

Economics

U. S. COMMERCIAL

UNITED STATES PACIFIC FLEET
COMMANDER MARIANAS

Box 22, P. O.
San Francisco, Calif.

file

WCC
CMA-203

31 December 1946

From: USCC Trade Specialist (Etter).
To : Deputy Chief of Staff, Military Government (Capt. Winecoff).
Subject: Trade Goods and General Economic Program for the Island of Rota.
1. Trade Good Requirements for 12 Months.

The following list of items was requested by the thirteen co-partners of the Luta Trading Co. on Rota, for sale in the store, which they established a week ago. The amounts of each item necessary or desirable for a population of 870 people for one year have been supplied by the writer.

<u>Item</u>	<u>Unit</u>	<u>No.</u>	<u>Approx. Unit Price</u>	<u>Amount</u>
<u>(a) Clothing and Toilet Articles:</u>				
Cloth (7½ yds. per female)	yd.	3000	.30	900.00
Sheets	ea.	800	2.00	1600.00
Skivy Shirts	ea.	800	.50	400.00
Under shorts	ea.	800	.75	600.00
Trousers	ea.	400	2.25	900.00
Shirting material	yd.	1600	.30	480.00
Socks	pr.	1200	.25	300.00
Shoes, men's	pr.	200	4.50	900.00
Shoes, women's	pr.	200	2.50	500.00
Shoes, children's	pr.	200	1.50	300.00
Towels, bath	ea.	800	.50	400.00
Handkerchiefs, white	ea.	400	.10	40.00
Bandanas	ea.	200	.15	30.00
Thread	spool	200	.20	40.00
Soap, laundry (25 b. per person)	bar	20000	.07	1400.00
Soap, Toilet (25 b. per person)	bar	20000	.10	2000.00
<u>(b) Food</u>				
Flour (25 lbs. per person)	lb.	20000	.10	2000.00
Rice (50 lbs. per person)	lb.	40000	.10	4000.00
Corned Beef (50 cans per person)	can	40000	.35	14000.00
Canned Fish (25 can per person)	can	20000	.35	7000.00
Sugar (20 lbs. per person)	lb.	16000	.06	960.00
Lard (10 lbs. per person)	lb.	8000	.30	2400.00
Salad Oil (2 gal. per person)	gal.	1600	1.65	2640.00



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(c) Miscellaneous Necessities:

	<u>Unit</u>	<u>No.</u>	<u>Approx. Unit Price</u>	<u>Amount</u>
Knives, various	ea.	200	1.00	200.00
Fish hooks	ea.	1000	.01	10.00
Fish line	lbs.	200	2.50	500.00
Lamps	ea.	100	2.00	200.00
Flashlights	ea.	24	1.50	36.00
Flashlight batteries	ea.	100	.10	10.00
Nails	lbs.	2000	.05	100.00
Paper, writing	pad	1000	.10	100.00
Pencils	ea.	2400	.03	72.00
Ink	ea.	30	.10	3.00
Envelopes	ea.	2400	.005	12.00
Umbrellas	ea.	24	4.50	108.00

(d) Miscellaneous Incentive Goods:

Cigarettes($\frac{1}{2}$ pk. per day per man)	pk.	36000	.06	2160.00
Powder	can	100	.15	15.00
Rouge	Pk.	120	.10	12.00
Lipstick	pk.	120	.10	12.00
Hair oil	ea.	200	.50	100.00

\$47440.00

2. Purchasing Power.

At present the Rotanese derive or can derive purchasing power with which to buy imports from the following sources:

- (a) Money accumulated from the yen exchange and from wages already received and saved.
- (b) Military Government wages.
- (c) Wages earned by Rotanese working temporarily on Guam.
- (d) Handicraft.
- (e) Agricultural export products.

The first source, money already accumulated, is estimated at \$10,000. The second source, Military Government wages, currently amounts to about \$500.00 a month, or \$6000. a year, but this figure may be affected both by a reduction in the number of workers employed by Military Government and

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by an increase in the wage scales. The third source, wages earned on Guam, will probably contribute little to purchasing power available on Rota, since wages so earned will be largely spent on Guam. Future purchasing power will, therefore, depend largely on the last two sources of income, handicraft and agricultural products.

3. Handicraft.

Pandanus in large quantities will not be available for several months, because of typhoon damage, but it is believed that when large scale production gets under way, it will be possible for the Rotanese to produce between \$5,000 and \$10,000 worth of handicraft a year, and possibly more.

4. Agriculture.

The economy of Rota will depend heavily on agriculture, for agriculture will not only have to provide the greater part of necessary foodstuffs, but will also have to account for the greater part of income from exports, with which imported goods can be bought. It is believed that Rotanese agriculture can provide for both contingencies, if seeds and adequate shipping are available. The following acreages are now under cultivation:

Corn	150 acres
Taro	150 "
Sweet potatoes	27½ "
Pineapples	20 "
Tapioca	3 "
Watermelon	1½ "
Bananas	325 "
TOTAL	<u>677 acres</u>

The acreage in corn, on a two-crop per year basis, should provide at least 1400 pounds of shelled corn per acre, or about 240 pounds per man, woman, and child per year. The acreage in taro and sweet potatoes should provide about 3000 lbs. per acre, or over 600 lbs. per man, woman and child per year. With the other acreages shown; with the abundance of breadfruit, mango, orange, lemon, and avocado trees on the island; and with the present livestock population of 75 hogs and an unreported number of chickens; there will be no local food problem, and the only question is that of what tonnages will probably be available for export.

5. Agriculture Exports.

Since there are approximately 200 families on Rota, cultivated acreages could be expanded from the present total of 677 acres to 800 or 1000 acres. Clearing operations are already under way toward such an end. Agricultural products will also be available from plantings of bahanas and



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other fruit trees left in various parts of the island by the Japanese and not included in the present Chamorro farms. In future agricultural planning, acreage devoted to unexportable products such as taro should be somewhat reduced and there should be more concentration on high priced products that are readily salable on Guam. There should also be concentration on crops such as shelled corn, onions and bananas that do not have to be rushed to market and that will not be lost if shipping facilities are not immediately available. Possible income from such crops are indicated as follows:

	<u>Crops per year</u>	<u>Approx. lbs. per acre</u>	<u>Price per lb.</u>	<u>Total income per acre</u>
Corn	2	1400	.04 $\frac{1}{2}$	63.00
Onions	1	5000	.10	500.00
Bananas	1	5000	.05	250.00
Pineapples	1	9000	.05	450.00
Melons	2	3000	.10	300.00

6. Income Available Over Coming 12 Months.

The following is an estimate of the income that may be available with which to purchase imports:

Funds already in Rotanese pockets	10000.00
Military Government wages	5000.00
Handicraft	5000.00
Agricultural exports:	
Corn	150 acres 9450.00
Bananas	200 acres 60000.00
Pineapples	10 acres 4500.00
Melons	5 acres 1500.00
Onions	10 acres 5000.00
	<u>80450.00</u>
Total	<u>\$100,450.00</u>

7. Remarks.

As can readily be seen, the bulk of the income that will be available over the next twelve months will be derived from agricultural products, all of which will be welcomed by Americans and Guamanians alike on Guam. Such income will be contingent on adequate shipping facilities to get the exports to market. Even should shipping not be completely satisfactory, however, no extreme hardship should be suffered by the Rotanese economy. Of the total trade goods requirements for 12 months accounting to \$47,440.00, \$33,000.00 consist of food items. These could be eliminated if necessary. This would leave a balance of only \$14,440.00 in imports that would have to be purchased,



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and such purchases could easily be covered by funds now in Rotanese hands. Military Government Wages, and income from nonperishable exports such as handicraft and shelled corn, all of which would total about \$29,450.00. These figures will be discussed with the Rotanese by the writer on his next trip to Rota in order that they may have an opportunity to make adjustments in their trade store requirements and to plan future agricultural operations.


W. K. Etter

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