THE AMERICAN CHAMBER of COMMERCE JOURNAL

Vol. VI
No. 6

June
1926

EDITORIAL OFFICES
American Chamber of Commerce
14 CALLE PINPIN
P. O. Box 1638 Telephone 1156

QUI NON CREDIT ANATHEMA EST

Report Itself Misleading?

On May 20 the governor general telegraphed a resume of his annual report for 1925 to the war department with the request that the telegram be released to the press to correct misleading propaganda. The telegram stated that in 1925 there was an increase of ₱45,000,000 in the value of the six principal crops of the Philippines, which might well lead to the inference that there was a substantial increase in the volume of these crops, and hence would be misleading; for in general there was a decrease in production. The decrease in coconut oil was 5,000 tons, in copra 12,000 tons, in Manila hemp 232,447 tons, in rice (as Percy A. Hill reported) about 30 per cent from 1924-25. This covers three of the principal crops. Corn, supposed the sixth, need not be considered. The increase yield of sugar in 1924-25 was because of the prolonged growing season and not because of increased yield *per hectare per month;* and it was offset by the decreased yield in 1925-26. There was an increase in the production of tobacco, due too to unusually favorable weather.

When one looks about for institutions established to aid agriculture by applied science, he finds they don't exist, and that the good crops and consequent good business were providential.

Another point in the report was that the cash surplus at the end of the year was ₱23,000,000, with supplies on hand, cash with disbursing officers, etc. making ₱40,000,000 altogether. Business foresaw and predicted something of this. The government, even late in 1925, seemed however to fear a deficit and accordingly made the merchants' sales tax permanent at 1-1/2 per cent, cumulative, so that it averages perhaps 4-1/2 per cent upon goods that don't escape it, when in fact it seems not to have been needed at all. A great surplus in the treasury accumulated from an exorbitant sales tax might well be stated as such, together with the fact that the united chambers of commerce of the islands strongly protested against the levy and assured the government of what has come to pass, that the levy was superfluous.

Report Sound On One Point

Cordial cooperation is spoken of in the report. This did not lead however to any fundamental change of policy; it brought no new money into the islands nor new acres into cultivation. But the term "insular, provincial and municipal officials" in the report perhaps was not meant to include the legislature, and the others are amenable to executive discipline and toeing the mark for that reason. Besides, they may wish to bring progress about, and share the general prosperity, peace and order the governor general observed in all parts of the islands last year. We rather believe they do, and in so far as the report leaves the impression that adequate Federal authority would be appreciated in the Philippines, it is certainly sound; for this is true.

To sum up, *fortunately* 1925 was a good year, but little occurred in the government to make it so or to duplicate this good fortune in subsequent years. The United States, our principal customer, paid more for our products than she need have paid had any means been found to put more of our farm lands under the plow. With less to sell, we got more for it. But is this the logic of government that will bind us to America? The thoroughgoing optimism of an official report on the present situation is disconcerting, rather dumfounding.

PROPOSED NEW LICENSE TAXES

Don't Be A Blacksmith

The municipal board has approved a schedule of license taxes upon factories and shops in Manila in order to provide more revenue for schools. Many items in the schedule seem ridiculous. For instance, blacksmith shops are to pay from ₱25 to ₱500 a year, watchmakers ₱100 a year, lumber yards from ₱200 to ₱600 a year, garages with more than fifty cars ₱720, but with only fifty cars only ₱360 a year. Junkshops will pay ₱75, repair factories from ₱100 to ₱400 depending upon the machinery used—the better equipped the higher the license. Nothing could be better than this schedule to prevent young Filipinos from getting into business for themselves. The veto power of the mayor never had a greater opportunity laid before it. The complete list is published elsewhere in this issue of the Journal.

THE KIESS BILLS

What Might Be Done With the Cigar Revenue

Two bills relative to the Philippines are under consideration in Congress with the backing of the Whitehouse and with some prospect therefore of becoming law. One would allocate as a discretionary fund for the governor general, the million pesos annually collected as Federal excise taxes on Philippine cigars sold in the United States, which now reverts to the insular treasury and is appropriated by the legislature. The other would define the powers of the insular auditor. The Whitehouse says if the first is approved, men from civil life may be appointed to the staff of the governor general and the semblance of a military regime avoided. Yes, and other things too may be done: the public domain might be surveyed and its boundaries determined. Might there not even be a sacrifice of staff assistance in order to do things of this sort? At any rate, there are numerous Federal affairs here that this money could be devoted to, all to the public advantage.

As to the powers of the auditor, they should now be fixed by congressional legislation; they have been challenged and are constantly disputed, so it will be best all round to know just what the auditor may and may not legally do.

AN EXCELLENT PROPOSAL

The Field Is Open

Director Reyes of the Bureau of commerce and industry wants the products of Spain vigorously and relentlessly advertised in the Philippines. The Tribune in its issue of May 6 endorses the idea and would extend it to other countries' products because "it is decidedly better to be a link in the chain of World business than to play second fiddle to the economic interests of one country." The Tribune thinks this a brilliant idea. If it isn't to be executed with government funds, we do too. Spain has many products well worth advertising in any market. If there is a law against doing so here, we advocate its immediate repeal. If there is none, we proffer our rate card. But *buying* from various countries will not make the Philippines a commercial virtuoso. It is *selling* a lot—a lot more than they do now, and a lot more than they buy—that will win them promotion from the rank of second-fiddle player. Toward this goal their steps are feeble. Even the tendency of education demonstrates that they create consumers who love the wines of Spain, the silks of Patterson, Kobe and Niagara, with far more ease and gusto than they create producers who thrill at the song of the bird at dawn, as they wend their way to the fields, and return at sundown chanting pastorals. It is the country where a contented peasantry thrives that is worth advertising goods in; the princes and lords that a country of different stripe can afford are few in number and shamefully low in pocket.