

FACTS ABOUT THE PHILIPPINES.

WITH A DISCUSSION OF PENDING PROBLEMS.

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THE guns of Admiral Dewey did something more than destroy a Spanish fleet in the harbor of Manila. Their echo came back to us in a question new in the history of our government. In the shaping of the Constitution our fathers evinced a foresight that has ever since been our admiration; but their prescience looked ahead to no such problem as this one which a naval victory on the other side of the world has raised. It is a problem for the solution of which we have surprisingly little data. Neither precedent nor experience can be satisfactorily drawn on, and we see with sudden clearness that some of the most revered of our political maxims have outlived their force. Washington's farewell address, and the later crystallization of its main thought by President Monroe, had come to possess with us almost the force of a constitutional provision, and even to be regarded by the nations as one of the fundamentals of our government. Our stanch belief in the value of that doctrine of political isolation has been shaken by Dewey's victory. The impending question of what shall be done with the fruit of that victory has made us examine in a new temper, and with new lights, this political doctrine of ours; and it has sharply emphasized to our minds the changed conditions surrounding us now, compared with those which gave birth and force to that doctrine.

The world is much smaller now than when Washington read his farewell address. The Philippine Islands, although almost on the other side of the earth, are much nearer the seat of our government, by the measure of transportation and time, than were in that day regions that are now populous States. The same factors that have brought comparatively close to us the most distant countries have developed a new mainspring that has become the directing force in international affairs—the mainspring of commercialism. In the days when Washington enunciated the policy of political isolation the questions that were before parliaments and assemblies were questions

of individual freedom, of representative government, of civil and political rights. The debates of the legislative bodies of the nations are no longer on those lines. They are on finance and questions of commercial development. It is the age of commerce, and it is commerce that has for a generation been shaping the foreign policy of every nation but ours. It has been the flag of commerce, rather than of national aggrandizement, that has led the troops of England, France, and Germany through Africa. It was to plant the flag of commerce that there has been such manœvering by the nations of Europe to gain footholds along the Chinese coast. And now, without the slightest premeditation on our part, and with the most inadequate preparation to handle the question, we have suddenly found ourselves in possession of a vantage-point more valuable than the prizes for which the great nations of Europe have been scheming. With the extraordinary conditions surrounding this sudden acquisition of rights, it is natural that there should be the most intense interest in the characteristics and the commercial possibilities of these islands and their population of eight millions. To reach any intelligent opinion in regard to their disposition, we need, of course, as clear an idea as possible of just what they are, of the advantages to be gained by their retention, and of the difficulties to be encountered in their administration.

It is as a base for commercial operations that the islands seem to possess the greatest importance. They occupy a favored location, not with reference to one part of any particular country of the Orient, but to all parts. Together with the islands of the Japanese Empire, since the acquirement of Formosa, the Philippines are the pickets of the Pacific, standing guard at the entrances to trade with the millions of China and Korea, French Indo-China, the Malay Peninsula, and the Islands of Indonesia to the south. Australasia may even be regarded as in the line of trade. A glance at the

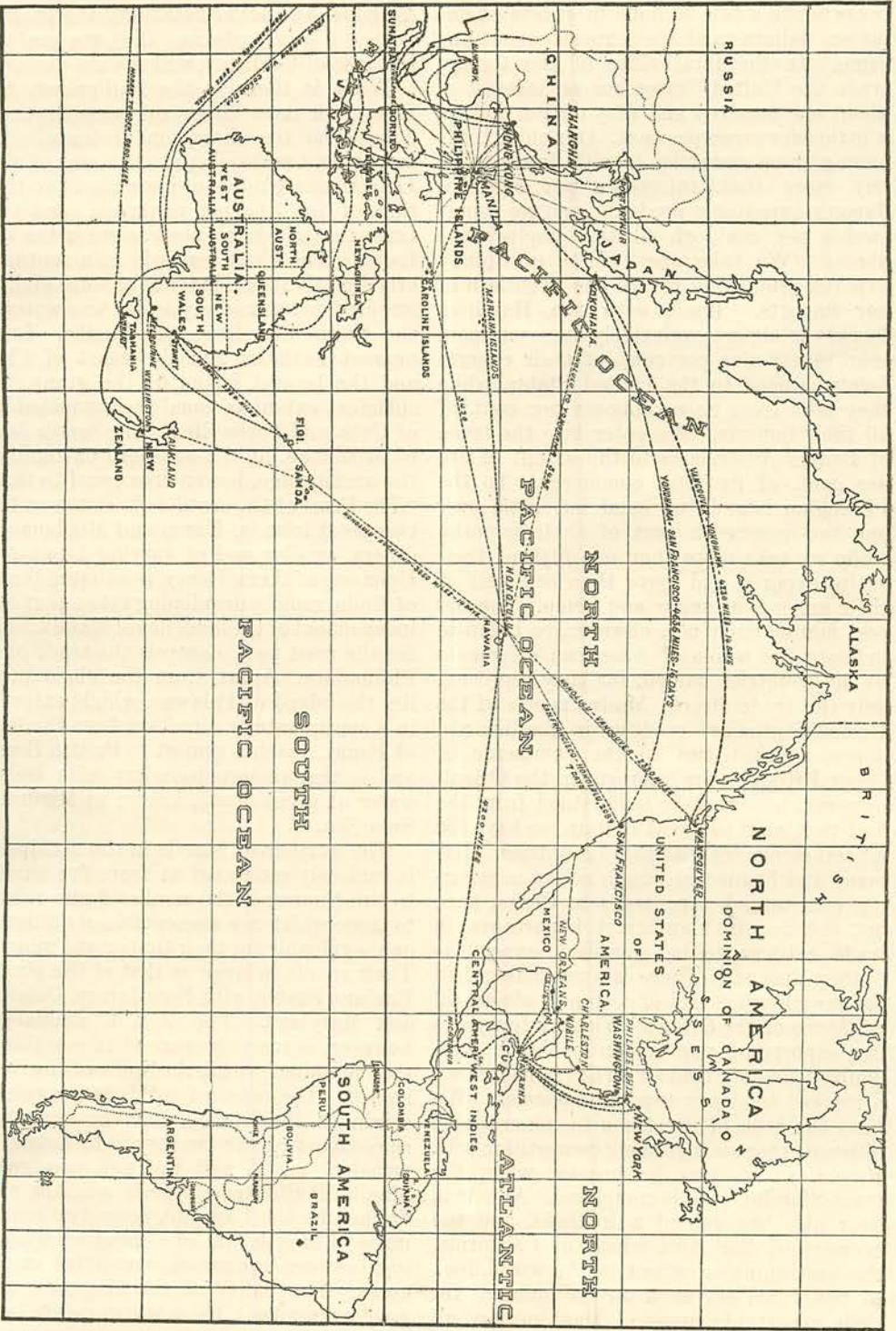
map will readily show what a commanding position the archipelago occupies with reference to adjacent territory. While it is true that the islands lie a little out of the direct line of ocean traffic in voyages by way of the eastern passage, there are reasons which operate strongly for a discontinuance of navigation by way of the Straits of Malacca and the China Sea to the Orient. The voyage by this course is one dreaded by all navigators at certain seasons of the year, when the Straits become the center of the worst storm disturbances known to the world, and when navigation is consequently restricted. With the opening of the Nicaragua Canal, however, the trade of our Atlantic ports with the Orient will take the safer and shorter route thus provided; and in addition to this, the commerce of much of Europe which now seeks the East by the voyage through the Mediterranean, the Suez Canal, the Indian Ocean, and the Straits, or by the Cape route, will turn in the opposite direction. The possession of the Philippines by a progressive commercial power, if the Nicaragua Canal project should be completed, would change the course of ocean navigation as it concerns a large percentage of the water-borne traffic of the world. Europe looks to the Nicaragua Canal and the Pacific as offering a better route to the far-Eastern countries; and in the event of its completion, the archipelago will be the gateway to all the trade of lower China and the countries south. Hong-Kong, the great warehouse where are stored and whence are distributed the products of the earth in the maritime trade of China, may, in the course of these changes, now in prospect, become scarcely more than a distributing-point for the trade of the valley of the Si-Kiang.

In the trans-Pacific trade the Hawaiian Islands will afford a resting-place for ships, and their importance will be immeasurably increased by the opening of the canal, and the diversion of ocean traffic from the channels it now follows. The Nicaragua Canal and the Hawaiian Islands will be invested with new interest to us by the unexpected acquisition of rights in the Philippines, which will then be a key to the Orient of vast importance to the United States, or to any other progressive nation which may have the opportunity to make of them a base for the distribution of far-Eastern commerce.

More than half of the people of the earth live in the countries which may be easily reached from the Philippines. There is China, which, according to the latest estimates, has

a population of more than 400,000,000; the East Indies (British, Dutch, and French), 343,000,000; Japan, 42,000,000; British Australasia, 5,000,000; Siam, 5,000,000; and the Straits Settlements, 600,000—altogether, a population ten times that of the United States. Trade relations cannot at once be established with all these millions, for many of the populous provinces of China and far-Eastern Asia lie remote from the coast, and it will be years before communication with the interior is opened by rail. Nevertheless, since the Chino-Japanese war railroad-building in China has been advancing rapidly. Out of adversity something of good has come to the Celestial Empire, and the lesson taught by the victorious Japanese has resulted in the birth of a new China. Ancient exclusiveness is being laid aside, and the empire is already on the road to progress. How long the dominion of Hong-Kong over the maritime trade of China will last, even should the Philippines not become its rival as a distributive market, is a question which may largely be determined by the occupation of Kiao-Chou, Port Arthur, and Wei-Hai-Wei. Russia's great railway across her Siberian possessions must also be taken into account in disposing of the trade of China. Penetrating the rich province of Manchuria, with the certain prospect of forming a junction with a road to be built from Shanghai, it will be only a few years before that city will be connected by rail with Europe. The great rivers of China, the Si-Kiang, the Yang-tse-Kiang, and the Yellow River, have hitherto furnished the only ready means of reaching the trade of the interior. Hong-Kong, at the mouth of the Si-Kiang, has monopolized the commerce of the valley drained by that river, and the trade of Canton, formerly of much magnitude, has dwindled into insignificance. It may be easily seen that the recent acquisition of Kiao-Chou Bay, Wei-Hai-Wei, and Port Arthur gives Germany, England, and Russia, respectively, advantageous locations with reference to the commerce of the valley of the Yellow River. The onset made with a view to opening China to trade cannot fail to result in a remarkable transformation of the empire in a few decades—a change as complete as that which has taken place in Japan, which twenty-five years ago was as China is to-day, and is now a ranking power, a leading member of the family of progressive nations.

The foreign commerce of all the countries of the far East exceeds two thousand millions



MAP OF THE PACIFIC OCEAN PREPARED IN THE UNITED STATES DEPARTMENT OF STATE.

a year. The reports of the bureau of statistics of the Treasury Department show that the imports are a few millions in excess of one billion dollars, and the exports about the same. In the total value of the foreign trade the United States has an interest of about one hundred and fifty million dollars, a little over seven per cent. Our chief trade among these countries is with Japan. We buy more than thirty-two per cent. of Japan's exportable products, and we supply twelve per cent. of all the empire buys abroad. We take one twelfth of China's exports, sending in return one twentieth of her imports. Trade with the Hawaiian Islands is almost exclusively our own, more than ninety-nine per cent. of their exports being shipped to the United States, while they take from us seventy-six per cent. of all their imports. We enter into the trade of British Australasia to the extent of five per cent. of its total commerce. To the Philippine Islands we send but little over one two-hundredth part of their imports, while we take more than one fifth of their entire exports, and more than one half of their exports of sugar and hemp. The import figures must not, however, be taken to indicate the whole of American shipments to the countries named, for they represent only the trade direct. Many exports of the United States are credited in English and American statistics to the commerce of Great Britain. Our interests in the Orient, however, may best be understood from the fact that, next to Great Britain, we have the largest commerce with these countries. Germany and France, although active in securing commercial advantages in China, have not yet acquired sufficient importance in trade returns to be classified, except as "other Europe." There is a promising field for our manufactures of cotton in almost all countries of the Orient. Within a few years our exports of raw cotton to Japan have doubled, and our trade with China has shown a marked tendency toward expansion. We have the bulk of the trade in mineral oils, although there is a growing competition with Russia, which may be greater when the trans-Siberian road is completed. American flour also has gained a foothold, and the growers of the hard wheat of California, the best shipping wheat in the world, look to the far East as a future market for their exportable surplus. Machinery of all kinds is rapidly gaining in favor, and within a year one of the Chinese railroads has been equipped with Baldwin locomotives. One of

the street-railway lines of Manila is now provided with American cars made in Philadelphia, and notwithstanding the great expense of transportation, they are preferred to those of Germany, which were discarded.

What is there in the Philippines, aside from their most important consideration as a base for the extension of trade? This magnificent archipelago has an area of about 114,000 square miles, or more than two thirds that of the Spanish peninsula, and three times that of Spain's possessions in the West Indies. The chain extends in a southeasterly direction for a distance of some eighteen hundred miles, and separates the waters of the China Sea from the Pacific. Luzon, nearest Formosa and the coast of China, and the largest island of the group, is of sufficient extent to equal the combined area of Cuba and Porto Rico. The fertile island of Mindanao, at the southern extremity of the archipelago, has an area equal to that of "The Pearl of the Antilles." Between these two great islands, Luzon and Mindanao, are others, smaller and of varying importance. Upon one of them, Panay, is situated the city of Iloilo, rapidly developing into a port quite independent of the influence of Manila, which, for the most part, controls the trade of the Philippines. Apart from the chain proper lies the island of Palawan, which, extending in a southwesterly direction from the island of Panay, reaches almost to British Borneo, and is the western boundary of a body of water of great depth, known as Mindoro or Sulu Sea.

The number of islands in the archipelago is variously estimated at from five hundred to two thousand, the smaller figure relating to those which are susceptible of cultivation or are valuable for their timber and minerals. Their area is as large as that of the six New England States, with New Jersey, Delaware, and Maryland. The area of arable land, however, is scarcely more than one third of that contained within the limits of the States named. The reason for this is the volcanic origin of the islands, and the consequent ruggedness of the country. In Luzon, the principal island and the one upon which Manila is situated, there is a fertile valley drained by the Cagayan, some two hundred miles in length and one hundred wide, lying between ranges of mountains on each coast. The valley of the Cagayan, under good government, has a bright future before it. At the mouth of the river is the town of Aparri, opposite the island of Camiguin, which stands guard over an extensive bay.

In this bay, harbor facilities may be found equal to and safer than those in the Bay of Manila; and persons who have been to the islands investigating their possibilities of development look to Aparri as likely to become a rival of Manila. This is so for the reason that Aparri is twenty-four hours nearer Hong-Kong, and four hundred miles nearer San Francisco, than the capital of the island. As already said, Manila dominates the Philippine trade, although Iloilo has gained some importance as a sugar-mart, and Cebu is known for its exports of hemp.

After centuries of Spanish misrule, the islands are scarcely more advanced than they were when, in honor of Philip II, they were given their name. Their varied resources are virtually undeveloped. Their people have never been taught how to take advantage of the bounties which nature has placed before them.

Interest chiefly centers on the island of Luzon, not only because Manila is situated on that island, but because of the diversity of its products. In the valley of the Cagayan are great tobacco-fields, which rival those of the Vuelta Abajo of Cuba. The greater part of the sugar exported from the Philippines is produced on the island of Luzon. Hemp, the main product of the group, is grown almost entirely on other islands. Rice is a staple crop, because, as with most other peoples of the Orient, it is the greatest article of food consumption. None is exported, however; and notwithstanding there is abundant territory suitable for rice-growing, it has not been utilized, for the reason that the directing agencies have in this, as in all other instances, failed to induce the people to make the most of their advantages.

Coffee also is grown, and the more civilized natives have each a little grove of trees, which produce four or five bushels of the coffee-berry a year. Only small quantities are sent to the markets for export. A little corn is raised, mainly in the vicinity of Manila, where in season it is peddled on the streets, boiled or roasted. None is fed to stock, paddy rice being used for that purpose. Hay is unknown, its place being taken by a swamp-grass, upon which the buffalo cattle, the draft-animals of the Philippines, feed.

The most important agricultural product is what is known to commerce as Manila hemp. Thousands of tons of this fiber are raised annually on the Pacific slopes of the southern islands, where it also grows wild. That this is the leading product of the Phil-

ippines is due to the fact that its cultivation requires the least effort. With only careless attention, it is possible to raise many tons to the acre. The fiber is obtained from a species of plantain called *abaca*, a tree which grows to the height of from fifteen to twenty feet and is from eight to twelve inches in diameter. The trunk may be as easily separated as a stalk of celery. An ordinary knife only is required to cut down the tree, and a rude instrument is used to press out the juice and shred the fiber. After a little drying in the sun, and packing it into bales of two hundred and forty pounds each, it is ready for shipment. The United States and England take almost the entire crop. Hemp of this kind is grown nowhere else in the world. It is said that a fortune awaits one who can invent a machine which will accelerate the process of pressing out the juice and pulp, leaving only the fiber. A rude knife and a lever for holding it strongly in position are the instruments now in use.

Next in the order of importance as a product of the soil is sugar. The poorest sugar in the world is produced in the Philippines, and yet the islands are capable of producing the best. The reason for the poor quality lies in the method of manufacture, and not in any disadvantage of soil, climate, or character of the cane, which is superior in saccharine. The methods of sugar manufacture which prevailed in the fifteenth century are still in vogue in the Philippines. The last account of mills in operation showed that there were in the islands 5920 cattle-mills, 239 steam-mills, and 35 water-mills, while there were only three vacuum-pan sugar-works. The process of making sugar in these islands varies with locality; but all the product is what is known as a very low grade of muscovado sugar. It is not drained or clarified by any of the modern methods, and brings the lowest price in the markets of the world, except, perhaps, low-grade sugar of a similar character made in Brazil. The estimated crop of the islands for the season of 1897-98 is 190,000 tons. Cuba's crop for the same period is estimated at 200,000 tons. Until the year 1890 the United States annually imported from 110,000,000 to 300,000,000 pounds of Manila sugar; but since that time a market has been found nearer the supply, and China and Japan have become large consumers of Manila sugar. There are extensive refineries at Hong-Kong, which take a considerable part of the product. Last year our imports of sugar from Manila were only a little over 73,000,000 pounds. This falling

off is due to two causes—one the market found in China and Japan, and the other the competition of the bounty-aided beet-sugars of Europe, which have also the advantage of nearness to London and New York, the great sugar-centers of the world. The consumption of sugar is increasing so rapidly, especially in the United States, that, properly handled, the sugar resources of the Philippines will necessarily be developed in order to add to the world's supply. We annually import sugar to the value of \$100,000,000, an amount which largely offsets our exports of wheat. It is believed by the best authorities that by the employment of modern methods the industry in the Philippines may be made to rival Cuba in the output and quality of cane-sugar. It has been a matter of comment that while sugar of excellent grade is produced in Cuba, in the Philippines, under the dominion of the same country, but little effort has been made to develop resources which even surpass those of Cuba. One reason for the superior quality of the sugar of Cuba, however, is to be found in the proximity of the United States. American capitalists have there entered the field with modern ideas and modern machinery. Still other reasons may be assigned: in Cuba, Porto Rico, and the British West Indies, notwithstanding a lack of labor, the industry advanced until brought into competition with beet bounties. In the latter countries it has been necessary to import coolies to cultivate the fields and work the mills, but in the Philippine Islands there are many thousands of laborers available for work in the manufacture of cane-sugar. How to use the surplus labor in the Philippines has been, seemingly, more of a problem than the lack of labor in the West Indies. With such a redundancy there has been no inducement in the Philippines to introduce labor-saving machinery. There are in abundance two elements of productivity—land and labor. The intelligent use of capital, added to these, would revolutionize the industry, and make the Philippines a great cane-sugar-producing country.

The third product of the Philippines in the order of importance is tobacco. While the United States furnishes a market for the hemp and sugar of Manila, scarcely any of its tobacco or cigars is brought to this country, except now and then upon sailing-vessels engaged in the Eastern trade. But the crop is an important one, and Manila tobacco and cigars have long held the same reputation in the East that the Havana product holds in the West. Lately the industry

has shown a tendency to expand, owing to the fact that the Spanish government, realizing, in one instance at least, the effects of an evil policy, has abandoned its monopoly of the trade. Much revenue was formerly derived by the government from its exclusive control of the tobacco-market, and for that reason it was maintained many years, until the industry languished. Delivery of the crop under the old system was required to be made at the government warehouses in Manila, and the natives were bound to accept for it the standard price fixed by the Spanish authorities. Needless to say, this was far below the market value of the tobacco. The manufacture of cigars, cigarettes, and cut tobacco at Binondo, a populous part of new Manila, has now assumed great proportions. One company employs 10,000 hands, and has a capital of \$15,000,000. Spain has heretofore taken the bulk of the crop grown on the sixty thousand acres under cultivation.

There are few other products of agriculture to be mentioned. Fruit is not cultivated, but grows wild in abundance and variety characteristic of a tropical country. Bananas of delicious flavor, oranges of poor quality, mangos, guavas, and many other native fruits grow wild. There are no olives or figs, and there is no vine-culture. Dairy-farming has not yet been established in the islands, although there is said to be great opportunity in that direction. Butter is imported from London in bottles, and, naturally, is held at a very high price. Throughout all the islands of the archipelago agriculture is yet in an undeveloped state. Vast opportunities may be found for exploiting modern methods of farming. There is not a farm in any of the islands which will compare favorably with even the worst on the American continent. Plowing is done with a sharpened stick, and nothing is known of agricultural labor-saving implements such as are in use in the United States and other civilized countries. Only the most primitive methods are employed.

The mineral resources of the islands have never been developed, although they are known to be considerable. There is coal in abundance in Cebu and Negros. Gold is found in the alluvial deposits along the streams, and at the mouths of rivers, particularly in Luzon and Mindanao. Copper exists in the central districts of Luzon, and lead is plentiful in Cebu. Immense deposits of sulphur are found in the craters of extinct volcanoes, and in some of the islands there is found a good quality of iron ore.

While riches await a progressive people in the development of the agricultural and mineral resources of the country, there is still another source of wealth not yet drawn upon, and toward which the attention of capitalists in this country has already been directed. A company is now forming for the purpose of invading the forests which clothe the slopes

forth to decorate the interiors of our palaces and residences.

The present foreign commerce does not seem large in comparison with our own enormous and growing trade. In the best seasons \$30,000,000 a year will cover the exports, and \$25,000,000 the imports—a total commerce in one year of about half the value of what



A TIMBER-YARD.

of the mountain-ranges and cover thousands of acres of the valley lands not yet under cultivation. These forests, abounding in rare hard woods, are virtually untouched. More than sixty varieties capable of use are known to exist. The rarest are a green and a yellow wood, which retain those colors in the finished product. They are susceptible of high polish, and for carving are said not to be surpassed. The trees are not large, but the logs cut from them will average a foot in diameter, and are quite large enough for all practical purposes. Some day, whether the United States retains possession of the Philippines or not, adventurous and enterprising men will push their way into the hearts of these valuable forests, and their treasures will be brought

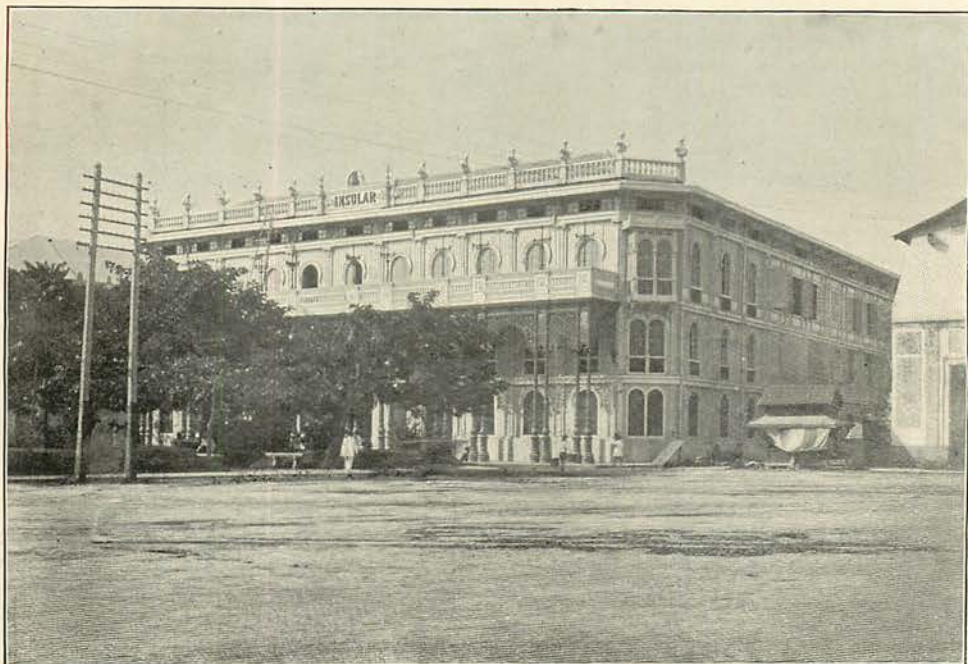
we sell to foreign countries in a single month.

The proposition to retain permanent possession of this important group, raising as it does a problem entirely new to our scheme of government, is not attended with unanimity of public sentiment. Standing upon the threshold of a new and momentous venture, it is natural that there should be at once two parties: the one radical and in favor of holding advantages fortuitously gained, ambitious to participate in the world's rivalry for new markets; the other representing the conservative element, who, while realizing the temptation which the occasion presents, are nevertheless mindful of the dangers involved in a distinct departure from time-honored

precepts hitherto regarded as necessary to the safety of our institutions. To the first of these the project is alluring. In the undeveloped resources of the Philippines they see a great opportunity for our genius. They recognize that in a decade we might make a change greater than has been wrought since Magalhães discovery until the present time. They see great development companies formed to cultivate tobacco and sugar by modern methods, others formed to test the richness of the unknown mineral deposits, and still others to develop transportation or to reap the treasures of the forest. They see, also, that with honest, intelligent, just, and humane government there might be astounding improvement in the character of the people. All this is recognized as well by the conservative party, to whom the commercial side of the question strongly appeals, but who fear the dangers from a governmental standpoint. To them the character of the population is a cause for hesitation in any plan of permanent control. There can be no thought of assimilation. It cannot be expected that the people of these islands will ever be brought to a comprehension of our institutions. We need not even hope for sympathetic submission. In this race of natives and half-castes, with its considerable percentage of Chinese, our conservative party sees a people who must be governed in a

manner foreign to our whole system. It is foreboded that a strong paternalism, virtually without representation, is what the islands must have; and this element sees that the administration of such a system would be hampered by a legislative power always jealous of the executive, and in this case necessarily ignorant of the conditions and requirements of the problem. They argue that if we are to enter this field of antipodal development, we should clearly comprehend what a departure it would be from the lines of our historical growth, and we should recognize its full import; that we should at the beginning understand that our Constitution contemplates no such conditions; that if we are to administer such a government as would be required of us, we should start with a solid foundation, laid in constitutional amendment, drawn with a full knowledge of the necessities of the case. But it is believed by them that if we take the time to give this subject the consideration necessary before such a constitutional amendment can be adopted, there will be little danger that we shall finally take an ill-advised or hasty step.

Alaska might be offered as a precedent, but it is in our own hemisphere, and sparsely peopled; it involved no problem so difficult of solution as would be that of a government for the Philippines. Still, there are features



A CIGAR FACTORY OF MANILA.



THE OLD CATHEDRAL.

of its acquisition and administration which, by analogy, might be applied to the permanent control of the Philippines. Alaska, it will be remembered, was ceded to the United States by Russia on March 30, 1867, and was soon thereafter formally delivered into our military possession, General Rousseau of the army representing our government. By an act of Congress, approved July 27, 1868, the laws of the United States relating to customs, commerce, and navigation were extended over the vast territory thus acquired, and from that date until May 17, 1884, a period of sixteen years, these laws were administered and executed by the Treasury Department and its subordinate officers.

The act of May 17, 1884, provided for the appointment of a governor for Alaska, a United States district court, with marshal, clerks, and deputies, and for United States

commissioners to be stationed at various points in the Territory. Subsequently laws have been passed regarding town sites, and protecting fishing and mining rights; and the present Congress has passed a law defining the rights of railway corporations, extending the homestead laws over the Territory, and limiting the amount of land to be taken up, purchased, or occupied by any one person or corporation upon navigable waters.

So that Congress has met the necessities of this Territory, as they have arisen from time to time, by suitable legislation; but no provision has been yet made for a territorial form of government with a legislature. That will come in due time, and the future will see one or more States carved out of that great territory, but not until it is peopled with men from the States in such numbers as to give assurance of stable self-government.

LIFE IN MANILA.

BY WALLACE CUMMING.

THERE is no place in the civilized parts of the world which has been so entirely unknown, even to well-informed people, as the Philippine Islands. Even the ubiquitous "globe-trotter" passes them by, for they are

off the regular route which runs from Singapore, via Hong-Kong, to Shanghai or Japan, and the China Sea is a specially unpleasant body of water to cross. The steamers running between Hong-Kong and Manila are so small