



THE AMERICAN CHAMBER OF COMMERCE JOURNAL



MARCH, 1929

Vol. IX, No. 3

PUBLISHED MONTHLY

BY

The American Chamber of Commerce

OF THE

PHILIPPINE ISLANDS

(Member Chamber of Commerce of the United States)

ENTERED AS SECOND CLASS MATTER

May 25, 1921, at the

POST OFFICE AT MANILA, P. I.

Local Subscription: ₱4.00 per year

Foreign Subscription: \$3.00 U. S. Currency, per year

Single Copies: 35 Centavos

WALTER ROBB, *Editor and Manager*

DIRECTORS AND OFFICERS

P. A. Meyer, *President*
H. M. Cavender, *Vice-President*
John W. Haussermann, *Vice-President*
B. A. Green, *Treasurer*
H. L. Heath
W. L. Applegate
J. C. Rockwell
Kenneth B. Day
Alf Welhaven

ALTERNATE DIRECTORS

J. L. Headington
A. B. Cresap
Frank W. Butler
Wm. H. Rennolds

John R. Wilson, *Secretary*
E. E. Selph, *General Counsel*

COMMITTEES

The President has named and submits for confirmation the following Committees:

EXECUTIVE

P. A. Meyer, *Chairman*
H. M. Cavender
H. L. Heath

FINANCE

J. L. Headington, *Chairman*
Wm. H. Rennolds
F. W. Butler

RECEPTION AND ENTERTAINMENT

J. L. Headington, *Chairman*
F. W. Butler
J. R. Wilson

RELIEF

W. J. Odum, *Chairman*
Carl Hess
John Gordon

FOREIGN TRADE

H. B. Pond, *Chairman*
L. L. Spellman
M. M. Saleeby

HOUSE

B. A. Green, *Chairman*
J. R. Wilson

MANUFACTURING

P. A. Meyer, *Chairman*
Alf Welhaven
E. A. Seidenspinner

PUBLICATIONS

P. A. Meyer, *Chairman*
Roy C. Bennett

LIBRARY

John Gordon, *Chairman*

SHIPPING

H. M. Cavender, *Chairman*
G. P. Bradford
L. E. Nantz

LEGISLATIVE

P. A. Meyer, *Chairman*
Frank B. Ingersoll
J. R. Wilson

BANKING AND CURRENCY

Stanley Williams, *Chairman*
W. J. Shaw

INVESTMENTS

P. A. Meyer, *Chairman*
H. M. Cavender
B. A. Green

Herbert Hoover: America's 31st President

We start in this month with Herbert Hoover of California and the world-at-large as our president for the four-year term fixed by the constitution. Not only does America start in to be governed by the son of her choice, but also, to a remarkable degree, that same world-at-large with which his career has so largely been identified and with which he is so familiar. That world owes Americans and the United States such a big sum of gold money that it is immodest to mention the precise amount (if anyone knows what it is), and a great deal of the mere business of government is involved in carrying this debt along and occasionally getting portions of it paid—usually by refunding. The debt concerns government in all the debtor countries as well as others, as it affects government in the United States. Though little enough was said on this point during the campaign, it is proper for this magazine to suggest that in practice the Hoover administration will belie the radio, and that the foreign debts will be its first and most persistent preoccupation. Many of the other questions, which assumed the aspect of paramount issues, are too controversial seriously to be taken up by the man whom they aided into the Whitehouse: he will bother with them as little as possible, probably with some of them hardly at all.

Until the constitution is amended and the president allotted a six- or eight-year term and no more, the real business of a man once elected is to get himself elected again. Toward this end Mr. Hoover, instead of breaking new and stubborn ground, will plow the fields with which he is familiar, on which he knows something of the crop he may expect. He will therefore endeavor to promote the prosperity of the United States, and of the world which has borrowed its money, by applying his abilities as an economist and engineer to the problems they mutually confront.

Our thirty-first president is the first who is preeminently world-minded; as soon as he knew he was to be president, barring the intervention of Providence (not much thought of nowadays), he got on a goodly ship and had himself taken to the capitals of the republics of Central and South America which are all affected by our major foreign policy, the Monroe doctrine. The stewardship which the United States must exercise over the Americas was uppermost in his mind, not farm relief and prohibition. As to Europe, he is familiar with that. For the present, Mellon, with whom he disagrees,



ROYAL CORD

The
Choice of the Motorists
who Know Value

Specify "ROYALS"—Always replace with
"ROYALS"

We Stand Behind Every Tire Sold

MANILA TRADING AND SUPPLY CO.

MANILA

CEBU

ILOILO

BACOLOD

remains in his cabinet with the treasury portfolio; but this is subject to later adjustment.

However, you will not wish to be wearied with the surmises of a mere neighbor, so let us turn to as good a forecast as has come to general notice, that of E. L. Bogart in the winter number of the *Yale Review*, under the title, *Economic Problems Confronting the Next President*.

Bogart takes up prohibition as the campaign's leading audible issue. "The country," he says, "must now be prepared to pay for the better enforcement of the law to which Mr. Hoover has pledged himself, and which, it may be assumed, he will seriously attempt to secure."

With that he concludes, and it's just another way of saying, "Well, there's nothing like trying."

But he says protection "still remains, after more than one hundred years, the strongest plank in the Republican platform. It is true, as Gallatin said in 1831, that 'both parties are in favor of a protective tariff,' but the Republicans have recently found it necessary to outbid their opponents * * * Economic tides unknown in the days of Clay or even McKinley, are now in motion within the country and threaten a breach in the very citadel. American manufacturers have expanded their production beyond domestic needs and are pushing into the markets of Central and South America, of Africa and Asia, and even into the shops of England, France and Germany; *these exports must be paid for by equivalent imports of goods or services.* (Italics ours)

"* * * Not merely will an increasing flood of goods, for the payment of principal and interest on * * * debts * * * beat against the Great Wall, but—much more significant—there will be created new economic groups within the United States whose main interest will lie in the expansion of foreign trade and who will seek to make a breach in the Great Wall from within."

Even the winter congress tackled the tariff, and Bogart's conjecture that it is to become "an even more vital issue than it actually is at the present time" has already become a fact. He doesn't say what Mr. Hoover will do about it, but it will be vitally interesting, out here in these islands, to wait and see.

By the way, as this is written (February 27), Mr. Hoover has not so much as ever mentioned the Philippines. If he does so in his inaugural address an effort will be made to get it into one of the other pages.

Bogart thinks farm relief probably the most difficult problem confronting Mr. Hoover; "there is not one agricultural industry, as Mr. Hoover pointed out in his acceptance speech, but a dozen industries, each of which may require a different treatment." Discussing this tangled question, the author shows how little susceptible it is of solution; but he thinks the promised farm board will be forthcoming, and efforts made to effect economies in production and marketing (the latter sure to plunge the administration into controversy with powerful vested interests, the former probably leading to renewed over-production!), and "Mr. Hoover will endeavor to introduce business methods into farming by eliminating waste, standardizing the best methods, reducing costs of production and marketing, and bringing about a better organization of the industry."

Development of inland waterways will be undertaken: a shipway from the Great Lakes to the Atlantic, and from the lakes to the gulf.

Mr. Hoover, in his time, has been a leading patron of the canal systems of Europe and knows by experience their importance to agriculture and commerce.

Then comes water power, in the Bogart list, and he thinks it quite as much a problem of political power as of water power. The first thing to be done is for the Republican to reconcile the divergent groups in their own ranks in congress who respectively favor government and private construction. This question will be much in the news. We may expect either new government boards or some of the existing ones materially revised.

We began with the foreign debts, and Bogart ends with them as "a problem still comparatively new in the United States, concerning which we are still groping toward a sound policy." In 1910 we owed Europe six billions; we have now paid off that debt, and other countries including Europe now owe us four times that amount! We are also lending at the rate of a billion a year, "enough to pay back to us the interest on existing loans and also add to its (the world's borrowed) capital." But there are offsets; American tourists spend nearly a billion abroad each year (\$770,000 in 1927, and much more now), and \$2,700,000,000 of our imports in 1927 were on the tariff free list. "So it is clear that, in spite of our high protective tariff, certain channels are still open for the reception of goods from abroad. *The influence of the tariff in preventing foreign debtors from meeting their engagements with us has been greatly exaggerated.* (Italics ours)

"The real effects are much more subtle and indirect than the mere blocking of the path, and they bear unequally on different countries. Since we admit freely practically only tropical foodstuffs and raw materials, the highly industrialized countries of Western Europe, which must make remittances to us, are compelled to exchange their manufactured goods in the tropical regions of the world for the things which we will accept and to send us those things. They, therefore, glut the markets to which we wish to send our exports. Since they have debts to pay us they cannot afford to buy of us as largely as they otherwise would, either of manufactures or of agricultural products."

Bogart sees quite as much as we do in this moot question to engage Mr. Hoover's abilities; and he remarks the fact that the two-thirds rule in the senate has prevented the carrying out of a constructive foreign policy—on which point Mr. Hoover has remarked, "We must not only be just, we must be respected." "Unless," he says, "there can be constant evidence among all nations that the lives and property of all citizens abroad shall be protected, the foreign trade and economic life of the world will degenerate instead of thrive."

And Bogart, sizing him up, says: "If the nerve center of the Coolidge Administration is the Treasury Department, that of the Hoover Administration will undoubtedly be the Department of State"; and for us, who have seen but recently our governor general depart Manila for Washington, presumably to assume the state portfolio, that, surely, is a cogent commentary. Bogart sums up. The senate radicals still hold the balance of power; the new congress is drier than the dying one, the 18th amendment will be enforced more thoroughly; the tariff will go up, without much aid from the tariff commission; farm relief will follow Hoover's ideas or will be vetoed; Boulder Dam may be built by the government, but the inadequate authority of the federal power commission will not be strengthened; "* * * revision of our own debt-funding agreements may come up for consideration"; budgets may exceed three billions, but taxes won't go up, because money can be withheld from the annual payments on the public debt, now more than three times the minimum requirements. "Prophecy is, however, a dangerous pastime, and it is unwise to pursue it further."

So we think, too, and noting that Bogart himself didn't get around to mentioning the Philippines, we leave the picture as he paints it.—W. R.