

## SIGNIFICANCE OF THE "CLIPPER" SERVICE\*

THE ESTABLISHMENT of the United States-Philippines airline by the Pan-American Airways is an epochal event in the history of this country. It not only marks the beginning of a new chapter in the history of transportation, but also ushers in the dawn of closer commercial and cultural ties between these two countries and the ones in between. It is an event that will affect our national life markedly. The Philippines, because of its geographical location, is far from the principal market centers of the world and, as a result, it is at a disadvantage when compared with regions more favorably located. The United States, its principal market, is more than 7,000 miles away and shipments of goods to that country take almost one month. It is the consensus of opinion that if the traveling time could be shortened further impetus would be given to the trade relations among the various countries en route.

THE UNITED STATES-PHILIPPINES AIRWAY service removes many obstacles to the smooth flow of trade and business between these two countries. The filling of orders will be expedited, mail will be transported in shorter time, interest rates on drafts will be reduced and personal conferences between business men of these two countries would be oftener. With the Philippines brought nearer to the United States, American business men would take far greater interest in our country than they have had heretofore, and it is to be expected that there will be drawn here enterprises and organizations that can materially help in our economic development.

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In this connection, it would be interesting to give a brief review of Philippine-American trade relations during the last 37 years.

Since 1898, the United States has been predominant in Philippine foreign trade as well as in other lines of activity. Those who are interested in measuring the extent of Philippine progress since the advent of American sovereignty in these Islands will find in the growth of foreign trade a fairly comprehensive and accurate measure. Development in all fields, social, educational, and political, had to have their structural basis in economic development. It was the income obtained through increased production and export of the country's crops that made



possible the building of schools and hospitals, maintained and expanded the school system in the Islands, and provided the people with the comforts of their lives.

A comparison of the values of the four leading Philippine export crops sold abroad in 1899 with their export values for 1934 will indicate the tremendous growth that has taken place in our export trade. Philippine exports of hemp, sugar, tobacco and cigars, and copra for the two comparative years are as follows:

Manila hemp.....	P15,987,148	P17,323,130
Sugar.....	6,919,420	130,909,161
Tobacco and manufactures.....	3,862,506	10,387,532
Copra.....	1,453,306	17,210,249
Totals.....	P28,222,380	P175,830,072

The figures above show that the total value of these main export articles has increased more than six times from 1899 to 1934. If coconut oil and other coconut products and hemp cordage which were unknown as export items in 1899 are included in the comparison, the increase will be nearly eight times. The value of coconut oil exported in 1934 amounted to P13,589,742; copra meal, P2,102,241; desiccated coconut P4,509,079 and hemp cordage, P2,670,094. It is also seen from the figures above that of the four principal export crops, sugar has made the greatest development. In 1899, sugar ranked second to hemp in Philippine exports with a value of only about P7,000,000. In 1929, sugar figured at the top of all exports of the country with a total value of P106,488,298; and in 1931, because of the decline in prices since 1929, the total value of sugar exports decreased to P99,926,210, but in 1934 it rose to P130,909,161. Sugar and coconut products have alternately occupied the leading export position every year since 1920.

Many new items have been added to the list of important exports from the Philippines since 1899. Among these may be mentioned embroideries, Philippine timber and lumber, maguey, cordage, knotted hemp, fine vegetable fiber hats, and innumerable shell products.

No less remarkable has been the development in the Islands' import trade. Increased exports have naturally meant larger purchasing powers for the Filipinos as well as a development of new tastes and wants for greater diversity of articles, many of which are not produced locally. Hence, the value of total imports into the Islands has increased from only about P38,000,000 in 1899 to approximately P294,300,00 in 1929, and to P171,047,699 in 1935.

The long list of articles imported into the Philippines include the following principal items, with values for 1935 as follows: cotton goods, P30,599,841; iron and steel and manufactures of, P22,176,839; mineral oils, P15,293,182, meat and dairy products, P9,305,822; automobiles and trucks and parts of and tires, P9,214,286; wheat flour, P5,711,254; silk and its manufactures, P4,851,400; paper and its manufactures, including books, P6,619,795; electrical machinery and apparatus, P4,307,336; and tobacco and products of P7,500,559.

Practically every country trading with the Philippines increased their volume of commercial dealings with the Islands during the last thirty-five years. In 1899, China had the largest share of the foreign trade of the Philippines. The United Kingdom was second, the United States third, Spain fourth and Japan fifth. In 1935, these five leading countries occupied the following relative positions with reference to total import and export trade with the Philippines: first, the United States; second, Japan; third, United Kingdom; fourth, China; and fifth, Germany.

If we compare the total trade of these countries in 1899 with the annual average for the five years of 1927 to 1931, we find that the United States has increased its trade with the Philippine Islands 3,428 per cent; Japan, 1,395 per cent; Spain, 120 per cent; Great Britain, 68 per cent; and China's trade has decreased 6 per cent.

Our trade relations with Hawaii and Guam is comparatively insignificant at present, but with these countries brought closer to the Philippines commerce with them will undoubtedly increase. In 1935, Philippine exports to Hawaii amounted to P503,574 while imports amounted to P576,172. During the same year the Philippines' trade with Guam was: exports, P459,621; imports, P96,537. Our principal exports to Hawaii are cigars, cordage, and embroideries and the chief imports are coffee, manufactures of iron and steel, and fruits and nuts. The bulk of our exports to Guam consists of breadstuffs, liquors, shoes, and slippers, leaf tobacco, and sugar; imports consist mainly of copra.

#### TRANS-OCEANIC PASSENGER AIR SERVICE "CLIPPER" IS SUCCESSFUL

Carrying a party of nine picked American newspapermen, the China Clipper, one of America's huge planes, owned by the Pan-American Airways, arrived in Manila October 17, 1936, inaugurating a regular passenger commercial service across the Pacific. The plane started from Alameda, California,



October 7, and negotiated the distance of 8,200 miles in ten days, delayed two days at Wake and another two days at Guam owing to inclement weather.

The trip was a successful demonstration of the speed, comfort, and safety of air travel from America to the Philippines. It is believed that with the inauguration of this commercial passenger service the Philippines will become a tourist and travel center of the world.

A few days before the arrival of the Clipper a Dutch airline brought another American newspaperman, H. R. Ekins, of the New York World-Telegram, to Manila on his around-the-world cruise starting from New York by way of Java. The Dutch airline returned to Java with passengers and arranged for regular commercial passenger service also.

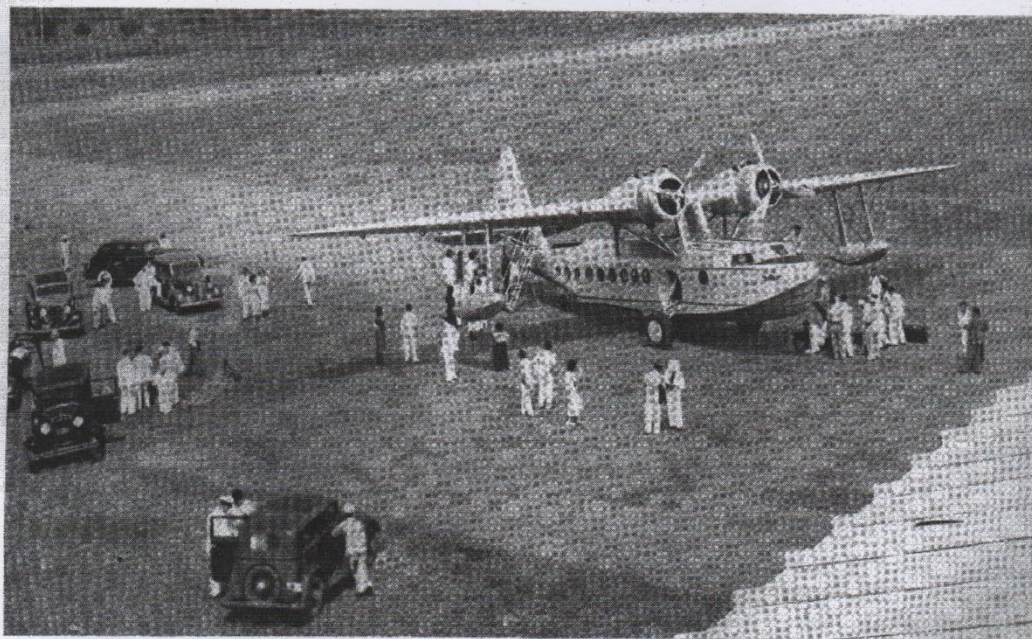
In view of the facilities for commercial and business transactions that the airlines offer the business men of the Philippines are predicting expansion and greater volume of business in the future.

The *China Clipper* was brought to Manila by a crew composed of Ralph A. Dahlstrom, captain; F.

S. K. Lewis, first officer; George B. King, second officer and navigator; F. M. Briggs, third officer; T. E. Griffin, fourth officer and engineer; C. L. Wenkstern, fifth officer and radio operator; and L. W. Hancock, flight steward.

The passengers are William I. Van Dusen, director of public relations of Pan-American Airways; Charles E. Harner, *Associated Press*; C. B. Allen, *New York Herald-Tribune*; W. W. Chapin, *Universal Service*; Lauren D. Lyman, *New York Times*; Fred Green, *Honolulu Advertiser*; John Williams, *Honolulu Star Bulletin*; Earl Welty, Pan-Pacific Bureau; Harry Frantz, *United Press*.

About the time the *China Clipper* was arriving in Manila another Pan-American Clipper, the *Philippine Clipper*, took off from Alameda, California, bringing to the Philippines another group of newspapermen, this time most of them publishers and newspaper as well as business executives, including Roy Howard, Cornelius Vanderbilt Whitney, Senator & Mrs. Wm. G. McAdoo; Juan Trippe; the publisher of the *Baltimore Sun*; the vice-President of the Cromwell Publishing Company, and others.



THE FIRST HAPPY LANDING OF THE CLIPPER AT MANILA