

# 41,000 Motor Vehicles on Philippine Highways

*Use of automobiles here trebled since 1923. How the law governing installment sales affects the agencies*

This year brings the Philippines the streamlined and semi-streamlined automobile, an innovation making the present a good time to review the current automobile situation in the islands. Favored with data from the trade commissioner, the customhouse and the public works bureau, we are able to set out the growth of the automobile business in the Philippines in a few legible statistics by calendar years. Last year there were 40,656 motor vehicles registered in the Philippines, 24,865 automobiles, 15,237 trucks and 554 motorcycles. Among these were 3,156 new automobiles, 1,594 new trucks, 24 new motorcycles. Of automobiles, 97.9% come from the United States; of truck and bus chassis, 99.7%.

The Philippines duty on motor vehicles from foreign countries is 20% *ad valorem*. This factor favors duty-free cars from the United States, though they sell on quality as well as price. Another favoring factor is the well established road building policy of the Philippines, main roads being built by both the central and the provincial governments and minor roads by the towns out of special road and bridge funds including a bridge revolving fund of ₱5,000,000 reimbursable from tolls on new bridges until the cost thereof is recovered by the central government.

There are also deterring factors affecting the Philippine automobile market. First among these is the dull and low commodity market throughout the world, reducing incomes here; second perhaps is the high cost of gasoline owing to the highway tax on it of 7.56 cents gold a gallon, causing it to sell even now, at the lowest base price in many years, at about 25 cents gold a gallon.

Philippine Motor Vehicle Importations

Year	Automobiles		Trucks		Motorcycles	
	No.	Inv. Value	No.	Inv. Value	No.	Inv. Value
1922	482	₱ 804,822	21	42,128	33	₱ 14,408
1923	1,336	1,968,842	237	242,575	40	22,353
1924	2,039	2,835,059	684	707,316	47	26,978
1925	2,934	4,497,501	1,026	1,083,955	35	15,045
1926	4,002	5,145,800	1,478	1,528,967	49	22,071
1927	3,721	5,323,320	1,551	1,447,428	50	25,009
1928	3,805	5,670,308	2,232	2,326,500	40	22,650
1929	3,618	5,203,670	2,710	4,509,160	20	7,810
1930	3,231	4,613,066	1,970	2,570,647	58	33,873
1931	2,574	3,527,089	1,650	1,843,279	25	12,291
1932	2,648	3,240,186	1,936	2,062,189	7	2,444
1933	2,892	3,043,350	1,218	1,283,446	24	9,909

It will be noted from the table that the automobile market in the Philippines is a steady one, last year's market was, on the value basis, only about 40% below the peak year 1928; on the basis of the number of cars imported, 25% below. An equally steady market in the United States during the slump since 1928 would have provoked no crisis in the industry. The decline in the demand for trucks in the Philippines was slightly greater, approaching 50%, because of the decline in the passenger carrying trade.

Another table on this page shows the number of motor vehicles in actual

use in the islands from year to year since 1912 as tabulated at the public works registration office. The total in 1923 was 13,689, and last year 40,656; in 10 year, therefore, use of motor vehicles in the Philippines practically trebled; where 1 car was on the road in 1923, 3 are on the road now. The year 1932, a hard enough year, was the peak of all years to date in the Philippines in the registration of motor vehicles, a total of 41,585: 25,187 automobiles, 15,772 trucks, 626 motorcycles.

A recent favorable factor in the motor vehicle market here is the taxi. Taxis were first permitted by the utility commission in 1930, when 10 were put on the streets of Manila. Sixty-three were licensed in 1931, 190 in 1932, 546 in 1933. There are 2 classes, small and large. Large taxis, first in the field, now make a minimum charge of 15 centavos and their rates are 50% above the rates of the small taxis, whose minimum charge is 10 centavos. Until a few months ago, large taxis had to charge twice the rates of the small taxis. The most general demand is for the small taxis; among the 5 makes now authorized in this class by the commission, 3 are American makes. A case is pending to put cars of longer wheelbase into this class; if the point is conceded, additional American cars will benefit in the growing taxi market here.

Taxis operating in Manila at the close of last year numbered 447. At that date there were 7 in Zamboanga, 49 in Iloilo, 40 in Cebu and 10 in Baguio. This business is bound to spread rapidly to other populous centers in the provinces.

A law passed by last year's legislature limits the seller of a motor vehicle to recovering the vehicle itself, on judgment for nonpayment. That is to say, the dealer-seller is not allowed a deficiency judgment. Dealers interviewed say that this law has tightened up credits somewhat; larger first payments are required, say 1/3 of the total price, and full payment within 18 months. But the law is not impregnable: only applying to dealers, the device of a finance corporation would evade it; and if *automobile paper* were discounted by

a dealer at his bank, an agency handling similar bills in its ordinary routine business, suit by the bank might result in a deficiency judgment. But the law comes at a time when dealers are inclined to choose purchasers carefully, with the effect that in the automobile business the law is found generally acceptable. This because dealers in this market carry their own paper, as a usual thing, and resort but sparingly to discounting or use of the device of the finance corporation so common in the sale of cars at retail in the United States.

There are no great barriers to material expansion of the Philippine market for American automobiles upon the return of business prosperity to the world at large. In Manila, 11,142 automobiles, 4,030 trucks and 262 motorcycles are registered. In Baguio, the other chartered city of the islands, 525 automobiles, 286 trucks and 13 motorcycles. Provincial registration is heaviest in the bonanza sugar province, Occidental Negros, a total of 3,253: cars 1,991, trucks 1,254, motorcycles 8.

The number of automotive vehicles in actual use (registration) in the Philippines in various calendar years beginning 1912 has been reported by the Automotive Division of the Bureau of Public Works as follows:

Year	Automobiles	Trucks	Motor-cycles	Total
1912..	947	180	459	1,586
1913..	561	157	252	970
1914..	485	83	171	739
1915..	681	63	168	912
1916..	3,295	399	876	4,570
1917..	4,524	559	1,209	6,292
1918..	5,445	769	1,111	7,325
1919..	6,892	1,310	1,038	9,240
1920..	9,692	2,689	1,181	13,562
1921..	9,481	2,747	1,113	13,341
1922..	9,537	2,904	965	13,406
1923..	9,662	3,118	909	13,689
1924..	10,973	3,870	833	15,676
1925..	13,540	5,225	815	19,580
1926..	16,239	6,541	758	23,538
1927..	18,547	8,283	767	27,597
1928..	19,791	9,552	703	30,046
1929..	21,341	10,365	574	32,280
1930..	22,899	14,380	388	37,667
1931..	23,373	14,131	385	37,889
1932..	25,187	15,772	626	41,585
1933..	24,865	15,237	554	40,656