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good time wherein he has received many royal courtesies, but no royal flushes. He, too, would like to remain in Sandakan, and there's the rub. He is our sultan, Sandakan's sovereign. The situation is complicated in extreme. A few years ago he quite overstayed his leave, so to speak, in Sandakan, and it was necessary to send a ship and induce him to return to Jolo.

But what has been the actual status of North Borneo since 1922 is the real question. The sultan claims that the original agreement, of which duplicate copies were made in the Sulu language, was dated, and that it was for only fifty years. Hence, being made in 1872, it expired in 1922. Therefore, have we vicariously acquired North Borneo?—though certainly unintentionally, as we once refused to have it and permitted Moses' trading company, established at Kimanis, to fall before the bluster of more avid interests.

Now the sultan lost his copy of the agreement, the *lontar* and the *tarsila* records were burned in the war with Spain in the later 70's. The other copy is locked securely up in the vaults of the company's London offices! The sultan

**London Vault Holds Borneo Secret**  
 frets, is anxious and restless; we have the trouble of calming and controlling him, but no thanks for doing it.

Space doesn't admit of going on to any detailed mention of our relinquished concession in Shanghai, or our possession at various times of various of the Caroline isles in Micronesia. We did, with the Philippines, acquire some potential coaling

stations and naval bases, but we constantly romanticize and speak of giving them up. Our real troubles, real difficulties, real adverse trade balances, arise, of course, from not holding on; but the people, at election time, respond to poetic ideals more quickly than to prosaic facts—it is always easier to be bombastic than to be downright honest—and so we go on talking of withdrawal from the Philippines.

Meanwhile we are quite indifferent to our recognized treaty boundaries. Two foreign flags fly within the Philippines, both at eminently strategic points. The Dutch flag is over Las Palmas island, where, for a nation that might become unfriendly, to establish a base would be all but fatal to the defense of Davao gulf, where we obtain our best Manila hemp and a goodly portion of our copra. The Dutch flag is a friendly flag, yet it has no place over our domain. The British flag, too, is friendly. However, by what right does it fly over the Turtle islands, off Sandakan? It does, though the British Foreign Office knows, and frankly admits, the Turtle islands are ours, being within the treaty boundaries of the Philippines. No objection could possibly be made were we to hoist our own flag and request that the latter be taken down. But we don't seem to bother, we just let such things go. A little matter of assertion of sovereignty, what is that for America to do? And finally, would it be altruistic? If it were not that it might not be popular in campaigns.

Perry conceived a dispersed America in the far east, not mere trading posts and naval stations. He had the logic of history behind him in this. Portugal was the first

of the westerns out to the east, and clung to the trading post notion—posts and treaties, an idea that somewhat mutated by time, Washington seems to favor. But as soon as Portugal lost control of the seas, she was through in the far east. The British settlements, on the contrary, have weathered many threatening days. It is Britain herself that is dispersed in the east; there is a heaven to savor the loaf, though the mead itself be foreign.

The deportations were no doubt the consequence of violations of sumptuary laws, such as the opium law.

The figures are from the bureau of customs. Summarized, they show that during the period from 1919 to 1925 inclusive 99,084 Chinese knocked at our doors, 3,897 were denied admittance under the immigration act, 95,187 were admitted as legally entitled to entry into the country, while 85,294 other Chinese voluntarily left the islands and 1,075 were evicted for cause. The greater number among those leaving voluntarily were minors born in the islands, returning to China to be educated under the care of their mothers or other relatives, this being the custom. Also, most of the Chinese coming into the islands are youths who have completed their schooling in China and are rejoining their kinsmen here. But Chinese have taken to educating their children in the Philippines too, for which they voluntarily pay an additional small percentage upon the sales tax; they are, more than formerly, bringing their families to the Philippines, and are coming to be more and more a community apart.

Births and deaths in the Chinese community of Manila from 1919 to 1925 were as follows, according to the health reports:

Year	Deaths	Births	Net Increase
1919	361	369	8
1920	377	511	134
1921	317	570	253
1922	318	529	211
1923	351	531	220
1924	344	639	295
1925	325	639	314
Totals	2,373	3,817	1,445

A lesser number of births of pure Chinese stock must be added for Chinese resident in the provinces; more of them being married to or living with Filipino women, so that 3,000 may cover the birth increase in the Chinese community throughout the Philippines since the census of 1918 was taken. One is compelled to resort to these assumptions because the statistics in the bureau of health have not been compiled; it would be a fortnight's work to compile them.

Fasting therefore upon 3,000 as the approximate increase by birth of the Chinese population of the islands since 1918, the actual increase including that by immigration is found to be 11,818. While this gives the islands a Chinese population of approximately 55,000, *the* estimates are that it is no less than 6,000 or 7,000. There is said to be clandestine entry into the islands by way of Sulu and Mindanao. Wherever a new settlement is established, the Chinese goes to trade. He may be robbed and killed, and his little general store burned. This doesn't matter, to the community; another Chinese takes his place and a record goes down in the consular office. Customs laws are barely prevail among the Chinese a great deal of their business is transacted without the exchange either of money or checks.

As everyone knows, there are two distinct communities, the Cantonese and the Amoyese, numerically as one to three in the order mentioned. The Cantonese are dubbed *Macao*s by Filipinos, who call the

## Acquiring a Larger Chinese Merchant Population

Births and Immigration Add Many Celestials

When one attempts to look into the Philippine immigration question the first thing that confronts him is the anomalous record in the census. The census of 1903 shows the persons of the yellow race in the Philippines at that time as 42,097, of which at least 40,000 may be taken to have been Chinese. The Japanese population at that time was insignificant. Persons of the yellow race resident in Manila at that time were reported to be 21,838, of whom 733 were women and girls and 21,105 were boys and men. The census of 1918 gives the Chinese in the Philippines as 43,802, and those resident in Manila as 17,856. But figures of the bureau of health show that by birth alone, leaving immigration aside for the moment, the Chinese population increases nearly ten per cent in seven years. It would surely increase 20 per cent in fifteen years, the interim from 1903 to 1918, and the latter census would perhaps be more accurate if it showed the Chinese in the Philippines at that time to have been 50,000. Probably, too, there was no decrease in the number of Chinese resident in Manila between 1903 and 1918, although, according to the census, there was an apparent decrease of about 2,000.

Another thing a study of immigration into the Philippines readily reveals, is that the gentlemen's agreement by which the Japanese are governed works out more ad-

vantageously for the islands than the immigration law which limits Chinese immigration to the merchant, trading and professional classes and excludes the right to exclude farmers and workmen. The Japanese who are coming to the Philippines are, for the most part, going into Mindanao and putting new lands into production; but this class of Chinese cannot come into the islands now, even if they would.

It may not be argued from this that they would come, even if the law permitted; though it may be assumed that they might be induced to come under contract. Inducements were offered at various times under Spain—who sometimes wanted the Chinese and sometimes wished to drive them away—but the traders and merchants, with a sprinkling of craftsmen, always came whether precisely welcome or not, and the farmers never did.

Conditions haven't changed under the United States, save that the bar is up for the productive element. Much Chinese capital, amassed in the Philippines, is employed in production of wealth, but secretly, any Chinese brawn. In the case of the Japanese, the country is acquiring farmers and workmen as well as merchants and traders.

The following figures are upon Chinese immigration into the Philippines from 1919, the year following the last census, to 1925.

Year	Arrived	Debarred	Departed	Deported	Net Increase
1919	12,936	241	8,620	125	3,950
1920	14,875	562	10,536	335	3,442
1921	13,089	849	15,954	164	(3,560)
1922	13,750	776	13,598	102	(582)
1923	15,307	677	12,985	153	2,645
1924	13,376	580	12,497	97	202
1925	14,467	212	12,207	39	2,189
Totals	99,084	3,897	85,294	1,075	8,818

**Amoyese Insults.** The Amoyese may be naught but a porter when he arrives; he becomes a peddler, then he has a small store and a fixed abode, and from then on, according to his connections, character and ability, it is anything from a shop on Rosario to importing, exporting and operating steamships from an establishment on Juan Luna or somewhere in San Nicolas. Or he may go to the provinces, retaining his Manila connections.

The Cantonese are tailors, laundrymen and keepers of restaurants and grocery shops. The craftsmen are from Amoy. It is the Amoyese who dominate the lumber industry and who enter most extensively into manufacturing.

The bureau of health still classifies Japanese with "other foreigners," so they cannot be traced so easily as the Chinese. The figures on movement of Japanese to and from the Philippines are from the bureau of customs:

Year	Entering	Leaving
1919	1,615	1,579
1920	952	1,222

1921	874	1,137
1922	584	1,564
1923	799	1,115
1924	932	968
1925	2,225	1,081
Totals	8,011	8,666

These figures show that since 1918 the Japanese population has decreased 655, but births, were the records available, would more than offset this. Without doubt there has been some actual increase, though nothing in comparison with the increase among the Chinese.

Figures about the American community may be added. In 1918 they numbered 5,774. Since that time 28,217 have come to the islands and 27,169 have gone away, making an increase from migration of 1,048. In Manila the excess of births over deaths has been 600. The figures for the provinces are not compiled. Numerically the American community has increased by possibly 1,700, but it is unquestionably of a more transient character than the earlier community whose advent dates the period of the empire.

tween the islands and the United States shall continue to be governed exclusively by laws of the Congress of the United States."

The local insolvency act might not be valid as to many creditors. If creditors residing in the United States they might not be bound by the discharge of a debtor granted by a court in the Philippines under the local act; and if the act is invalid in respect to certain creditors there is precedent for declaring it invalid altogether. The Federal income tax law of 1914 was declared void because some of its provisions were unconstitutional, although others were valid. The courts have the question to determine as to whether the legislature could possibly have had the intention of enacting a law that in many of its aspects would affect citizens of the Philippines adversely—one that might relieve a debtor of his obligations to them while it would not absolve him from debts to other creditors.

Two of the enumerated powers of the Congress of the United States are contained in paragraphs 3 and 4 of Section 8, Article 1, of the Constitution:

"3. Commerce. To regulate commerce with foreign nations, and among the several States, and with the Indian tribes;

"4. Naturalization, etc. To establish an uniform rule of naturalization, and uniform laws on the subject of bankruptcies, throughout the United States."



## Is Our Insolvency Law Constitutional?

Question Raised in Current Litigation



The question of the constitutionality of the Philippine insolvency act has been raised in the case pending in the court of first instance of Manila concerning the involuntary insolvency of Mariano Velasco and Company. The insolvency act dates from 1909, when the legislature was made up of the Philippine Assembly and Philippine Commission. It is therefore one of the acts continued in force by the Jones Act of 1916, the present organic act of the territory. This of course does not establish the validity of the act questioned: it merely gives it the force of law, or continues its force as law, until competent authority determines its validity.

Naturally this validity may be questioned, in the same manner as that of other acts subsequent or prior to the organic act.

It is argued that the local insolvency act is not valid because the government of the Philippines is and has been from its inception one of enumerated powers; it is a government established over a territory by

Congress under these enumerated powers, which do not, it is contended, include the power or function of enacting insolvency statutes. That particular power rests in Congress and may not be susceptible of delegation to an agency of that body. The national or Federal insolvency act dates from 1898. It seems that the local act is not on all fours with the Federal act. It is not a mere local reiteration of the Federal act, but conflicts with it in certain particulars.

The question arises, which shall prevail? Which is law; which an illegal fiat?

The Philippine act may also be, in a very real sense, a regulation of trade between the Philippines and the United States. This is something which Congress restrains the local government from undertaking and reserves specifically to itself.

Section 10 of the Jones Act says: "That while this act provides that the Philippine government shall have the authority to enact a tariff law the trade regulations be-

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