P8.00 to P8.80, straights P7.40 to P8.00; Australia P7.00 to P8.50; Canada P9.20 to P10.00; Japan and China P6.60 to P6.80.

Sardines.—Demand improved, United States stocks ample, prices P5.50 to P6.20. Japanese stocks heavy and selling at P5.50 to P5.80.

Mackerel.—Demand fair, United States stocks ample, prices P5.40 to P5.60.

Salmon.—Market dull due small stocks, prices Alaskan chum P9.20, Canadian stocks ample at P8.20 to P8.60, Japanese pinks P7.80.

Apples.—Demand poor, stocks heavy, arrivals in poor condition, prices P3.00 to P3.50.

Oranges.—Demand normal, supply ample at P9.50 to P12.00.

Lemons.—Demand normal, stocks sufficient, prices P7.50 to P8.50 for half boxes, P15.00 to P16.00 for full boxes.

Grapes.—Stocks and arrivals light, prices P6.50 to P7.50 per 34-lb. box.

Onions.—United States ample at P4.00 to P4.50 per 100-lb. bag, no stocks of Egyptian, Japanese ample at P3.50 per 100-lb. case.

Potatoes.—United States ample at P4.50 to P5.50 per 100-lb. bag, small stocks of Chinese at P3.80 to P4.00 per 100-lb. crate; Japanese ample at P3.00 to P3.50 per 100-lb. crate.

Cabbage.—American scarce at 20 to 22 centavos per kilo, Baguio ample at 11 to 13 centavos per kilo.

Milk.—Market generally unchanged, orders fair, arrivals slightly above normal, stocks normal, prices tending upward. Arrivals were: condensed 15,700 cases, evaporated 36,200, natural 1,100. Prices: evaporated P5.70 to P6.10, condensed P11.50 to P13.50, natural P8.00 to P16.00. Japanese were being sold at cut rates, P7.00 to P8.00.

**Textiles**

Textile movement during January was seasonally good, was considered better than December and about approximately equal to January last year. The new higher prices from the United States increased the competitive disadvantage in favor of Japanese products, resulting in very poor prospects for February and March. Manifested arrivals were estimated as follows:

	Cotton	Silk and rayon
United States	3,419	
Japan	3,109	429
Europe	224	12
Shanghai	74	3
Hongkong	29	—

Grey sheetings.—Orders heavy, arrivals normal, offtake good, prices firmer, prospects under new United States prices extremely doubtful due to repetition of Japanese orders at 15 per cent below United States quotations.

Bleached sheetings.—Orders nil, arrivals nil, offtake very small, stocks very light, prices up, prospects very poor due Japanese offers at December prices.

Grey drills.—Orders for stocks small, indent heavy; arrivals normal, offtake fair, stocks light, prices up, prospects extremely difficult against Japanese offers at 10 per cent below United States prices.

Colored yarn drills.—Orders small, arrivals very small, stocks light, offtake fair, prices up, prospects nil, Japanese arrivals and stocks heavy and underselling United States brands in all provincial markets.

Heavy chambrays.—Orders small and for indent only, arrivals small, offtake fair, stocks light, prices up, prospects poor although continued limited demand for United States goods anticipated in spite of heavy competition.

Light chambrays.—Orders nil, arrivals small, offtake seasonally slow, stocks fair, prices up, prospects impossible at latest Japanese arrivals bearing the brand "Manhattan Chambrays" which is equivalent to United States qualities and selling at 10 centavos per yard as against 15 centavos for United States.

Denims.—Orders comparatively light and at sacrifice prices, arrivals small, offtake seasonally slow, stocks light, prices unchanged, prospects fair. Japanese Denims strong in southern markets and making headway in Manila.

Narrow prints.—United States out of market and Russian goods marked "Harbin" available at 12 centavos per yard and of better quality than Japanese at 10 centavos.

Percales.—Orders only for job lots, arrivals small, offtake good, stocks low, prices up, prospects impossible at Japanese replacement prices which are 20 per cent under United States prices.

Khakis.—Orders fair, arrivals small, offtake good, stocks low, prices up, prospects doubtful. Importers of British goods still engaged in price war. First Japanese shipment arrived in Manila but quality reported poor.

Plain voiles.—Orders small and for bargain lots only, arrivals small, offtake good, stocks very light, prices up, prospects very doubtful due to heavy ordering for Japanese goods for delivery in early March at 12 centavos against United States equivalents at 15 centavos per yard.

Printed voiles.—Orders for stock lots only, arrivals fair, offtake good, stocks sufficient, prices up, prospects good.

Rayon and silk.—Situation unchanged, United States off market except for small lots of quality silks.

Broadcloths.—Orders nil, arrivals very small, offtake good, stocks very low, prices up, Japanese controlling market with orders good and stocks fair.