

Roy W. Howard—Right or Wrong?

By Salvador P. Lopez

Barely one month after the inauguration of the Commonwealth of the Philippines, the question of independence considered by many a closed issue has been forced to the limelight by an exceedingly frank article of Roy W. Howard, chairman of the board of the powerful Scripps-Howard newspapers of America. Many and varied have been the comments on the article. Some complained that it was untimely, perhaps because it had much the same effect as a dash of cold water on the brows of the people still feverish with the excitement of the inauguration. Others took offense and considered the article a slander on the patriotism of the Filipino people.

It was a tribute to both Mr. Howard and his critics that not one of the latter, not even the most bitter of them, tried to impugn the honesty, sincerity and consistency of the American publisher. There may have been disagreement over the facts as he presented them. But on one thing there has been complete unanimity of opinion: it required courage to speak as Mr. Howard spoke, and he spoke with clarity, sincerity and unimpeachable honesty.

The argument which runs through the article may be summarized as follows:

There has been a change of heart on the part of thinking Filipinos regarding independence. This change is due to circumstances beyond their control, principally the menace of a rising and aggressive Japan who has flouted in the instant case of China her commitments to peace and non-aggression. If the desire for independence was premised on a security assured by treaty safeguards against the encroachment of alien powers, then it follows that the destruction of that security should also mean the abandonment of the desire that was founded upon it. The logical thing for the Filipinos to do is to ask Congress that the Commonwealth be made permanent. Full statehood is out of the question as the farm and labor elements in the United States are completely opposed to any such proposal. The plan for a permanent commonwealth status failing, it is possible that the business interests in the Philippines will turn to Great Britain and ask that the Islands be given a territorial status under the British flag. Britain will only be too willing to take the Philippines over. There are, however, two reasons why it should be possible for the Filipinos to make the United States reconsider the issue of independence: first, America is already satisfied that she has kept her word—it should be comparatively easy to convince her that it is immoral to force upon the Islands an independence that would be one in name only; secondly, the cloud of narrow nationalism resulting from the depression of which the independence law was a by-product, is beginning to lift,

enabling the American people to reconsider without prejudice the question of Philippine independence.

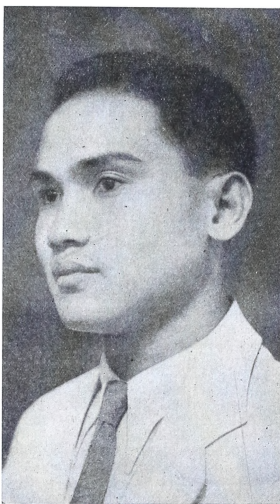
We have in this brief summary the chain of logic that binds the article so compactly. Since we may not impugn the motives of the author, we must limit ourselves to an examination of his facts.

There has been a change of heart on the part of thinking Filipinos regarding independence. Mr. Howard says that he gathered this impression from "scores of leaders in business, finance, education, journalism, and politics." He adds that there is no misunderstanding of the issues involved in independence among this intelligentsia, that on the contrary, "from all, except politicians, there is frank and virtually unanimous admission that political independence in this part of the world is valueless and impossible without economic independence and adequate national defense."

Now, this is a personal observation and anyone who feels like doing so is privileged to disagree. Certain things should be borne in mind, however. First, to challenge Mr. Howard to reveal the leaders in business, finance, education, journalism and politics to whom he alludes in his article is no refutation but begging the question pure and simple. Secondly, Mr. Howard was careful to say that he noticed the change of heart among the educated, the thinking and the intelligent Filipinos. Nowhere does he say that the change is general. In fact he observed that "so far as mass opinion is concerned, there is little or no understanding of the underlying factors governing the situation," and furthermore, that "mass understanding of anything outside of local provincial political and economic problems is quite limited." Mr. Howard was also careful to exclude politicians in the reckoning. As subsequent replies to his article later showed, it was the politicians and those who think like politicians that were loudest in protesting against his views. Thirdly, Mr. Howard was better fitted than a Filipino or a resident American to survey local opinion on the subject of independence. As a newspaperman of long experience he knew where to get reliable evidence and to evaluate it accordingly. As an outsider, he had fewer preconceptions than most would have had who are strongly prejudiced one way or the other by reason of a fanatic idealism or personal interest.

But brushing aside Mr. Howard's personal testimony for a while, let us candidly ask whether among intelligent Filipinos today, there has not occurred such a change of sentiment. We believe that the change has been taking place for the past few years, and that it is bound to accelerate in the future. We believe also that more people will have the courage to speak

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SAVADOR P. LOPEZ

... runs a column in the *Philippines Herald* under the caption *So It Seems, one of the best elements of occasional literature in the islands. His digest of the Howard statement is reprinted from the Commonwealth Advocate as the best commentary on that subject from a Philippine source.*

—Lopez criticizes the new self-respecting uninhibited middle class in the Philippines that in the judgment of this magazine should have been left alone, unbadgered by the prospect of independence, so-called: a class educated in the public system and alert to the secular public weal.

Pension Funds . . .

(Continued from page 7)

railroad succeed as a business venture and would not mind really owning it instead of merely owning its shares—that are not at all a popular investment bargain, nor are the bonds. Fourth, to stop interest in gold is a factor.

So the government offers for these bonds; but not as a good canny fiduciary, because the bonds are at great discount. The government forces funds into this purchase. This is not to complain of its action, approved of, but to state what it is from the investment viewpoint for other than strictly government funds. Here is approached the neighborhood of forced loans. Pension funds ought to be clear of such encroachments; they should be invested in nothing but the most liquid securities, sale of which could be effected upon short notice. Attention to such responsibilities by the new board will invite confidence. It may be added that the teachers' pension fund owns Manila Railroad bonds, also bonds of the Metropolitan Water District, that ended 1935 without a profit. It might even further be added that purchase of the bonds in London and escape of interest payments in gold obviously strengthens the road's position and that of its bonds not payable in gold, interest and principal. But when all is said, this is not clean fiduciary business; it may be doubted that any court in equity would so pronounce it.

Certain modifications of the law affecting the teachers' pension fund might be effected to the fund's material advantage. For instance, it might be provided that defaults on quasi-public bonds bought by pension funds, railroad or water bonds being examples, will be made good by the general government, the commonwealth; and against this contingency salary savings, year-end surpluses enjoyed by the fund until 1928, might be put aside.

Teachers pay but 3% of their pay into the fund, yet teachers coming into, the service now and in future and sharing the benefits of a fund of ₱20,000,000 already amassed, might at option of the board be assessed 5%. Then there are teachers leaving the service without taking their pensions, payments that took ₱1,203,660 to the close of 1934. They consist of what the teachers have paid into the fund, with compound interest at 4%; the fact that throughout his service the teacher has been protected by the fund, the law extending to disability, death and superannuation, seems not to be taken into account. The teachers withdrawing from the service could well be content to get back what they actually paid in, counting their protection meantime as reasonable earnings on those pitances. Finally there are pensioners who retired very early under the act, some drawing considerable pensions though they paid in but little.

Confidence should be general that President Quizon will give most careful attention to this

whole question. He will reach, it is hoped, final conclusions making the clearest distinctions between fiduciary and administrative capacity, and between the single-purposed responsibilities of fiduciaries and those of central-government administrators such as members of the investment and loan board will be. The teachers, rightly, have had confidence in their pension board.

Roy H. Howard . . .

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their minds without shame or fear of popular indictment. If the change has been limited to the intelligent and educated class, it is because they have been the first to realize the implications of independence beyond their own hearts' desire. They could see what the masses cannot see even now: that independence is a much more serious business than singing the national anthem and cringing upon the sight of the Filipino flag waving in the breeze. They realize that independence now or in the near future will only be a prelude to a more abominable subjection, that freedom today may mean slavery tomorrow beside which our present liberties will be things to remember longingly. The masses of our people cannot see this. Sunk in drowsy tropical indolence or in miserable poverty, they are either indifferent to the real significance of independence, or they look upon it as the pious Christian looks upon the life after death: as a ledger in which they will be reimbursed for their present want and suffering. Independence for them is the economic interpretation of Christ's Second Coming. It will bring them comfort and plenty, prosperity and happiness. They do not see that it will surely mean a condition of perpetual subjection from which no power on earth could redeem them.

This change is due to circumstances beyond their control, principally the menace of a rising and aggressive Japan who has flouted in the instant case of China her commitments to peace and non-aggression. When the cry for immediate, complete and absolute independence was first raised twenty years ago, world conditions were not what they are now. The World War was yet to be fought, the League of Nations formed and repudiated, the Kellogg peace pact drafted and discarded, the Nine-Power Treaty concluded and violated, Manchuria lopped off and appropriated, Ethiopia invaded and raped, and North China conquered through a ruse and a pretext of autonomy. Conditions that would have made independence twenty years ago auspicious especially in view of the high idealism aroused by the World War are precisely the same conditions that make independence at this time or in the near future a dangerous proposition. If the desire for independence was, therefore, even only partly based on the assurance of security in its enjoyment, then it follows that the removal of that assurance

should reduce in corresponding degree the ardour of that desire.

The logical thing for the Filipinos to do is ask Congress that the Commonwealth be made permanent. Full statehood is out of the question. The Commonwealth should be made to stay not permanently but as long as it continues to confer mutual benefits on both America and the Philippines. The status should cease as soon as it becomes burdensome and unprofitable to both parties, and should continue as long as it is more desirable than independence. We cannot commit the future to any contract providing for a permanent and irrevocable commonwealth status. We do believe, however, that for the present the Filipinos should keep this status. And the tenure of the Commonwealth, we cannot stress too much, should be indefinite rather than permanent.

The plan for a permanent status failing, it is possible that the business interests in the Philippines will turn to Great Britain and ask that the Islands be given a territorial status under the British flag. This statement came as a surprise to most Filipinos, and rightly. The ways of international diplomacy are mysterious, but is incredible that America will be a party to a bartering of territories, with the Philippines, the most priceless of her possessions, on her side of the counter. Nor will the Filipinos voluntarily seek the protection of Britain or of any other nation even if her security were to be in serious jeopardy. If they should part ways with America henceforth, it is absolutely certain that they will try to stand on their own feet for as long and as bravely as they may. But seek the protection of another power, asking to be taken in—never.

The statement, however, that "The Philippines would be invaluable to Britain in strengthening her strategic line of defense in the Far East," and that "in unfriendly hands, they could jeopardize the entire British position in China," is beyond question true. The Philippines in the hands of Japan, for example, would make the latter complete master of the Far East and a menace to British territories and spheres of influence in the region. The British position in the Yangtze Valley, in Hongkong, Singapore, Borneo, and even farther south in Australia and New Zealand would be reduced to a cipher. With America out of the Philippines, Britain may fight it out with Japan for so choose a morsel as this Archipelago. But with this possibility we shall have little or nothing to do.

If asked by the Filipinos, America is almost sure to reconsider the independence question and to deal with it justly. If any change in the Philippine program is desired, it is for the Filipino people to initiate it, to go to Congress and say: "Gentlemen, we want you to play this game as squarely as we are going to play it ourselves. You have fulfilled your promise, we have indulged in our idealism. Having made good your word, you have given proof of

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It seems certain that plant disease unwittingly introduced here will keep the crop permanently low and that yearly imports will be of some magnitude—money going abroad that is badly needed at home. Whether public agencies with men and funds at their disposal can do anything about this is a question for the President; but the perennial food scarcity will be added to the other problems awaiting solution. Expansion of rice areas to submarginal lands will not answer; neither will appeals to patriotism, the growers' chief preoccupation being to exist. Nor have the farm colonies produced anything to date to add to national subsistence, being too paternalistic to succeed. Experts from Indonesia where like conditions are faced might be called upon as a last resort, to try to eradicate the disease, that has not only affected wide areas but is still spreading. National food supply comes before national security, scarcity of food supply nullifies nationalism.

Roy H. Howard

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your honor. But above honor is justice. You cannot, being just, compel us to accept an independence that will be one in name only, or that being real for a day, vanishes like smoke on the morrow. You have included in our idealism, and for that we are grateful. The ideal of independence has held us together as a nation all these years. Without that ideal we could not have achieved union and nationalism. But we have learned our lesson, and we came to you, sincere and proud as before, but much wiser. Let us pick up the loose ends of our motives and interests and see whether we cannot piece them together straight and whole."

And they will find a way out—if the time should come when the one will be as honest as the other is just.

Machines and Men

Believing he was hitting upon some fundamentals "that have thrown us into this new era, this new day, this new age," in extension-of-remains in the *Congressional Record* of August 29 Congressmen Walter M. Pierce included 3 striking illustrations of how machines are liberating men from labor, incidentally, though possibly temporarily, provoking unemployment problems in the United States. He mentioned a new machine at Ford's which bores an 8-cylinder shaft, polishes and finishes it in 5 minutes; it formerly employed 1 man 1 day to turn out 1 cylinder, so the new machine relieves scores of men from his work. He mentioned a new plant of the Youngstown Sheet & Tube Company that employing 90 men turns out the quota of sheet steel that formerly employed 800 men, thus relieving 710 men from this type of work. Then he mentioned his own ranch, where his son with 12 men harvests as much grain as he himself formerly did with the work of 40 men; on that ranch alone, during the harvest season, 28 men formerly employed are relieved of that type of work by some improved harvesting machine.

These notations are interesting for the scope they embrace. He of course argued not against machines, but in contention of a good deal of opinion that holds America is merely temporarily bogged in hard times out of which the usual course of events will lead her to renewed prosperity and universal employment of labor.

Congressman Pierce believes that technological unemployment is not a mere symptom of the times; he thinks it is a permanent factor in modern life in industrial countries.

REAL ESTATE

By P. D. CARMAN
Addison Hills



1935 Real Estate sales in the City of Manila exceeded those of 1931 by approximately three million pesos! The following yearly totals for the past ten years indicate that the local real estate market did not greatly feel the effects of the Depression until 1932. It will also be noted that since that year there has been steady improvement and that 1935 sales exceed those of 1926 and 1927 and are not far behind

those of 1928, all pre-depression years. This situation indicates material growth of the City during the past decade and the probability of an active future market not only in respect to volume of business but to values which are

undoubtedly rising steadily with the general improvement in economic conditions:

1926...	₱12,710,660	1931..	₱18,523,382
1927...	11,995,124	1932..	9,857,937
1928...	16,884,814	1933..	11,755,282
1929...	18,110,918	1934..	12,466,897
1930...	16,922,288	1935..	15,403,079

Sales City of Manila

	November 1935	December 1935	Total for 1935
Sta. Cruz.....	₱257,548	₱ 92,011	₱3,069,158
Samaloc.....	359,090	156,199	1,640,718
Tondo.....	31,905	445,739	1,535,826
Binondo.....	10,500	15,500	921,083
San Nicolas...	19,755	—	1,966,612
Ermita.....	21,700	18,321	611,800
Malate.....	45,820	169,653	1,460,963
Paco.....	18,909	15,895	444,281
Sta. Ana.....	7,826	26,789	321,430
Quiapo.....	15,721	16,560	2,813,733
San Miguel...	3,600	4,623	123,089
Intramuros...	22,330	—	400,008
Pandacan.....	3,400	—	39,721
Sta. Mesa.....	30,000	—	54,157
San Felipe Neri	—	—	500

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