

GREGORIO SANCIANCO Y GOSON:

THE PROGRESS OF THE PHILIPPINES

Translated by ENCARNACION ALZONA



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THE PROGRESS OF THE PHILIPPINES
Economic, Administrative and Political Studies

by

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Economic Part

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FOREWORD

One of the earliest of these (Filipino) propagandists was Gregorio Sancianco y Goson of Manila, a lawyer (†1892). In a series of studies on the revenue laws of the Philippines which he later gathered into a book (*El progreso de Filipinas*, Madrid, 1881), Sancianco pointed out that whereas the official policy was to make no distinction between Spanish subjects whether peninsular or insular, white or colored, official practice continued to exempt Spaniards and Spanish mestizos in the Philippines from the tribute and forced labor imposed on Filipinos and Chinese residents. This, he said, constituted an insuperable obstacle to the assimilation of the colony to the mother country, and the formation thereby of the homogeneous Spanish state which both Spaniards and Filipinos ardently desired.

Another inequality of the Philippine tax structure was that while all natives, even the most destitute, were subject to tribute, landowners who derived a substantial income from their farms paid no property tax whatever. And yet a graduated tax on real property would not only be equitable but in the highest degree beneficial, for the additional revenue was precisely what the government needed to build the roads, bridges, harbors and port facilities without which further economic progress was impossible.

It was a commonplace among contemporary Spanish writers, Sancianco noted, to characterize the *indio* as indolent, as though this were a racial or national trait. Yet the indolence of the *indio*, aside from being much exaggerated, was by no means congenital. It was simply the result of his being deprived of the natural incentives and normal rewards of labor by a colonial system that not only failed to provide economic enterprise with the most elementary facilities of transport and communication, but placed innumerable bureaucratic obstacles in its way. He de-

scribed, quoting from unimpeachable official sources, the brutalizing effect of the tobacco monopoly on the tobacco farmer of the Cagayan valley, and, drawing from personal experience as a river and coastal trader, gave a telling account of the paralyzing delays and petty persecution which such small merchants had to put up with from port, revenue and police officials.

We cannot say whether Sancianco's representations had any influence on the ministers of Alfonso XII, or, indeed, whether they even read him; but the action they took may be said to have proved him right. Not only did they abolish the tobacco monopoly and substitute for it the *cedula personal* as source of revenue, but they extended the *cedula personal* requirement to all, Spaniards as well as Filipinos. Moreover, they reduced the duration of forced labor from 40 to 15 days a year and also made Spaniards liable to it equally with Filipinos, although everyone who paid a certain amount in taxes was allowed to purchase an exemption.

H. DE LA COSTA, S.J.
Member
National Historical Institute

FROM: Fr. H. de la Costa's "Nascent Philippine Nationalism, 1872-1876" in the *Historical Bulletin* (of the Philippine Historical Association), Volume XI, Number 4, December 1967. pp. 353-355.

To Filipino Proprietors

Dear Fellow Countrymen: In addressing you I regret that an obstacle retards our progress and prevents us from taking advantage of the government's efforts for our welfare. I refer to the ignorance of the language in which I am speaking to you. I consider this ignorance of very great importance in your relations with the government, because there is nothing more difficult, if not impossible, than to govern and manage a country whose inhabitants one does not know nor can understand or can be made to understand what is expected of them. This is bad for me at this moment because I wish you to understand me before you pass judgment on my ideas lest through indiscretion, naiveté or bad faith you may let slip a vague and erroneous interpretation of my purposes in writing this work.

The government of the metropolis has always desired the material, moral and intellectual advancement of those Islands, but its wishes are shattered by the absolute lack of resources. In order to defray the expenses of an indispensable service, it has to resort to indirect means in order not to hurt your interests. This method complicates the financial system and hurts the development of the country's resources as it establishes fetters and imposes taxes which after all do not yield enough. The navigation tax and other port duties; fees for permission to cut timber and sell lumber; sale of Treasury bonds and the Regulation of 25 July 1880 pertaining to the composition of royal lands, which ordered the revision of all land holdings and the payment of the corresponding compensation or else the reversion to the State of lands which had not been acquired through purchase from the Treasury—such are the indirect means that since 1870 the government has resorted to for the sole purpose of obtaining funds that its obligations demanded.

In 1889, at the same time that the Cortes was considering the reform of the municipal and provincial govern-

ments in that Archipelago in its desire to introduce there the same political institutions that govern in the Peninsula, such as municipal councils, provincial assemblies and civil governments, in which our fellow countryman Mr. Manuel Regidor, then a deputy to the Cortes, took direct and very active part, there was also a special committee on economic reforms which was studying the bases for direct taxation and the reform of indirect taxation for those Islands; but neither one nor the other of those laudable proposals became a reality. The first one was dropped because of the smallness of the income of the Treasury and the second one for fear of encumbering directly your interests, for they did not know your mettle nor did they comprehend with any certainty your capabilities. Among the bases for reform proposed by that honorable committee was the abolition of the odious capitation tax and the no less odious tobacco monopoly that converted into slaves the inhabitants of the provinces which grew this plant.

In 1878 when the needs of the administration were becoming more pressing, a city tax and industrial and commercial levies were imposed. However, as it was a mere experiment, let us say, to find out the public feeling about direct taxes, it exempted from the burden of taxpaying the immense majority of proprietors and traders in the Archipelago. The results were an irritating inequality, unfair privilege and the failure of the measure to raise enough revenues to cover the usual deficit in the appropriations. In view of that failure, how could the capitation tax and the tobacco monopoly be suppressed as it was previously planned? Then the government tried the farming of the revenue from the tobacco monopoly as a stepping stone for its total abolition; but this measure was worse than the system it tried to replace, and the entire press, the parties in general and public opinion protested against it so unanimously that the government had to abandon the problem unsolved. Finally, the present government with more liberal intentions came to power. Mr. Leon y Castillo,¹ after a very brief study, almost without preparation, inspired only

¹ Fernando León y Castillo, minister of colonies in the cabinet of Práxedes Mateo Sagasta. The royal decree abolishing the tobacco monopoly took effect on 1 January 1882. (*Translator.*)

by the principles of justice and advised by the Council of the Philippines, solved the problem in accordance with the interests of that country and the demands of public opinion. Now the tobacco monopoly is abolished—so long desired by the farmers and businessmen of those Islands.

However, this is not the only thing that must be done. There remain the capitation tax, the *polo* (personal service of forty days a year) and the *fallas* (fines for failure to work) which should be replaced by a tax which is more just and equitable. You lack public services that are most indispensable to your material, moral and intellectual advancement. This is especially true in the branches of the interior and *fomento* (public works, agriculture, commerce and manufacture). You have neither regular provincial governments that can attend fully and strictly to their duties and to your needs at the same time, nor communication facilities that commercial transactions require, nor public works that facilitate the transport and free circulation of your products, nor schools necessary for your moral and intellectual development, nor officers of justice to defend your property against greed and bad faith. Neither has the office of ecclesiastical affairs and war enough personnel who could attract to join your community the millions of infidels who still remain independent of Spanish sovereignty and aloof from you, nor has the navy enough personnel to suppress Muslim piracy along the nearby coasts of your provinces.

Among all the public services you need, public works and education are absolutely indispensable to your moral and material well-being. The highways, roads, bridges, rivers and ports are more or less completely neglected. A study of building railroads that you need greatly has not even begun. With the exception of 50 towns at most all the rest have no schools. And what can 50 teachers for 9,000,000 Christian inhabitants accomplish, teachers who, on the other hand, are of limited training and are paid with an even more limited salary? The real good schools are located in the capital city of Manila to which parents, however, cannot send their children except at great sacrifices. Higher education is entrusted to the Dominicans who receive no subsidy at all from the government. Depending only on their own

funds and tuition fees they could not employ better qualified professors nor expand the curriculum that the large population and size of these Islands need. Limited in their choice young men pursue courses of study for which they have no aptitude and fail, as it happens in the law course and in the seminary. They cannot go to Spain or other European countries to study because they would need not only material resources but their parents would have to make moral sacrifices.

The Faculty of Medicine was created only in 1876 but in 1877 it had already 53 students, which was a very large figure in relation to the number of students who came to Manila from the provinces. According to my information, though I don't believe it, it is going to be abolished on account of the meagerness of its income from tuition fees which was not enough to pay the salaries of the professors.

Of the few young men who come to Spain, who are not the best undoubtedly, some study law, some commerce, some military science, others civil engineering and a larger number take medicine. Until now not one of them has wasted his time, rather they are all studious and demonstrate great aptitude for the courses they have freely chosen. Some of them have turned out to be poets. Among these Mr. Pedro Alejandro Paterno deserves special mention. He gathers at his residence notable men in science and letters, receiving from everyone well-deserved praises for his inspired poems as well as for his hospitality.

Of the five artists who have come to take advanced courses Mr. Juan Luna and Mr. Melecio Figueroa are outstanding. The first is a painter who, though still young—he is only 23 years old—has already produced a painting that won a prize (a medal of the second class) at the Exhibition of Fine Arts. The second, an engraver, has won from the *Academia de San Fernando* a scholarship for study in Rome. Messrs. Félix Resurrección, Miguel Zaragoza and Esteban Villanueva have also attracted public attention for their notable paintings.

All this proves that what are absolutely lacking there are educational institutions with broader horizons in which the intellectual capacity of your young children can be cul-

tivated. Now then, in order to meet all these moral as well as material needs that you feel within you as well as around you, in order to establish the necessary services that can attend to them, in order to destroy once and for all the privileges, inequalities and injustices permeating your present tax system; in order to make uniform municipal and provincial governments and to make your conditions similar to those in Spain, treating you as Spanish citizens instead of colonial taxpayers; in order to place you, in one word, on the path of progress, it is imperative that you pay taxes in proportion to your earning in order to pay for all the services such a state of things requires.

Because the state, government or administration is merely a moral entity that does not and cannot have more property or more income than what the citizens pay according to their abilities and the greater the amount the citizens pay the better it can fulfill its duties and obligations toward them.

You will see in the second part of this work—the administrative—the services I propose which I believe are a correct interpretation of your aspirations and sentiments, which are also mine.

To the Political Parties

The common interest that all Spaniards ought to have in Philippine affairs impels us to dedicate this work to the political parties in general, regardless of opinions, ideas and principles.

As the Philippines is a part of the Spanish nation, she should share the fate of this nation. The same government, the same constitution, the same laws and institutions that prevail in the Peninsula ought to prevail in those Islands.

In very special cases and on account of local conditions their application may be modified; but by no means the principles and ideas.

Policy and administration apply to the entire nation, not to a fraction of it, a province or a certain town. For that reason the laws upon which both are based should not be restricted to the Peninsula, if the Philippines has to be under

that policy and administration, that is, under the power that rules.

Philippine affairs, for the same reason, should be treated like those of any other province of Spain, in accordance with common interests and the general laws which, since they are in force, must be respected and obeyed whatever they may be.

To the Government

We dedicate this work very especially to the Government, for inspired by the very first official act performed by the present minister of colonies with regard to the Philippines, we have decided to write and publish it.

It has no other merit but its timeliness. If the reforms proposed in it are not adopted, because they do not come within the policy of the government, or for any other reason, at least they will serve as reference or mere data for the study of the subject. In either case our efforts will be rewarded.

I

REFORM OF THE FINANCIAL SYSTEM OF THE PHILIPPINES

The reform of the financial system in the Philippines has been a long felt need and demanded in that country as every day she requires more public services as her population increases. All opinions, all political parties from the most reactionary to the most liberal have not failed to recognize the urgency of this reform for the orderly management and administration of her moral and material affairs.

Because the financial system is the foundation upon which rest the institutions of every nation and to which they adjust themselves, so that they are as defective as the system is deficient. Now then, in what aspects of Philippine social life is this deficiency not manifest? The total lack of services, be it public works, be it police and internal and external security, the irregularity of the administration, in a word, what is the cause of all this except the lack of funds? How many good intentions of our past governments since 1869 have been shattered for this reason?

For great maladies great remedies. The economic and social maladies of the Philippines are so grave that they cannot be remedied by partial treatment. Partial reforms are far from satisfactory as they only expose other more pressing needs and in the final analysis they discredit the administration because it attains nothing except to show its weakness and impotence.

What effects thus far have the urban tax and industrial and commercial levies, established since 1878, produced? What benefits can be derived from the abolition of the tobacco monopoly so long as roads and highways or other dependable routes of transportation are not built between the towns in Central Luzon where this plant is chiefly raised? City proprietors, manufacturers, merchants and professors say: "Very good, let's have that tax; but why should only we pay it? It is fair that we should contribute to help the State bear its burdens; but where are the services that are proportional to what we pay? Where are the promised improvements? To

what services are the revenues allotted? What means are offered to us now to face our most pressing needs?"

And the farmers of these distant towns will say in their turn: "Good; now we are free to plant tobacco; we can use it and sell it to whomever we please; but to whom shall we sell it if the merchants do not come here? Who are the merchants who will come here knowing that they will have to cut their way between forests and rivers which are flooded during the rainy season, the refuge of bandits in the dry season and surrounded by the settlements of ferocious Negritos? If we raise tobacco to what markets should we take it without having to make a trip lasting five or six days in the midst of these dangers just to sell it at a price which is not enough to compensate for the expenses and hardship of raising it."

In fact, what can be done with the amount of two million pesos that at most may yield the export tax on tobacco, the capitation taxes and the sale of public lands that are now being planned? What with two other millions that may be obtained from urban taxes, which are limited to stone houses and the bamboo for rent and the industrial and commercial levies, which do not include all who are engaged in business, if there is a deficit of five or six millions? Unless this is covered, the administration is normalized and services are created that would satisfy the needs of the country, the discontent of the taxpayers will increase for they expect immediate improvements in their material and moral life, and impatience will spread among all the people and they will oppose any other burden that may be imposed upon them in the future.

Such is the effect of minor reforms that tax a definite number of subjects and do not produce visible advantage.

As we have already said the Philippines needs major improvements and in order to make them a radical reform in her financial system is necessary. Either reform it entirely or leave it alone. The Government of 1870² understood it thus

² At the time Doctor Sancianco was writing, Spain had a parliamentary system of government. Under this system governments rise and fall with bewildering rapidity. The life of a government might last only a few hours or days or weeks or months.

The Government of 1870 followed the Revolution of 1868 and was organized under the liberal Constitution of 1869. It had a brief existence. (*Translator.*)

and it created a committee composed of the most notable men in the Philippines to study a new system of direct taxation and the general reform of indirect taxation. It might have realized its purposes and ideals had not its term and the liberal period ended too soon.

As the general condition of the Philippines is so different from that of Spain and other advanced countries, slight repairs would not suit her. She is like a painting or a house whose foundation is so defective that small and partial repairs, instead of correcting her defects, only serve to weaken her structure and disfigure her body.

II

PROPOSED REFORMS IN 1870

The aforementioned committee was called the Committee on Economic Reforms and it formed three sub-committees from among its members. One was charged to study particularly the bases of direct taxation to be substituted for the existing one; the second, to study the reforms necessary to improve indirect taxation; and the third, to summarize the recommendations of both and reconcile whatever differences there might be.

The first sub-committee in the most salient paragraphs of its report said:

“From the very moment that the study of the reform was recommended there appeared in all its magnitude the necessity of revising radically the present system of direct and indirect taxation—a mass of inequalities and privileges; a mass called system by force of custom; but it cannot and should not be called a system as it is. It stands for inefficiency and confusion, the very negation of every economic principle in its essence. As to its dismal consequences, it is the rule of fatality in chaos.

“In view of the enormity of the problem, minds inured to the study of human aberrations fall back, assailed by doubt and distrust. Then caution comes under the guise of virtue and the most notorious deeds do not escape their scalpel; but truth, though obscured for a moment, soon recovers its sway if, as it must happen in the present case, the proofs do not differ or deviate much from the established affirmations. In the following few lines this purpose will be achieved.

“In accordance with the laws in force (unfortunately they are still in existence at the present moment), taxpayers among the nationals are persons of both sexes, who are *Indios* or Chinese *mestizos* from the age of sixteen years if they are no longer dependent upon the family and

from the age of eighteen years whether or not they are still dependent on the family and among the foreigners the Chinese of both sexes from the age of eighteen years. The rest of the inhabitants of the Philippines whether they are nationals or foreigners are not taxpayers.

“Without going into a multitude of details it cannot be predetermined exactly the different amounts taxpayers pay according to their condition, the location of their residence and the additional taxes whether for the community chest, for the abolition of the tobacco monopoly in certain localities, or for having been declared the freedom of manufacturing and selling alcohol. Some examples drawn from the more constant facts would be enough to demonstrate the injustices and vexations that since time immemorial the least well-to-do classes of this society have suffered.

“In order to understand better the purposes of the tribute bear in mind that the wife, as a rule, follows the condition of the husband and the children that of the father while they are under the father's authority. This law is in conformity with the express law in relation to many cases and is applied by analogy to others respectively. The exceptions provided in the Regulation approved by the Royal Order of 14 December 1850 and other similar orders cannot be considered in force for the reason that there were hardly any Chinese engaged in farming and because the Treasury in its own interest does not apply them to the wives of *mestizo* farmers.

“Among the tax-paying nationals, by *half-tax* is understood the quota of one person only and by *whole tax* the quota of two taxpayers of equal condition, as husband and wife, for example. Every married couple, therefore, pays the full tax and in addition the half-tax for each one of their children above eighteen years of age.

“As for the Chinese there are no such divisions as full tax and half-tax; they always pay a fixed quota according to their sex and the industry or occupation in which they are engaged.

“After having pointed out the preceding facts it is advisable to put on record that many of the orders per-

taining to the Chinese trades union, their organization, the quotas they must pay according to their occupations, the additional legal taxes and the exceptions of certain classes are not carried out in practice doubtless on account of one of those inexplicable mysteries whose effects unfortunately are seen too frequently. In spite of this, the following data are arranged in accordance with the spirit and letter of the laws and they will make evident all the vices of the present system with all its inequalities, injustices and privileges.

“A whole tribute of the natives in the towns where the additional taxes are less amounts to 3.628 *escudos*,³ excluding the *sanctorum*;⁴ and in towns where more taxes are paid it rises to 5.878 *escudos*. The minimum tribute of the *mestizos* is 6.628 *escudos* and the maximum, 7.876. A Chinese farmer of the second class ought to pay for himself and his wife at least 6.66 *escudos* and at most 8.318. A Chinese engaged in industry if he resides in the Province of Manila⁵ and he is married pays 18.753 *escudos* and 21.3 *escudos* if he resides in the Province of La Unión.

“Besides this the male members of any tax-paying class are obliged to work forty days each year in the public works or redeem this obligation by paying in cash by installment or the total amount at the rate of 12 *cuartos* (copper coins) per day or 6 *escudos* for the whole year. For the Chinese it is obligatory to redeem this service and it has also been made obligatory for the *Indios* and Chinese *mestizos* residing in the City of Manila to redeem this service by paying in cash. The rest of the inhabitants of the Archipelago are exempted from the compulsory personal service.

“By adding the poll tax to the amount of the redemption of personal service it would turn out that as a rule

³An *escudo* was a gold or silver coin in Spain so called because on the coin is engraved the coat of arms or *escudo* of the king or prince who had it minted.

⁴*Sanctorum* was the tax levied by the Church.

⁵The Province of Manila comprised the City of Manila and its districts: Malabon, Navotas, Caloocan, Pasig, Pateros, Mariquina, San Pedro Makati, Malate, Pasay, Pandakan, Santa Ana and other towns now forming part of the Province of Rizal.

(Translator.)

in towns least over-taxed, a childless couple among the natives pays 9.628 *escudos* and among the Chinese in industry in over-taxed towns, 27.3 *escudos*. Following these combinations, it will be easy to estimate the taxes that a really poor and destitute family will pay according to the class of taxpayers to which it belongs.

“In the most over-taxed towns a native family composed of the couple and their two children above eighteen years of age, thus forming two whole tributes, will have to pay 23.756 *escudos*; and if instead of two there are four children taxpayers, a very common case, it will pay 35.634 *escudos*. Likewise a family of *mestizos* whose members form two whole tributes will have to pay 27.756 *escudos* and if they are three, 41.634 *escudos*. A family of Chinese farmers of the second class, for four taxpayers, must pay 28.632 *escudos* and for six taxpayers, 42.948 *escudos*. Lastly, a Chinese family engaged in industry in the first case must pay 42.6 *escudos* and in the second case, 63.9 *escudos*.

(Not included in these taxes are the *sanctorum* and other municipal excise taxes, aside from the compulsory labor or *polo* whose case equivalent is 1.37 *escudos* for natives and *mestizos*.)

“However, all the immovable wealth of the Archipelago is free from the payment of direct taxes with the exception of a very small portion of lands belonging to some religious corporations and private individuals which are subject to the payment of real estate tax. In order to realize the importance of this source of taxes and the interest that the Treasury may have in taxing it, would be enough to know that in the 1868–69 appropriations there is an estimate of the income from this source at 20,000 *escudos*. As regards the commercial, industrial and professional, it could be said that the case is the same. The Chinese, besides the poll tax, pay a tax according to the kind of industry they are engaged in and the special law that governs it, and they pay a similar tax regardless of their social condition. Private individuals, whether nationals or foreigners, who are engaged in the manufacture and sale of liquors, the large number of industrialists and merchants, both nationals and foreigners, are exempted from the payment of any tax.

“But to these inequalities, injustices and privileges, the following must still be added to the picture of confusion that the provinces present. In the Bisayan Islands the state has a monopoly of the sale of tobacco but it lets free its cultivation. In the provinces of Abra, La Unión, Ilocos Norte and Ilocos Sur the state has a monopoly of its cultivation and sale, and when the monopoly was abolished, it increased the poll tax, which was not done in any other part of the Archipelago. In the Province of Nueva Ecija, the state has a monopoly of the cultivation and sale of tobacco. Lastly, in the rest of the provinces there is a tobacco monopoly while the raising of tobacco is forbidden.”

“Now then, in going through these very rich provinces where the income of the wealthy *Indios* and *mestizos* amount to many thousand pesos; upon looking at the balance sheet of one of the commercial firms belonging to nationals and foreigners whose coffers are the depositories of the savings of the country and the bulk of their business representing fabulous amounts; upon beholding the magnificent retinues of the principal families and upon entering their mansions where in one night is spent what could constitute the fortune of one hundred families, it is impossible to restrain the mind from thinking of the wage earner, the servant, footman and pastry cook who, poor and even wretched, stand in striking contrast beside their masters in the system of taxation; but, though so poor and wretched, they are the only ones in the Philippines who contribute to the support of the state.

“Such is the system of taxation in its sad reality and after considering its effects one realizes the extent of its deleterious and demoralizing influence.”

* * * * *

The sub-commission that was charged to study indirect taxes and to propose the reforms needed for their improvement said in its report:

“The clamor for the reform of the financial system in the Philippines is either due to the needs felt by her inhabitants or to the whim of those seeking absolute and impossible perfections.”

“In the first case the defect can be found in the present taxes that weigh on the greater number of inhabitants, like the poll tax, or those taxes that are a perennial vexation in various provinces as they impede the free development of private enterprise and of public resources, as it happens to the tobacco monopoly. If this is so, it seems that it is the lofty duty of patriotism to reform that which does the most harm and afterwards tackle the other, because a simultaneous change in all the methods by which the government’s share of the resources of private citizens come to the Treasury and ignoring that the best taxes are those which are rooted in the customs of the people is bad policy as it has been shown by painful experience in countries whose conditions are like those in this country.

“This sub-committee does not hesitate to affirm that the tobacco monopoly is one of the most patent causes of the economic malaise that afflicts the country; and the most alarming for the administration is that this revenue as the poll tax, which is the most important of the direct taxes, both constituting almost the totality of the revenues, decrease or they are checked in their former ascendant progression when all the manifestations of wealth among the people are increasing. However much very zealous superior chiefs try to stimulate them sometimes, their figures of results have lost their former progression until the point that now official reports indicate low sales of tobacco approaching the frightful sum of a million and a half in the last economic year. Production in the country and domestic and foreign trade have almost doubled in the same decade. This fact would be enough to justify the introduction of reforms which is the purpose of the present report.”

Those who composed these sub-committees as well as the general committee were persons who had resided in the country for many years. Some of them were proprietors, merchants and industrialists and others were high government functionaries, the majority of them being heads of families.

Here are their names:

Chairman, Mr. Carlos María la Torre, Governor and
Captain General

Members: Mr. Joaquin Carbonel, Chief of Administration
 Mr. José Cabezas de Herrera, *idem*
 Mr. José Patricio Clemente, *idem*
 Mr. José Beruete, *idem*
 Mr. Joaquin Sastrom, *idem*
 Mr. Benito Careño, *idem*
 Mr. Evaristo Escalera, *idem*
 Mr. Manuel Garrido, *idem*
 Mr. Leon Tovar, Justice of the Supreme Court
 of Manila (Audiencia)
 Mr. José M. Valdenebro, *idem*
 Mr. Salvador Elio, *idem*
 Mr. Manuel Asensi, Acting Judge Advocate and
 proprietor
 Mr. Bonifacio Saenz de Vismanos, Substitute
 Justice and proprietor
 Fray Pedro Payo, Provincial of the Dominicans
 Fray Joaquin Fonseca, Dominican, professor of
 theology, University of Santo Tomás
 Mr. Primo Ortega, former intendant and prop-
 rietor
 Mr. Ramon Gonzales Calderon, *idem*
 Mr. Manuel Ramirez, editor, *Diario de Manila*
 and proprietor
 Mr. Tomás Balbas y Castro, bank director and
 merchant
 Mr. Antonio Enriquez, merchant
 Mr. Lorenzo Calvo, *idem*
 Mr. José Joaquin de Inchausti, *idem*
 Mr. Fernando Muñoz, *idem*
 Mr. José Felipe del Pan, *idem*
 Mr. Juan Francisco Gil, *idem*

The sub-committee on indirect taxes, however, is opposed to the imposition of direct taxes on agricultural lands, livestock and urban property and to the levy on industry and commerce on account of the difficulty of appraising these important forms of wealth. Its members believe that the poll tax is more de-

sirable or a gradual tax from 6 to 500 pesos to be imposed on each person based on his assets or on his profit considering his social position, fortune, work or profession or his physical and moral capacity. This proposal is too utopian. What gauge will be used in determining the amount of assets of an individual? If the tax is based on his income, will this not be a direct tax on real property, farming, livestock, and the practice of all kinds of professions, arts, trades, industry and commerce? If physical power exclusively is to be appraised, what will be the basis of the equality that the proposed tax seeks to establish?

However, the scruples of the sub-committee on indirect taxes concerning the existence of property and the classification of the branches of industry, commerce and the professions vanished at the general meeting and its own members agreed with the majority after sixteen sessions to accept with slight modifications the bases proposed by the sub-committee on direct taxes.

The following are the bases approved at the general meeting:

1. Complete freedom of the raising, elaboration and sale of tobacco throughout the Islands. This was carried out by Mr. León y Castillo, the present minister of colonies.
2. Abolition of nine direct taxes called *tribute of the natives, tribute of the mestizos, capitation tax of the Chinese, praedial tithe, tithe of those exempt from the tribute, tax roll for the free consumption of tobacco in the provinces of Abra, La Unión, Ilocos Norte and Ilocos Sur, tax roll for the free manufacture of rum, industrial patent of the Chinese, patent for the free manufacture of alcohol and rum.*
3. Abolition of municipal taxes and excise taxes called *polos or personal service of 40 days annually, one real in coin as poll tax of natives and mestizos, one real in coin as poll tax of Chinese mestizos, one and two reales in coin as poll tax of every Chinese, merchant seamen, exemption from the service of servants of Spaniards and guards, fines for Indios who fail to render personal service.*
4. Freedom of smoking opium.

5. Transfer of the tax on cockfighting to the municipal treasuries.
6. Abolition of the dues called *Mesadas eclesiásticas* (monthly Church dues) and *Medias anatas seculares* (tax for the expenses of the apostolic chamber).
7. Abolition of the 20% tax on property and 10% excise tax collected by the Treasury from local funds.
8. Establishment of direct taxation at the rate of 4 to 6 percent on net profits whether earned through personal efforts or derived from any form of wealth. All individuals including government employees are subject to this tax.
9. Additional tax on customs duties.
10. Export duties on tobacco.

With the exception of the urban tax and industrial and commercial levies established in 1878 and the abolition of the tobacco monopoly, which was carried out only recently, the old system of taxation remains and its deleterious effects are still felt.

III

BUDGET FOR 1880-1881

In order to understand the importance of the revenues under the present financial system and the deficit incurred after their application to the expenses of an administration in itself defective and inadequate we are going to recapitulate in the following:

REVENUES	
DIRECT TAXES	Pesos
1,274,609 whole tributes of natives in all the Islands	1,991,578
45,460 whole tributes of <i>mestizos</i> in all the Islands	139,915
Capitation tax of 39,658 Chinese	237,187
Recognition of the vassalage of non-Christians and <i>remontados</i> (natives living in the mountains) each at 10 and 20 <i>cuartos</i> respectively	14,886
Real estate tax of 10% levied on lands called <i>haciendas</i>	30,000
Tithes paid by persons exempt from the tribute, each 10 <i>cuartos</i>	23,615
Tax on urban property: only houses and factories made of masonry and houses of nipa and bamboo for rent, respectively 5% of the total amount of the rent with deduction of 40% for repair expenses and losses when not rented	76,000
Roll for the free consumption of tobacco in the provinces of Abra, La Unión, Ilocos Norte and Ilocos Sur	85,169
Roll for the free manufacture of rum	136,488
Industrial and commercial patents	695,520
Patent for the free distilling of alcohol	265,028
	3,692,666

CUSTOMS

	Pesos	Pesos
Export duties	297,450	
Import duties	1,261,950	
Confiscations, fines and additional taxes	3,200	
Commercial warehouse	1,200	
Navigation fee	42,300	
	.....	1,605,700

REVENUE TAXES ON MONOPOLY ARTICLES

Tobacco	6,571,200	
Opium monopoly	309,820	
Stamped papers	500,500	
Confiscated goods	2,500	
Cockfighting tax	118,500	
	.....	7,502,520

LOTTERIES AND RAFFLES

Lotteries	890,000	
Raffle tax	2,500	
	.....	892,500

STATE PROPERTY

Sale of royal lands	50,000	
Sale of condemned buildings	23,000	
Sale of useless effects	1,000	
Sale of forest products	139,000	
Rental of buildings and lots	500	
Mining fee	100	
	.....	219,600

CONTINGENT REVENUES

Ecclesiastical allowances	5,000	
One half of the first year's income from ecclesiastical benefits	600	

	Pesos	Pesos
Saleable and transferable offices	2,500	
Balance of accounts	20,000	
Devolutions	70,000	
Profits from money orders and drafts	8,000	
Special couriers of the post office	12,600	
Sale of books and other print- ed matter	2,000	
Sale of unowned property	6,500	
Product of the work of prison- ers	12,000	
Discount of 10% from the sa- laries of government employ- ees	340,000	
Miscellaneous resources	2,000	
20% of public lands	4,500	
10% of excise taxes	199,000	
	-----	708,500

REVENUES OF THE DEPARTMENTS OF WAR AND NAVY

Sale of useless effects	13,350	
Fees for the use of shipyard and inclined plane	1,650	15,000
	-----	-----
TOTAL REVENUES		14,630,485

EXPENDITURES

1. General Liabilities

	Pesos
Expenses of the Ministry of Co- lonies for the Philippines	51,779
Civil and military pensions	275,483.81
Retired civilian and military officials	324,445.02
Retired on account of age: ci- vilian and military officials	101,102.19

	Pesos	Pesos
Dismissed civilian and military officials	143,219.77	
Assignments to the Duke of Veragua and the princes of Jolo and Mindanao	12,200	
Interests on debts of the Treasury	194,107.85	
Passage money and allowances of civilian employees	25,000	
Share of the Philippines in the administration of Fernando Po Island	25,269	
Amortization of Treasury notes	600,000	
Funds for the disabled and orphans in the colonies	20,400	
	.....	1,773,006.64
Overdraft: 278,632.93		

2. Department of State

Diplomatic and consular corps: personnel and equipment	55,400	
Extraordinary expenses	6,000	
Construction of a legation building in Peking	10,000	
	.....	71,900

3. Department of Ecclesiastical Affairs and Justice

Supreme Court of Manila (Audiencia): personnel	87,276	
and equipment	9,752	
37 courts of first instance: personnel	141,724	
5 ecclesiastical courts: personnel	19,400	
Cathedral clergy: personnel	80,356	
Parish clergy: personnel	546,841	
Worship materials and clergy	11,131	
Funds for charitable institutions	16,229.50	

	Pesos	Pesos
Contingent expenses for investigator-judges and visits of inspection of justices	3,500	
Jesuit missions in Mindanao	42,300	
Equipment of missions	16,500	
Expenses for the publication of the papal bull	200	
	-----	973,209.50
Overdraft: 6,911.19		

4. Department of War

Executive office: personnel	360,019	
and equipment	17,255	
Army corps: personnel	1,631,439.23	
Chiefs and officers not in fixed list: personnel	151,158	
Mess for the military	183,648.42	
Billeting of troops	39,332.40	
Hospitals: personnel and equipment	140,028	
Military transportation	240,000	
Artillery material	43,775	
Material for engineering works	50,600	
Cavalry and saddle and harness	5,671.50	
Miscellaneous and unforeseen expenses	76,000	
Pension for holders of military crosses	600	
	-----	2,939,526.65
Overdraft: 6,911.19		

5. Department of Finance

Administrative personnel	193,630	
and equipment	10,400	
General affairs: equipment	95,277.46	
Expenses for the collection of taxes: personnel	679,097.50	
and equipment	179,879	

	Pesos	Pesos
Purchase of leaf tobacco	1,576,724	
Expenses for cigar and cigarette making	1,304,061	
Transportation of monopolized effects	247,500	
and packing	284,348.71	
Mint: personnel	34,850	
and equipment	12,623.65	
		5,595,712.87
Overdraft: 265,973.18		

6. Department of the Navy

Central office: personnel	27,492	
and equipment	50,244	
Navy corps: personnel	145,071.90	
and equipment	42,258.95	
Offices of the naval station: personnel	36,252.55	
and equipment	13,160.00	
Offices of port captains: personnel	22,938.20	
and equipment	8,290.00	
Arsenal: personnel	249,096.80	
and equipment	326,030.00	
Warship: personnel	629,844.30	
and equipment	297,263.00	
Hospitals: equipment	111,700.00	
Expenses for the administration of income	2,332.00	
		1,943,986.52
Overdraft: 25,080.59		

7. Department of the Interior

Central and provincial government: personnel	133,868.00
and equipment	7,350.00
Council of the Administration: personnel	22,268.00
and equipment	2,190.00

	Pesos	Pesos
Office of Civil Administration:		
personnel	17,633.00	
and equipment	877.33	
Post Office: personnel	32,648.00	
and equipment	7,580.00	
Maritime mail	207,750.00	
Charity funds	920.00	
Telegraph Office: personnel ...	25,952.00	
and equipment	7,775.00	
Miscellaneous expenses of the government of Mindanao ...	8,790.00	
Expenses for invalids	883.00	
Prison: personnel	17,703.00	
and equipment	149,946.58	
	-----	644,134.58

8. Department of *Fomento* (public works, agriculture,
commerce and industry).

Academies of navigation, painting, and drawing, history and accounting and botanical garden:		
personnel	4,397.33	
and equipment	7,786.32	
Public works: personnel	28,518.00	
and equipment	5,988.67	
Equipment for roads	30,200.00	
Study of railways	5,000.00	
Equipment for the study of rivers and canal building ...	1,000.00	
Maritime navigation	2,298.67	
Maritime equipment	33,868.00	
Forests: personnel	44,416.66	
and equipment	16,446.67	
Mines: personnel	13,200.00	
and equipment	11,400.00	
Subscriptions and purchase of books	3,855.00	
	-----	208,475.32
Overdraft: 1,277.00		

9. Services of the departments of war, interior
and *fomento* paid with local funds

	Pesos	Pesos
Services of the <i>Guardia Civil</i> and <i>Guardia Veterana</i>	145,516.00	
<i>Idem</i> of the department of interior	167,477.00	
<i>Idem</i> of the department of <i>fomento</i>	239,554.68	
	-----	552,547.68

10. Extraordinary expenses of the navy
and interior departments

Purchase of one transport	120,000.00	
For careening	40,000.00	
Construction of an advice steamer of 25 horsepower	150,000.00	
Construction of a schooner of 120 horsepower	100,000.00	
Iron framework of 6 gunboats	180,000.00	
Installation of telegraph lines	100,017.84	
Subsidy to the Hong Kong cable	48,000.00	
	-----	738,017.84

Total appropriation for expenditures in 1880-81

Total overdraft in 1880-81

16,477,198.01

Total revenues in 1880-81

1,846,712.01

If to this is added the value of 100,000 *quintals* of tobacco sent to Spain as a kind of tribute of the Philippines to the metropolis, after deducting the expenses of administering the monopoly,

Pesos

including the salaries of the carabineers, which amounts to	4,000,000.00
the total deficit will be	5,846,712.01

How can this sum be raised under the present system of taxation? Can it be covered by tobacco export duties which will be imposed, the sale of public lands and the equalization of the poll tax as the present minister of colonies is planning to do?

Let us suppose that yearly 200,000 *quintals* of tobacco are exported, yielding to the Treasury a revenue of 1,200,000 pesos as export duties at the rate of 6 pesos a *quintal*; that the sale of public lands bring in 100,000 pesos, double the amount in the budget for 1880-81; and that the equalization of the poll tax yield an additional sum of 1,000,000, which is double the estimate made by Mr. Jimeno Agius in his plan for the abolition of the tobacco monopoly, from where will the three million and a half pesos deficit come?

However, it is also necessary to increase the services in all the departments in view of their insufficiency, especially in the departments of interior and *fomento*, this insufficiency being the stumbling block in the material progress of the country. At present the provinces are governed by military officials as politico-military governors and by judges of the courts of first instance who have also to attend to other more serious affairs. The telegraph service is limited to a few towns. The postal service does not meet the most urgent needs of the mail. Public instruction, above all the town primary schools, is entirely neglected. The towns have no regular ways of communication. The forest and mines offices lack personnel. How can these needs be met under the present financial system even if it is stretched to the utmost?

Neither are the services of the departments of ecclesiastical affairs and justice and war and navy any better. There is only one supreme court for 10,000,000 inhabitants, 40 provinces and a territory with an area of 296,000 square kilometers divided on an infinity of islands. There are no missionaries in regions inhabited by millions of infidels. For lack of personnel the army cannot protect this extensive area. Lastly, there is the lack of armed patrol boats to guard the coasts, especially those

of Mindanao, against Muslim pirates. Such is the condition of the departments of the navy, war, and ecclesiastical affairs and justice.

Now then, in order to meet all these important needs for the material, moral and intellectual progress of the Philippines as well as to perpetuate Spain's rule over her—because that progress, those services that will be provided will inevitably impress the mind of the national unity between Spain and the Philippines, between Spaniards and Filipinos—it is not enough to introduce minor reforms in the system of taxation whose bases can no longer be stretched. What is necessary is a radical reform that will exploit the real sources of wealth of the Archipelago.

To attend to the needs of the Archipelago an orderly government, we estimate, will require some thirty million pesos and it is impossible to raise this sum without resorting to new sources of revenue.

IV

SOURCE OF REVENUES

Undoubtedly there are in the Philippines other assets that can be a source of revenues besides those already burdened with diverse taxes. Rural property above all would be the surest and most fruitful source as its taxation would be the most just and equitable.

If there were a complete statistics of Philippine economic resources, it would not be necessary to prove either the feasibility of our estimated revenues or to cite the evidence of its source, because by placing it beside the figures of each item we list, we could, through some mathematical deductions, appreciate its practicability.

And so indispensable is this statistics in the present problem since it is neither the justice nor the necessity, neither the convenience nor the timeliness of the reform of the present taxation that must be demonstrated but the existence of the resources on which the taxes of a new system can be imposed—that is the problem that must be resolved *a priori*.

For lack of data and adequate information on the matter in the Ministry of Colonies the projects agreed upon in the aforementioned committee have not been carried out since the time they were submitted to the Ministry for approval. Those projected reforms provided for the levying of taxes, still unknown in that country, upon the real sources of wealth, such as, immovable property, farming and livestock, industry and commerce and income from personal work or professions. As it was doubted at the Ministry that the Filipinos would be able to pay those taxes and as it was feared that the implementation of the reforms might bring about social unrest that might even endanger Spanish rule over that country the reforms were not carried out. They did not know in Madrid that the authors of those projected reforms were the very first to submit to their provisions: Those who were government employees expressed their readiness to give up a part of their salaries and the others who were proprietors and businessmen mostly were willing to submit to direct taxation.

However, seven years later the urban tax and the commercial and industrial levies were introduced as provided in those projected reforms. Were data obtained to justify their imposition? No. Had economic conditions in the Philippines changed? Neither. But the needs of the Treasury were increasing from day to day and they finally triumphed over the routine pre-occupations. Did they produce social unrest or disturbances as it was feared? Not at all. They were enforced without the opposition of the inhabitants of the Archipelago and they reduced slightly the deficit of the Treasury.

And why would those people refuse to pay for services exclusively for their own welfare? Would they prefer to remain ignorant, without means of communication among themselves, with only some impassable roads, some unnavigable rivers in certain seasons of the year, their life and property in danger, without protection or security within their own homes, always exposed to the attacks of daring and treacherous men, without courts of justice to defend their rights? Would they prefer these evils to the establishment of public services so necessary to them in their present condition if they have to give a part of their earnings to maintain them?

A farmer, for example, who at present sells his farm products for 5,000 pesos, would he not willingly pay a tax of 100 or 200 pesos since it would cost him less to transport his products when the roads are improved and instead of 5,000 pesos he might get 6,000 or 7,000 for them? Would not the merchant and industrialist do the same? Would not any one indeed pay that tax in proportion to his earnings if at least he could travel comfortably within the Islands confident that his person and interests were safe?

This is evident. We have been a farmer and traveling merchant and we have known the great damage suffered by producers on account of the absolute lack of adequate public works. In Arayat, Province of Pampanga, for example, a *cavan* of palay (unhusked rice) costs one peso; but in San Isidro, Province of Nueva Ecija, four leagues distant at the most by water transportation, it costs 15 or 20 *cuartos* less, though it is of superior quality; and going up another four leagues to Cabanatuan, the price goes down another 15 or 20 *cuartos*. Lastly, if the haulage has to be done by land for about four or

five leagues, as the distance is between Aliaga and Cabanatuan and San Isidro, the price of one *cavan* of palay is reduced from 8 to 10 *reales de vellon*, if in Arayat it is 20 and in Manila 23. Why are there such colossal differences? Because of the difficulty of transportation. From Manila boats with a load of 2,500 *arrobas* can reach Arayat; boats with a load of 800 *arrobas* can reach San Isidro with difficulty during eight months of the year. Boats with a cargo of 600 *arrobas* can reach Cabanatuan from San Isidro, a distance of four leagues, in two days at least because they have to stop to dig canals in the shallow parts of the river to be able to pass through. During the rainy season, from July to October, when the rivers swell and overflow, boats with a cargo of 4,000 *arrobas* go up to Cabanatuan but they cannot go down except with the floods; hence they have to stay there for whole months. In addition the trip is extremely dangerous because of floating tree trunks that the flood drags along.

Between Aliaga and San Isidro there is no road except what travelers themselves cut through the forests. Under such circumstances, why would not the farmer get a low price for his products as the cost of transporting them to the market is high?

There is something still worse: The bulk of farm products in places which are difficult to reach by boat is usually stored away in warehouses for a year or two when the floods come soon and they cannot be sold cheap and on time.

Now then, what is happening in Nueva Ecija is also true in other provinces where transportation is by land. What highways or rivers or municipal roads can be pointed out in the Province of Manila that are in moderate condition? The Pasig River itself into which flow the lake of Bay and an infinite number of small rivers cannot be navigated by vessels with a draught of two meters at the highest tide. The canal in Binondo and Tondo called Canal de la Reina has not been cleaned since 1864 or 1865 when it was built so that it is not navigable even by flat-bottomed boats. The only road between Manila and Mariquina crosses rivers without bridges and some slopes that are inaccessible to beasts of burden and carts and most dangerous to horse-drawn coaches. But what can be expected from the staff of the public works which is composed of eight

engineers, one architect, eighteen assistants, one master builder and ten foremen for all the Islands with an area of 296,000 square kilometers divided into 40 provinces and more than 1,000 towns? What can be done with 90,600 pesos for the planning, building and repair of roads, 15,000 pesos for railroads and 3,000 pesos for the exploitation of waters, rivers and canals? And we can say the same about maritime navigation: The 40 provinces of the Archipelago are all seaports (although only five are fitted out) and the total appropriation assigned in the budget for 1880-81 for construction, repair and maintenance of the ports, lighthouses, buoys and beacons does not exceed 101,604 pesos.

Now then, if all these services were thoroughly attended to, if they provided conveniences, security and advantages for the merchant as well as the producer, for the industrialist as well as the consumer; if, instead of spending the revenues on superfluous office staff, they were invested in these services and others of the departments of *fomento* and interior; if, in fine, the Filipinos were informed of the amount that they pay and of the government's expenditures, why would they refuse to pay taxes of any amount, provided they are within their capacity to pay, to cover all the cost of the services that would redound to their moral and material advantage?

It would be necessary, some say, to make the people understand this clearly, which cannot be achieved except through good education. In the first place, when will this opportunity come since it is precisely for lack of means that the towns are unprovided with schools and that there is no other center of education than the capital city of Manila, an education which is narrow and inadequate besides? In the second place, are the people so ignorant, and not only ignorant but idiotic, that they cannot understand what they see, feel and touch such as the services of public works? They are neither ignorant nor idiots; they fully understand everything affecting their interests. Until the year 1850 or '60 the tax-paying class paid only the capitation tax amounting to one peso and 47 cents at most for the native and one peso and 97 cents for the *mestizo*, not including the *sanctorum*. Afterward a municipal tax of three pesos was imposed on every male citizen for the redemption of forty days personal service for a year. Nevertheless, there were no improvements in the material condition of the country,

the roads and highways remaining as bad as ever. This led to a silent complaint of the taxpayers. Why not since they did not know what happened to what had been collected from them. Not one cent of the taxes had been spent for the building and repair of roads for which they were intended.

For the same years the general expenses amounted to more than five or six million pesos, now they have risen already to 17 million. What progress or what increase in services have been made since then? The services established since that date have cost scarcely two million pesos. They consisted of the extension of the telegraph to a very few towns and of a more regular mail service between the islands.

However, higher education and the secondary and primary schools remain under the Dominican fathers, Jesuits and some private citizens supported by their own funds, without any government aid. The army has the same number of troops; in the department of justice the same number more or less of courts of justice, judges and justices; in the department of ecclesiastical affairs the same number of clergymen; and in the provincial governments the same size of personnel. Over 8 million then were used exclusively by the increase in personnel of the offices and administrative headquarters and of the offices of the chiefs and officers of the army who do not figure in the corps. Nevertheless, the administration continues to be defective and irregular, without having accomplished anything on its own initiative, nor has it even prepared a complete statistics of the Archipelago, which is very necessary and essential to any government.

The increase in personnel in the majority of cases has been due to the demands of private interests rather than simply to the requirements of the service. For such expenditures and excessive waste there would undoubtedly be neither enough resources nor citizens willing to pay taxes, nor would the advance, the moral and material progress of the people ever be possible.

Aside from this, it is evident that there are indications of wealth throughout the Archipelago that can be the source of revenues sufficient to meet the material and intellectual needs of its inhabitants without imposing onerous taxes upon them.

This is what we are going to demonstrate.

V

POSSIBLE SOURCES OF REVENUES

We set forth the following sources of revenues:

1. Rural and urban property and cattle.
2. Engaging in business, arts and trades and the practice of all professions.
3. Personal *cedulas* or personal identification cards.
4. Custom house service, when the revenues from other sources are insufficient.
5. Stamped goods.
6. Lotteries and raffles.
7. The properties and fees of the administration of the state peculiar to the Philippines.
8. Matters yielding contingent revenues, including employees' salaries.
9. Public lands and municipal and provincial excise taxes whose revenues would be applied exclusively to the expenses of local government.

Our first idea was to impose only the single direct tax on real estate, farming, livestock and the practice of all kinds of profession and business because, being the only sources of wealth produced by capital and labor, they should also be the only ones to be taxed. However, these producers of wealth in the Archipelago are not in a condition today to support even half of the burden borne by those in Spain or Cuba without ruining the individual and dealing a mortal blow to the wealth that is just beginning to be developed in that country. Besides, that taxation system is new and it is unwise to impose it so long as there are other means that can be resorted to.

However, if from its results under the plan we are proposing, together with our other suggestions, there would be enough revenues to cover all the expenses of the administration, we would abolish in the first place the custom house which today is the greatest barrier to the growth of the foreign trade of

engineers, one architect, eighteen assistants, one master builder and ten foremen for all the Islands with an area of 296,000 square kilometers divided into 40 provinces and more than 1,000 towns? What can be done with 90,600 pesos for the planning, building and repair of roads, 15,000 pesos for railroads and 3,000 pesos for the exploitation of waters, rivers and canals? And we can say the same about maritime navigation: The 40 provinces of the Archipelago are all seaports (although only five are fitted out) and the total appropriation assigned in the budget for 1880-81 for construction, repair and maintenance of the ports, lighthouses, buoys and beacons does not exceed 101,604 pesos.

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VI

AGRICULTURAL RESOURCES

It is a pity that the Madrid government has not given preferential attention to the material condition of the Philippines by stimulating the productive elements, removing all kinds of fetters and facilitating the free circulation of their products. In a period of 50 years how highly developed would have been agriculture in those fertile lands watered everywhere by immense rivers, what country in the world would not have been supplied with its agricultural products! But, what can be expected of farmers without zeal for lack of stimulus and the total absence of roads? What benefits would these farmers derive from their labor if they cannot sell their produce or if they have to carry them to the markets, spending five or six days on the road they themselves have to cut through forests and rivers, through regions still inhabited by fierce infidels, in order to sell at prices insufficient either to compensate them for their labor or for the risks they run?

The distant towns of the provinces of Nueva Ecija, Nueva Vizcaya, Isabela and others located in Central Luzon encounter these sad realities. Why would not their inhabitants be lazy? How could these towns become rich or their population increase? Thus, the majority of the people plant only tobacco, in spite of the worst conditions of the monopoly. As the government buys this product, the planters do not have to go to Manila to sell it. They also plant rice but just enough to supply their families. If they have any surplus grain, they take it to San Isidro or to Pangasinan where they are paid not more than three *reales vellon* for one *arroba* of rice, whereas at Manila the price is ten *reales* or two pesos and twenty-five cents an *arroba*.

Hence, some who are in favor of the tobacco monopoly have mistakenly believed that if the government did not buy tobacco, the farmers would stop planting it. This may be true with regard to the aforementioned provinces. Merchants of other provinces do not go there. Their inhabitants are essentially

farmers and raisers of livestock and they are averse to traveling and trading. To whom would they sell their tobacco then?

Who knows if that belief that we call erroneous may be true in places where no tobacco buyers go, where there are no good roads free from hostile Negrito infidels and highwaymen.

The economic ills of the Philippines are due not to the scarcity of farmhands but rather to the lack of stimulus to her farmers, resulting from the sad realities that we have just indicated. If the entire farming population would work as in advanced countries, the Philippines would be among the first countries with the largest quantity of agricultural produce, on account of the fertility of her soil, the abundance of water, the mildness of her climate, the evenness of her seasons which is just right to make the land produce continuously as it is fertilized by the floods.

Based on the census of the population that we publish in the appendix we estimate the farming population at 7,000,000, representing 1,400,000 families, allowing five individuals to each family, and about 4,200,000 farmhands, including minors from 12 to 18 years of age who do not pay tax. It must be noted that women also help in farm work, at least by taking care of work animals.

If each family composed of three farmhands would cultivate only five hectares of land, there would be 7,000,000 hectares or 70,000 square kilometers of cultivated land.

A hectare of land planted to tobacco in the Province of Nueva Ecija—where the tobacco monopoly is strictly enforced, the local consumption of tobacco is prohibited, and when the government refuses to buy because of the whim of the appraisers, the entire crop is burned—yields, according to official figures, 98 bales at least, or 392,000 leaves. Sold to the government by force at the price of 8 pesos a bale of the first class, 5 pesos a bale of the second class, 50 *reales* the third class and 16 *reales* the fourth class, totalling 142 *duros*. Therefore, if there were 7,000,000 hectares planted to tobacco, the harvest would be 686,000,000 bales whose value despite the evils of monopoly would be 994,000,000 pesos. Adding to this the value of the corn crop—corn being planted after the tobacco harvest—at the rate of 50 pesos per hectare, the total value of the product of 7,000,000 hectares would be 1,134,000,000 pesos.

Besides, these suppositions are not exaggerated. We have seen in the towns where farming is most advanced, such as, in those of Bulacan and Pampanga and in some of Nueva Ecija, that a farmer or a family with three farmhands and with two or three work animals can cultivate a farm of four hectares planted to sugar or tobacco at the same time as rice on the same size of land, their cultivation being compatible and maize which alternates with the planting of tobacco and sugar. The humidity of the soil makes farming easy and not tiresome either to man or the work animals. Neither is the figure we quote the maximum production of a hectare of land nor is the tobacco the crop that yields the biggest profit. If we follow the example of other countries, we could convert the Philippines into a veritable paradise of the Orient and of Oceania.

However, the cultivation of tobacco in some places, as in Nueva Ecija, is regarded as a secondary occupation in view of the oppressive government monopoly. The farmer gives his full attention to rice-growing and in order to make use of the lowlands, he also plants tobacco, the two not being incompatible. If he would give preference to tobacco, the figures of production would be much higher.

Let us consider the practical side.

On one hectare of land (10,000 square meters) ordinarily from 60,000 to 80,000 tobacco plants are sown, depending on the closeness of the sowing. The plants grow to a height of from one to two and a half meters high and each plant may produce from 20 to 60 leaves useful until the fourth classification that measures one span. Supposing that only 37,500 plants grow, each with 20 leaves, we shall have a total of 750,000 leaves which make 188 bales of 4,000 leaves each. If they were given the necessary care, they would yield, as in Belgium and Holland, 5/10 of leaves of the first class, that are more than half a *vara* long, 3/10 of the second class, and 2/10 of the third and fourth classes. Therefore, even under the conditions of the present monopoly fixing the price of one bale of the first class at 9 pesos and 50 cents, of the second class at 6 pesos, of the third class at 2.75 and of the fourth class at one *duro*, the crop's total value will be 1,300 pesos. Is this exaggerated? How much would it be if, instead of selling to the government, it were sold in the open market at the price merchants pay for exportation?

Look at the following tables:

Price of each *quintal* of tobacco leaf for export sold by the Office of the Treasury in the years indicated:

Isabela Tobacco

<i>Classes</i>	<i>Pesos</i>	<i>Date of Sale</i>
1st	93.13	4 November 1874
2nd	78.90	<i>Idem</i>
3rd	47.50	5 December 1875
4th	19.09	<i>Idem</i>

Cagayan Tobacco

1st	72.13	4 November 1874
2nd	80.54	5 December 1874
3rd	29.57	18 July 1874
4th	19.35	29 January 1875

Product of one hectare of land planted to tobacco in Belgium and Holland compared with our estimate for the Philippines

<i>Belgium</i>		<i>Holland</i>		<i>Supposed figure in the Philippines</i>			
<i>Class</i>	<i>Kilos</i>	<i>Class</i>	<i>Kilos</i>	<i>Class</i>	<i>Bales</i>	<i>Pounds</i>	<i>Pesos</i>
1st	2,200	1st	1,766	1st	98	6,580	893
2nd	986	2nd	824	2nd	56	2,968	336
3rd	419	3rd	824	3rd	19	741	52
4th	.....	.....	.....	4th	19	361	19
	3,625		3,414		192	10,650	1,300

Sugar production by *caballería* in various countries

	<i>Arrobas</i>
Barbados and British Guiana, according to Evans	9,609
Reunion Island, according to Malavois	7,425
Jamaica and Bengal, according to Wray	5,755
France, beet sugar, according to Basset	2,592
Cuba, according to Reynoso	2,200
On the shores of Andalucía in 1845 by <i>caballería cubana</i>	2,470
And according to a recent publication of Mr. José Casado	7,829

If we follow the prices given in the first table each bale of the first class would be worth then 64 pesos; of the second class, 42 pesos; of the third class, 19 pesos; of the fourth class, 4 pesos; and the value of 188 bales would be a fabulous sum.

With regard to the product of one hectare the second table justifies our supposition, because Holland and Belgium, tilled and developed since antiquity, cannot have better soil condition than the Philippines which is still in virgin condition.

Because of the tobacco monopoly sugar is more profitable than tobacco, although its cultivation is more expensive, requiring an amount of capital not within the reach of everyone. Even with the abolition of the tobacco monopoly sugar will still excel all other crops of the country with the exception of abaca and coffee which do not require large capital or many laborers.

To understand better the table showing sugar production in different countries one should know that one *caballería cubana* is equivalent more or less to 14 hectares, so that in Barbados and British Guiana one hectare produces 686 *arrobas* and in Cuba 159 or 1,884 kilograms, which is very much less than what an equal area produces in the Philippines.

We do not know to what to attribute Cuba's lower production since she has good soil and favorable climate, whether to slavery, which still exists there, or the practice of letting the cane remain planted for 15 or 20 years, without changing the seeds and renewing their cultivation. Mr. Reynoso says in the latest edition of his work on economic affairs of Cuba: "At present the average sugar production of each *caballería* planted to sugar cane is more or less 2,200 *arrobas* of sugar. We alone enjoy the very sad privilege of producing on the grand average 1,900 kilograms per hectare. Cuba is the foremost country in sugar cane planting but relatively the last in the harvest per hectare!"

In the Philippines a *balita* of land (4,000 square meters)⁶ planted to sugar cane produces from 30 to 60 *picos* of 51/2 *arrobas* each, so that one hectare, composed of 21/2 *balitas* or 10,000 square meters would produce from 75 to 150 *pilones* or 825 *arrobas* of sugar.

⁶ See Appendix: Measures. (Author.)

If the cultivation and manufacturing apparatus were improved as in other countries, it would be safe to assure that sugar production would be higher and the average would rise to the last figure.

Now then, taking 618 *arrobas* of sugar as the average amount of production of a hectare of land and supposing that three and a half million hectares, one half of the seven million cultivated hectares that we assume for an equal number of farmhands, as the other half is cultivated in the following year, would produce the same amount, we would have a total production of 2,163,000,000 *arrobas* of sugar which, sold at the lowest price of 10 and a half *reales de vellon* per *arroba* or 2.87 pesos each *pilon*, would yield 1,138,575,000 pesos, and adding to this sum 175,000,000 pesos that the other half planted to maize, at the rate of 50 pesos per hectare, the total production would yield 1,313,575,000 pesos.

However, this estimate is based on the assumption that the condition of farming in the Philippines were regular according to the number of her inhabitants. If we reduce to one half the area of cultivated land and reduce to 125 pesos, without deducting expenses, the price of the product of each hectare of land, whether planted coffee or abaca, to sugar, tobacco or indigo with maize, or rice, or vegetables, in short, fruit trees, including cacao, the three million and a half hectares or 35,000 square kilometers of land would produce crops with a total value of 437,500,000 pesos, a sum which the Treasury should not exclude from taxation of at least one and a half percent.

If this figure still seems exaggerated, then one would have to deny the subsistence of 10,000,000 inhabitants—Peninsular Spaniards, islanders, foreigners, and non-Christians—of the Archipelago and the Marianas Islands; because assigning only to each individual a daily expense of 3 *reales vellon* (which nobody will dispute, for in Cuba, according to Poey, the maintenance of one slave amounts to 101.63 pesos yearly or approximately 6 *reales* daily) the amount would be 550,000,000 pesos.

VII

THE CONDITION OF RURAL PROPERTY IN THE PHILIPPINES

Is there rural property in the Philippines? Some doubt it and others deny its existence absolutely. However, we believe that both groups, knowing the country only superficially, have accepted such exaggerated opinions which are further exaggerated as they are transmitted from one person to another, for no one bothers to reflect.

Some say that for two *cuartos* or something as insignificant, they mortgage and transfer landed property to each other without any other guarantee but a declaration poorly written and badly drawn up on ordinary paper that cannot be preserved. Some allege that even cleared lands are offered free to anyone willing to till them. Lastly, there are some who say that as soon as a native has cleared a piece of wild land, he abandons it to clear another one. And all these opinions put together resulted in the belief that there is no rural property in the Philippines.

The strangest thing is that the very Sub-committee on Indirect Taxation which regrets such exaggerations also fell into the same skepticism. After maintaining that landed property exists, afterwards upon considering that uncultivated land is abundant and cleared lands have little value in some towns in relation to more advanced ones, it chose to ignore it in its report as follows:

“The lands in the Philippines, with the exception of the rural districts of a very small number of towns, are not worth more than the cost of clearing them and they are offered almost free to the first one who is willing to cultivate them. The natural gifts of soil and climate that stimulate production lose their efficacy in a short time unless supported by constant labor. In view of these facts and the common practice in the towns of mortgaging by

which landed property and its usufruct pass from hand to hand without any assurance of stability, land taxation would be illusory as it would be difficult to find the hapless owner and the tax may be imposed on someone who ought not to pay it. Lastly, the immediate effect of land taxation would be to further diminish land value and farming would be shunned by both capital and labor."

From all this we infer: 1st. That the abundance of uncultivated land and the low selling price of cleared lands in some towns in relation to others have led to the belief that cleared lands are given free to whoever is willing to cultivate them, as if the clearing had cost nothing. 2nd. That because of the small capital at the disposal of farmer-owners, mortgaging becomes a common practice in the towns by which the money-lender collects the usufruct as interest on his capital, some have deduced, not without foundation, that landed property change hands without any assurance of stability. 3rd. That the lack of documents of ownership not only of rural but also of urban property exposes them to the greed of clever usurpers who avail themselves of the influence of local bosses who are prevalent there, leaving the aggrieved, weak and ignorant land-owners no other alternative but to give up their lands and seek other lands to clear, for the usurpers always win the courts, whether through their material and moral influence or because of the judicial practice prevailing there. Undoubtedly from such cases arose the absurd supposition that the Filipinos give up easily their cleared lands in order to clear other wild ones.

Even the procedures in force there with respect to "the interdict of recovery" favor this kind of offences against property, as if justice itself protects them. Any one can present an interdict to the court provided the document is in legal form and attested by three witnesses. As the interested party is not heard, who is supposed to be the despoiler but who is usually the true owner, nor is the petitioner required to file a bond, nor are the witnesses required to have certain qualifications, except legal age and residence in the locality where the property in question is located, and, as it is well known that witnesses everywhere can be bought, the petitioner always comes out the winner. The loser has a right to appeal, but if he is poor whose only property is the one adjudicated to the

other party, what means will he have, what lawyer, what solicitor or proxy will guide him, defend him and represent him with moderate interest in a suit as costly as it is eternal, even if it is declared a poor man's suit, what clerk of court or employees of the court would pay attention to a poor devil? That temporary grace definitely favors the deforciant and the hapless loser is left without any other remedy but look for another piece of land in a wild region, or take justice in his own hands.

In administrative proceedings, when the denunciation is presented to the Office of the Royal Patrimony, and the land includes a piece of private property without any documentation, then the destitution is swifter.

However, these inconveniences are obviated and the observations of the Sub-committee on Indirect Taxation neither destroy the essence and foundation of the system of property-holding existing there, nor do they hinder the imposition of real estate tax.

Is there plenty of uncultivated lands that any one can appropriate? Certainly the labor and expense of clearing the land will mark out effectively the property and its boundaries for taxation purposes.

That cleared lands are worth little in some towns in comparison with others? Well, that value, though little, is enough to show the interest of the landowner in keeping them and it will always be higher than the share of the tax.

That the farms lose their productivity when they are not worked constantly? The tax would then become a stimulus and a remedy—a stimulus because it would oblige the owner to cultivate the land intensively because of the tax he has to pay; and a remedy because if a landowner neglects to cultivate his land and fails to pay the tax for one or two years, the government will sell it at public auction and its ownership will pass on to one who can cultivate it.

That the practice of mortgaging followed there would make land taxation illusory, because in vain can the poor landowner be found or the wrong man might be made to pay it? And why? We ask. Is not the actual holder of the land there? If the mortgaged land is in his possession or it will become his upon the expiration of a certain period upon the failure of the

owner to redeem it, then he is its temporary owner and usufructuary. Why then should it be unjust for him to pay the tax which is based on the income from the property and not on the property itself? Wherever the land is, there the income is, and the land will never disappear.

On the other hand, once the tax is in force, moneylenders and buyers will take it into account in their contracts and it will assuredly be paid by the party that should pay it.

Lastly, that the immediate effect of the tax will be to diminish further the little value of the land and the withdrawal of labor and capital from farming. This has yet to be seen, but if the very same reflections of the Sub-committee are taken into account, the contrary effect can be assured, for, all sources of wealth being already encumbered, nothing else will offer greater advantages than farming because of the low value of land and the profits from the sale of its products.

In order to prepare for regular cultivation the wild lands in the Philippines, if they are found in the high mountains covered with trees and big shrubs, during the first year all these are cut down and their roots are pulled out. These operations cost from one to five pesos per *loan*, which is equivalent to 400 square meters, according to the thickness of the forest and the conditions of the place. If the lands are meadows with small shrubs, their clearing costs only one half the price for the same area. However, both kinds of land require from six to eight years of continuous cultivation in order that the cut roots will not sprout again.

Some landowners, however, do not wait for the entire land to be cleared but start farming in the second year, leaving to the tenant and the weather the work of finishing the clearing of the land, which is expensive. In this way the landowner spends less but the work of the tenant is heavier and if the land is not cultivated, within a short time it returns to wilderness.

Well now, will not the labor and capital inverted in the land that produces nothing in the first two years at least induce the investors to keep their property? Is the Filipino proprietor so stupid, so imbecile that he will abandon his land for a mere whim?

Undoubtedly there are meadows so arid that not even a shrub or a blade of grass grows in them. Such lands do not need any clearing whatsoever. They are tilled and palay is sown in them, but their yield is very small. Who is so stupid as to keep them when there are fertile lands elsewhere?

There are also non-Christian tribes, like the *Aetas* or *Negritos* who dwell in the heights of *Bosoboso* in the *Morong* district of the Province of *Manila*, *Porac* in *Pampanga* Province and *Mariveles* in *Bataan* Province who move on to a different place every year, according to what they say there. If this is true, it can be explained easily. It is because this tribe is a nomadic people; they do not build houses, nor do they cover their nakedness and they sleep outdoors on the ashes of the grass they burn.

But can they be compared to the *Filipinos* who live in the towns, who pay taxes, who have families, who build houses and who need to work in order to eat and to wear clothes? Will they be ignorant of what is property when they are aware of the necessities of life?

If a landowner, for being indolent and slothful, neglects the cultivation of his lands, he will cease to pay the real estate tax; before the lands return to their primitive wild state, the tax officer comes along to collect the tax and he will sell them to one who is more diligent or gives promise of making the lands produce.

In this case the tax on rural property will no longer be only a resource for the state but also a powerful means of stimulating agriculture.

VIII

WAYS OF ACQUIRING PUBLIC LANDS

In accordance with the custom arising from tolerance and broad interpretation of old orders there are three ways of acquiring ownership of public lands. The first consists of simple occupation; the second, of a petition addressed to the provincial government; and the third, of purchase from the Office of Finance.

The first two are in accordance with the Laws of the Indies which order the distribution of public and uncultivated lands whenever a new town is established among the natives excluding Spaniards and foreigners. The third concerns the composition of the royal lands open to Peninsular Spaniards and natives but natives are preferred. According to the *Recopilación de las Leyes de Indias* (law 9, title 12, book 14), both Spaniards and natives may take advantage of this provision of the law provided they have been in possession of the land for ten years, although in the majority of cases this is not followed.

The acquisition of land through the first two methods is gratis, but the possession is only temporary, unless they are cleared within two years and cultivated without interruption for 20 or 30 years. After this period ownership is confirmed, or if the land is sold to another party, provided the buyer is not an ecclesiastic, according to the *Recopilación de las Leyes de Indias* (law 10, title 12, book 14).

Through the third method ownership is acquired by presenting a petition to the Office of Finance which orders its measurement and the publication of the bidding, and after payment of 50 pesos for each *quiñon* (2.8 hectares) as required by the Royal Order of 4 February 1862, the corresponding title of ownership is issued.

Land thus acquired is commonly called there *hacienda*. Ownership is not lost even if it is left uncultivated. However, the owner must pay a land tax of ten percent three years after the date of the adjudication, as required by the Royal Order

of 27 March 1861. The Office of Finance, however, has neglected to collect this ten percent real estate tax whose total amount as indicated in the appropriations for 1869-70 was 20,000 *escudos* (10,000 pesos) and for 1880-81, 30,000 pesos.

Land acquired through the first two methods is not subject to this tax, but if it is not cultivated and returns to its wild state, anyone can denounce its owner. This is the source of frequent and very great abuses, the victims being always the hapless poor man who has no weapon or influence with which to fight greedy men of bad faith.

Such in brief are the old practices and orders that governed the matter, practices and orders which were always interpreted broadly by the authorities for the laudable purpose of fostering agriculture and people distant territories.

Although the land concession is limited to 200 *quiñones*, some go beyond their boundaries upon taking possession, usurping contiguous lands, not even sparing the cultivated lands and not abandoned by their owners who have no written documents of ownership.

Proof of these usurpations is that among all the properties of this kind, many of which in general are composed of untilled lands, yielding only forest products, none, according to report and the sketches ordered by their owners, measure less than one square league, that is, 775 *quiñones* or 31 square kilometers.⁷ However, nobody has paid the Treasury more than 10,000 or 20,000 pesos for their composition, which amount is payment for only 400 *quiñones* at the rate of 50 pesos per *quiñon*.

Another evident proof of these usurpations and the failure of the owners to pay the ten percent real estate tax: On the Island of Luzon alone these properties would occupy 300 square leagues or 9,300 square kilometers or 232,500 *quiñones*. Supposing each *quiñon* has a minimum production worth 10 pesos, those properties should pay a real estate tax of 232,500 pesos. However, today only 30,000 pesos are collected from the islands of Luzon, Visayas and Mindanao.

⁷ See Appendix: Measures. (Author.)

IX

REGULATION OF 25 JUNE 1880

In order to prevent henceforth those abuses and to insure real property in the Philippines, to stimulate farming and increase production the Regulation of 25 June 1880 was issued for the composition of royal lands. We don't know yet the effects of its enforcement, but we can assure that they will be entirely contrary to the spirit of reform under two capital concepts, namely, to stimulate farming and increase the revenues of the government.

We are going to prove it.

The introduction to the decree says:

“The uncertain condition, and it can be said precarious, of real property in various regions of the Philippines which are still sparsely inhabited; the need of stimulating farming; the desirability of increasing production and wealth; and the great and immediate usefulness to all kinds of business, both public and private, of substituting for mere possession in fact true ownership with all the attributes that the laws grant to this real right have long ago pointed to the necessity of such a Regulation as this concerning the various deforciantes of royal lands in that Archipelago. All these lands whether held in good faith and rightful title or none at all, if cultivated intelligently will become valuable and contribute to the increase of the country's wealth. The Council of the Philippines, having been heard and in conformity with the decision of the Council of State in joint session, the undersigned Minister has the honor to submit this Regulation to royal approval.

“It was necessary, at the proper time, to take into account the interest of the public Treasury which ought to get some profit from the lands excluded from the contract and to recover completely the lands unlawfully appropriated in case of enormous damage”

The Regulation provides:

1. That all lands be considered royal lands if they have no legitimate owners or have never been privately owned,

except those that are within the communal land that each town should have for the use of its citizens.

2. That the holders of all lands be considered owners for all legal purposes, whether the lands are communal or untilled or royal if they have held them for an uninterrupted period of ten years, with rightful title and in good faith, or for twenty years without those conditions if they are cultivated lands, and for thirty years if the lands are untilled.
3. That holders of lands with titles and good faith for less than ten years should renew within one year, beginning with the publication of the Regulation, their respective property titles, defraying the cost of surveying and of whatever else will be needed in order to obtain the corresponding new titles.

If the result of the survey shows an excess over the total extent described in the original title, the excess not being more than a fifth part and is cultivated, no additional payment will be demanded; if it is more than a fifth part and is cultivated, or if it is uncultivated whatever its size, the holders will pay to the Treasury for the excess at the price of the other parts with a surcharge of 20 percent if the lands are untilled.

4. Those who hold royal lands without title or good faith can acquire ownership by paying the government their price at the time of their acquisition, whatever price may be fixed if they are untilled.

In accordance with the preamble, three purposes are pursued, namely, the determination of boundaries of landholdings and the granting of deeds to landholders, development of agriculture and increase of the revenues of the state. But neither one nor the other is attained under the provisions of the Regulation.

It is not the first provision because it exempts from the formalities of obtaining titles and surveying the lands which had been held by their owners for ten, twenty or thirty years. Their lack of documentation in the majority of cases is the source of litigation, abuses and usurpations that we have pointed out earlier and the exaggerated statements denying the existence of real property in the Philippines. A general re-

vision, the survey of all real property, and the issue of deeds to landholders were and are the needs of rural and urban real property throughout the Archipelago and on these could be based a complete assessment of taxes.

It is not the second provision. Far from attracting to farming more labor and capital, it would drive away those already engaged in it, for the compensation demanded by the government is equal in amount to the cost of clearing the lands. It does not exempt landholders of less than ten years and hold no titles, who have invested capital and labor in the land and are precisely the ones who have not yet recovered their expenses for clearing. How can they recover their investment if the government attaches their cleared lands in accordance with Article 8 of the Regulation. If sold at a public auction they will not get more than the cost of the system of composition. Would not the attachment amount to a robbery?

Undoubtedly the only purpose of the Regulation is to increase the revenues of the government; but what do 50,000 or 100,000 pesos that the tax would produce signify in comparison to the millions of pesos that will be paid as tax on the net income of private individuals and enterprises if these were given greater incentive, such as making it easy for them to acquire untilled lands without burdensome requirements. Thus would labor and capital be attracted to agriculture.

Farming in its present state does not yet have sufficient attraction to capital, for other ventures, like trade and usury are extraordinarily lucrative, giving less trouble and yielding greater profit. In reality farming is the obligatory occupation of diligent workers without capital and of unlucky traders as well as the resort of usurers or money-lenders who do not collect their credits in cash but in kind.⁸

In the drafting of the Regulation no account was taken of the actual conditions of landholding in the Philippines, particularly in the towns where land abounded and where everyone takes possession of untilled land, which included communal and royal lands, without permission from anybody and without prior adjudication by competent authority. The authors of the Regulation might have believed that the present land-

⁸In the rice-growing provinces in the Philippines at that time it was common practice among needy rice planters to borrow money from usurers paying back in kind with exorbitant interest. (*Translator.*)

holders had acquired ownership of part or all of their holdings, considered royal lands, through the former system of composition, and this is wrong. A proof of this is the small number of this kind of property known there as *haciendas*, the only ones that now pay the ten percent real property tax, totalling 30,000 pesos.

With the exception of the religious corporations, various institutions and 100 capitalists at most throughout the Islands, nobody else has acquired ownership of land through state concession or purchase from the Treasury. Natives (and some Peninsular Spaniards also), following the ancient custom introduced by a broad interpretation of the Laws of the Indies and the tolerance of the authorities, with the laudable purpose of expanding agriculture and populating distant regions, have been occupying vacant lands, whether they are located outside or within the communal land—they pay no attention to this provided the soil is rich, at their own initiative, without the permission of anyone, by virtue of the right of *primi ocupantis*. How many of these small landowners will be ousted from their farms by the pressures of the Treasury! How many diligent farmhands who possess no other capital but their labor would the system of composition deprive of their only means of livelihood!

If the history of farmers throughout the Archipelago is searched, it will be seen that there is no one among those who can now be called rich men or who have a moderate income, who had begun with a capital. The majority, if not absolutely all of them, had nothing more than their labor, unless they had inherited property from their ancestors.

For the sake of brevity, we are not going to cite other practical cases. At present they are implementing the provisions of the Regulation and soon we shall know their results. However, we are going to point out an error of the Madrid press.

It is said that these days the Office of Forestry in the Philippines needs more personnel on account of the demand daily for royal lands.

It may be true that there is a demand for lands owing to the abolition of the tobacco monopoly; but the truth is that the need for increased personnel of the Forestry Office is not due to this demand but rather to the implementation of the Regulation of 25 June 1880.

X

PROPOSED LEGISLATION

In view of the foregoing considerations we believe it desirable that uncultivated lands be distributed gratis in accordance with the following bases:

1. Classify the lands into communal and royal, the first being for the use of the town and the second, the property of the state.
2. The communal land will be assigned at the rate of 8 square leagues to each provincial capital; 6 square leagues to each town, parish or center of the municipality and 4 square leagues to a distant *barrio*.

It happens that the *barrios* of numerous towns are far from the center of the municipalities, some being as far away as 8 leagues. Why should their inhabitants who are more numerous in some *barrios* than those living in the center of the towns be denied the use of the communal land? With such a rule the isolated *barrios* would attract more residents, becoming in a short time new municipalities. Why cannot the settlers be compelled to stay within the communal land of each town inasmuch as the conditions of the lands not being equal, some are more difficult to work, requiring greater expenses to develop and less vegetation than others, they have to seek those that are suitable to their interests.

Aside from this, the towns will expand, the mountains will be cleared, agriculture will develop and people of evil life will move away from the towns.

3. Divide the royal lands into two classes: (1) Those rich in forest products should be reserved for the state. (2) Those which are suitable for private exploitation should be granted to private persons or enterprises.

4. The lands of the second class should be granted gratis to applicants whether individuals or companies, whether they will be devoted to farming, pasture or grazing, or the usufruct of forest products, in accordance with the following rules and conditions:

- I. To private persons who apply for farm lands not more than 2 square kilometers; but after proving that they have sufficient capital for development, they can be granted up to 12 square kilometers.
- II. To colonizing companies or enterprises for the same purpose, the concession should be limited from 2 to 4 square leagues.
- III. If the lands applied for are to be devoted to pasture or grazing and to the usufruct of forest products, the size of the land applied for should be granted.
- IV. Individual and company grantees of land for farming shall be required to have at least one fourth of their land cleared and cultivated within four years and the other three fourths in terms of three years each fourth, so that at the end of thirteen years the entire land will be cultivated.

Under this plan the grant will be provisional; and after an appropriate inspection that the conditions have been fulfilled, the titles of ownership will be issued and inscribed in the register of real property.

- V. In the fifth year of the concession, that is when the first fourth of the land is registered as the property of the grantee, the cultivated land shall be subject to half tax; and after four years the owner will pay the full real property tax.
- VI. The lands allotted to pasture and the usufruct of forest products will be subject to taxation beginning with the second year of the grant and

the deed of ownership will be issued and inscribed in the registry of real property.

- VII. The procedure of issuing the papers of the concession, as well as the inspection of the land to determine if the grantee has fulfilled the conditions and the issue of the property titles will be under the charge of the provincial governor.

The justification for these bases are the conditions of the agricultural wealth and land property in the Philippines that we have already expounded, our previous comments on the Regulation of 25 June 1880 and the brief remarks that follow.

It is needless to prove that the free grant of uncultivated lands would draw labor and capital towards farming and to all kinds of exploitation of the land. Well then, if agriculture in the Philippines today is in the most deplorable condition, it nevertheless constitute her foremost and principal wealth. If, through the free grant of uncultivated lands with the requirement of cultivating them would be extended and through other means of encouragement agriculture is improved, would not agricultural production alone suffice to meet all the needs of material life in that territory? And an annual tax on that production, would that not yield higher revenues for the state, besides being less burdensome for the farmer than the system of composition that the Regulation of 25 June 1880 provides?

The whole tax amounts to 8 pesos for every *quinçon*⁹ or 40,000 square meters, according to our proposal; one half is 4 pesos and 2 pesos for pasture and forest lands. The selling price in accordance with the system of composition is 50 pesos for the same measure of land. Note the difference in the burden imposed on the farmer between the two systems. However, not because the second represents a greater amount would it yield higher revenues than the first, taking into account the area of the land that has to be adjudicated by composition and that of the free-grant lands that have to pay tax.

In the case of the free land grant the government has the right to require the grantee to clear and farm the land within

⁹ See Appendix: Measures. (Author.)

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⁹ See Appendix: Measures. (Author.)

of farming and production without mishap. All these conditions prevail in Spain.

But in the Philippines it is entirely different: scarcity of laborers, lack of capital, abundance of commercial business yielding a minimum of 25 percent profit, excess of untilled lands which need to be cleared only to become immediately productive, because there are no swamps to drain nor is there need of digging wells or search for water, for the rains and rivers supply it abundantly; and lastly, the expenses for clearing can be recovered from the first year of production. Such are the principal characteristics of economic life in all the islands of the Archipelago.

XI

STANDARD OF TAXATION

What should be the standard of the tax? Everywhere, in accordance with scientific principles, the net income is taken as the basis of the tax. For this purpose an investigation of incomes is undertaken. However, this form of investigation, as it happens everywhere, is always at the mercy of the taxpayers. If they are asked about the annual yield of their property, no one of them surely will be so candid or of such good faith as to reveal even the approximate figure; what more would tell is a third less. If in Spain there were not so many concealments of this kind and others consisting of the total elimination of the census and tax assessments, it can be assured that with the tax alone on immovable property, farming, stock raising, industry and commerce under the quotas now in force, there would be more than enough to meet the general expenses of the central, provincial and municipal governments.

For example, Spain, excluding the Balearic and Canary islands, has an area of 507,136 square kilometers. Supposing that two fifths are devoted to all kinds of farming, one tenth to forest products, one tenth to grazing and one fifth is allotted to privately owned buildings, we shall have a total of 314,352 square kilometers, the remaining 192,684 square kilometers, being the property of the state, province and municipality, including the portions that cannot be tilled. The parts devoted to agriculture produce at least an average of 250 pesetas worth of produce per hectare or *fanega*, or 25,000 pesetas for every square kilometer and the total amounts to 5,070,000,000 pesetas. The lands devoted to forest products and stock raising will yield 75 pesetas for one *fanega* and 7,500 pesetas for every square kilometer and the total yield is 121,452,500 pesetas. The lands occupied by buildings can be estimated to yield 200,000 pesetas per square kilometer and the total amount will be 2,080,200,000 pesetas.

So that under the foregoing suppositions that no one can criticize as exaggerated, the net product of rural and urban

properties and the livestock of private ownership amounts to 7,212,752,500 pesetas. Deducting one half for expenses, there will remain 3,606,376,200 pesetas which taxed at 16 percent will yield a revenue of 577,020,192 pesetas for the Treasury. However, in the appropriations for 1880-81 the amount under this item was only 116,000,000 pesetas; that is, a little less than three-fourths were concealed. If the Balearic and Canary islands were added, the yield of the taxes on industry and commerce, under the suppositions that there had been no concealment of any kind, it could be affirmed with all certainty, will exceed 791,650,792 pesetas, the total amount of the budget for 1880-81.

Well then, in order to prevent these frauds that are not corrected either with threats or pressures, could not another method of adjusting the tax to the declared income be devised? Could not the income be determined the size of the land and upon this base the tax? It might be our illusion, but we are convinced of the possibility of establishing a regulation based on the size of the land which, though it might not give a perfect result from the point of view of equal taxation, the tax will be entirely free from all kinds of fraud that property owners are guilty of and will reconcile small difference.

Undoubtedly there are better lands producing greater profits than others, but this difference can be obviated by means of a good classification of lands. For example, there are some that yield a net income of 500 pesetas and above from an area of one *fanega* and others of the same area from 100 to 150 pesetas. The former will constitute the first class which will be taxed 80 pesetas for every *fanega*, equivalent to sixteen percent of the 500 pesetas that it produces as net income, and the second will form the last class with a tax assessment of 16 pesetas for the same size of land.

Here we have fixed the income and the tax by the size of the land. The small differences that may arise from the gradual assessment of each class will be insignificant and will disappear if the tax is reduced, which can be done if the frauds are eliminated and the revenues shall rise in spite of the tax reduction.

The frauds which are committed by the taxpayers will disappear because the size of the land of each owner being known and registered in the Register of Deeds, the assessed tax cannot

be altered at all. In case there shall be concealments, they would depend exclusively on the agents of the government.

In the Philippines for the present it is not necessary to classify the lands in order to equalize the burden of taxation. The yield of the lands everywhere is almost the same because, if some produce a large quantity of products, others yield a crop of better quality and hence they became even with regard to price. In the towns in the Province of Manila, such as, Santa Cruz, Sampaloc, Mariquina, Caloocan and others, where the lands are already overworked, one *fanega* (two and a half *balitas*) if fairly well cultivated, will produce from 100 to 500 *arrobas* of palay or 400 to 500 *arrobas* approximately in Nueva Ecija and other places. Less overworked lands of the same area produce double that amount. But if the rice produced in these provinces is worth one peso per *cavan* in the market, that of the others is sold at two pesos per *cavan* because of its better quality. The same thing happens with the sugar cane crop.

In any case, if some difference of advantage should result from the system, it has to be in favor of the most fertile lands, those that least worked, almost untilled, that are found in remote towns and less developed, where it is necessary to bring labor and capital.

The rate of the tax should be the same for the lands devoted to annual crops, like tobacco, sugar, rice, etc., as for those with permanent crops, such as, coffee, abaca, cacao and others.

The annual crop of the first kind of lands is greater than that of the second class, but of course the cultivation and sowing are annual, entailing bigger expenses. And if, on account of the tax one excels the other in profits, this advantage, far from hurting production, would be a powerful stimulus for agriculture. If, for example, the annual planting of tobacco, sugar and rice would yield greater profits than permanent plants like coffee, cacao and abaca or vice versa, naturally one or the other will attract the producers. What does it matter since both are profitable?

“A new branch of trade”, says the immortal Jovellanos in his report on the Agrarian Law, “promotes a new branch of farming, because the profit it offers, once it is known, attracts agriculturists to it. When it becomes scarce, everybody wants

to have livestock, and unable to maintain them without grazing land, every diligent farmer converts into pasture a portion of his land. When domestic consumption or the export trade support the prices of wine and oil, everybody devotes himself to planting grapes and olive, and everybody pulls them up when he sees their prices falling and the price of grain going up. Instead of checking this rising and ebbing tide of interest, legislation ought to encourage it, for without it agriculture cannot grow or live."

It is desirable, therefore, to assess equally all kinds of land devoted to farming, provided the lands are cleared, without creating inequalities that become a privilege in favor of one or the other kind, in order that the farmer may choose what may be more suitable to him and may yield him greater profit.

However, not only cleared lands should be taxed but also those that are moderately clean that are devoted to farming, and untilled land belonging to private persons which are used for grazing and the usufruct of forest products ought to be subject to taxation though at a lower rate.

XII

RATE OF TAXATION

On all cleared land devoted to all kinds of farming we fix a tax of 8 pesos for each *quiñon*,¹⁰ that is, 2 pesos for each hectare and 200 pesos for one square kilometer. Neither is this tax small for the Treasury nor is it burdensome for the farmers. If we are to take as an example the raising of tobacco, that we present in the Appendix, one hectare of land produces tobacco worth 142 pesos. Thus the rate of 8 pesos would be only one and a half percent on the gross product. But adding to this the corn crop which is planted in the same land after the tobacco harvest, the total value would amount to 200 pesos and the tax would be reduced to one percent. Even if three fourths are deducted as expenses, because, according to custom, one half belongs to the tenant and one fourth for the expenses of the harvest and the collection of the waste, so that only 25 percent of the product goes to the owner, the tax will amount to not more than 4 percent of the net income.

Taking another kind of farm product, sugar, for example, which competes with tobacco in profits, the result is the same. One hectare of land (two and a half *balitas*, according to the common measure on the Island of Luzon) planted to 50,000 or 70,000 sugar cane shoots produces ordinarily from 75 to 150 *pilones* of sugar, depending on how well cultivated the land is. At the rate of 3 pesos each *pilon*, the minimum value of the products of lands which are somewhat worn out, 75 *pilones* would be worth 225 pesos.

However, the cultivation of sugar cane requires double space, because the part of the land which is planted one year is allowed to lie fallow the following year, although maize can be planted in the land and the proceeds from the sale of the crop pay for the expenses of the manufacture of sugar.

¹⁰ See Appendix: Measures (Author.)

So that the amount of 225 pesos divided into four parts, two parts for the hectare of land lying fallow and one part for the tenant, leaves a net profit of 55 pesos for the owner. If he pays two pesos tax, the rate would become even lower than four percent.

The half rate that will fall on the lands allotted to farming from the fifth year of the concession will be one peso per hectare of cultivated land. After four years, it will be considered cleared land and will be subject to the full tax. Lastly, for the lands devoted to forest products the rate will be two pesos per *quinçon*, 50 pesos per square kilometer. If this turns out onerous, neither is its exaction unjust from the moment the land is granted by the government gratis, as we propose, nor would it be an obstacle to the development of forest industry, inasmuch as the mountains of the Philippines in their present condition produce spontaneously and they do not need human intervention except good inspection and vigilance, a service that the government as well as private individuals can very well render through their agents, engineers, overseers and field guards.

With regard to the lands allotted to grazing, the tax will correspond to the number of head of cattle.

SUMMARY

The tax on cleared lands allotted to all kinds of farming and husbandry, including the space occupied by the country dwellings and those found outside the populated zone, at the rate of 8 pesos per *quinçon* or 200 pesos per square kilometer, supposing that the total area in all the islands of Luzon, Visayas and Mindanao is 30,000 square kilometers, would amount to 6,000,000 pesos.

The tax on lands that are moderately cleared, at the rate of 4 pesos per *quinçon*, and supposing that their total area is 5,000 square kilometers, would amount to 500,000 pesos.

The tax on forest lands at the rate of 2 pesos per *quinçon*, with an area of 5,000 square kilometers, will amount to 250,000 pesos.

The total revenue from the tax on rural property is 6,750,000 pesos.

XIII

CATTLE RESOURCES

Speaking about cattle and its taxation, the Sub-committee on Indirect Taxation said the following:

“The few cattlemen that the country has could very well defraud Treasury with impunity by two thirds, because a great number of cattle are not stabled, they are wild and only their keepers know their number and can identify them. Though causing infinite vexations, this resource can be subjected to taxation. It is certainly not a prosperous business. It would also be intolerable to consider as taxable the patient carabao, the indispensable companion of the native farmhand, and some hundreds of horses.”

Surely neither the carabaos nor the oxen of the Philippines are more wild than the bulls of Spain. Nonetheless, cattle-raising, like agriculture, contributes to the wealth of the country. What is true is that cattle owners in the Archipelago, with the exception of one or two, do not have their own pasture lands that are marked out and closed. All they have is a small stable or enclosure where the cattle are gathered at night if they are not numerous. They are allowed to wander and graze through limitless fields within sight of their keeper, and if he is careless and not diligent, or he is away and there is no one in his place, the cattle disband, some joining the cattle of another owner, others remaining in the thickness of the forest where they breed and become wild.

This happens especially when the owners die and their successors do not take charge on time.

The cattle known there are the *alzado* and *cimarron* or wild cattle. *Alzado* is the cattle gone wild, and *cimarron*, the cattle born wild. These are classified as wild beasts and therefore they belong to the *primi ocupantis* category. Those are abandoned by their owners. What does it matter then that they

are not taxed since they belong to no one and no one profits from them so long as they remain wild? Neither do they constitute the majority, as the Sub-committee asserts; otherwise there would be no cattle-raising in the Philippines since cattle which are wild and are found in the public domain are not taxable. Neither is it true that cattle become wild. There are only wild carabaos, for horses as well as oxen are less ferocious by nature and they are easily domesticated.

On the other hand, it is not strange that not only livestock property but also rural and urban property should be in such disorderly condition since they have no boundaries nor documents defining them nor any incentive or necessity that may compel their owners to keep them and get the greatest possible benefit from them. Opportunely comes the tax with the proper regulations creating the necessary staff to guard the properties against all kinds of usurpations and other violations of property rights.

The cattle owners will be granted free lands for pasture which they must close with fences of bamboo and thorny shrubs that are less costly than a palisade made of stone or brick, and mark out with monuments within ten years. And in order to prevent concealments and frauds, the tax should be determined by the size of the land grant. The rate of one peso for every *quinon* or 25 pesos for one square kilometer would not be burdensome to the cattle raisers for, considering the number of head allotted to breeding, whether of carabaos, cattle or horses that the space can hold, the tax will not exceed one peso per head. In the case of sheep, as this occupies less space, the tax turns out the same.

However, it would be irritating or intolerable, as the Sub-committee observed, if the patient carabao, indispensable helper in farming and a necessary means of transportation, and the draft horses should be subjected to tax, since their owners already pay the tax on cattle allotted to breeding, thus virtually paying for the source. Besides, being self-moving, the same as movable property that pass from hand to hand with great ease, it is unstable and unfit for purposes of taxation. Therefore, all head of cattle that leave the ranch whether for work, slaughter and as a general rule, all those outside the pasture, even if they are females for breeding which, because of their

fewness, three or four at most, do not need their own pasture or keepers, should be exempted from taxation. These minor items have no importance nor are their number large enough to attract the attention of the Treasury.

In order to prevent also the cattle from causing damage to property, if their number exceeds the capacity of the pasture, they should not be allowed to graze in the villages or in farms and their vicinity, and those which are outside the pasture should be tied.

SUMMARY

The tax on lands allotted to grazing at the rate of one peso per *quiñon* or 25 pesos per square kilometer, and supposing its total area is 10,000 square kilometers with 250,000 breeding cows as minimum, amounts to 250,000 pesos.

XIV

URBAN PROPERTY

As the taxation of urban property has been established since 1878, we no longer have to prove the existence of taxable matter or the desirability of the tax. However, the Regulation implementing this tax, we believe, is deficient as it does not equalize the burden and is not beneficial to the government. This Regulation of 14 June 1878 fixes the tax on 5 percent of the rent after deducting from it 40 percent for upkeep expenses, repair, and losses incurred when vacant, on houses and buildings made of masonry with galvanized iron roofing, and wood regardless of their value or their use and those made of bamboo and nipa for rent. In view of this distinction that it makes between the houses of bamboo and nipa occupied by their owners and those that are for rent, what is the taxable matter sought? Is it the property itself or the rent that it brings the owner? Is it the manifestation of wealth or its product? If it is the property itself or the manifestation of wealth, why exclude the houses of nipa and bamboo when they are occupied by their owners? And if it is the rent that the owner gets, why are not houses of masonry, galvanized iron, or wood occupied by their owners also exclude? If, lastly, the houses of stone, galvanized iron and wood are more safe and valuable than the house of bamboo and nipa, does the circumstance that they are rented by chance increase their value and safety?

Without doubt the spirit of the Regulation is not to place on the proletariat the burden of taxation but on the rich judging them by their external appearance. However, the rules that it prescribes are self-defeating with regard to its first object and entirely inefficacious to achieve the second. Its object of saving the proletariat from the burden of taxation is not achieved because, if they live in rented houses of bamboo and nipa, which are common in remote districts of the capital of Manila, the rise in rent, which is the immediate effect of

the tax, will be borne by that social class. In this case the tax will not only affect the rich owner but also, and perhaps in the majority of cases, the poor tenant. It is no less evident that taxable assets cannot be found by drawing distinctions between houses of stone and those of bamboo and nipa and those occupied by their owners and those that are rented. Appearances are never a good gauge. For example, there may be a house of bamboo and nipa of poor appearance, but its owner is a rich miser and beside it is a house of masonry, the inheritance of three or more generations, that is occupied by a poor family supported only by relatives and forced to live in it for lack of any other or for sentimental reasons. Would it be just and equitable that this poor family be taxed while that rich miser is exempted? Moreover, are there not also big and spacious houses of beautiful appearance that could be worth 4,000 or 5,000 pesos, but being made of wood and nipa do not attract the attention of the Treasury while a smaller one whose value may not reach 800 pesos, but because it is made of galvanized iron and wood it must be taxed? And the distinction of whether or not the houses of bamboo and nipa are for rent, would this not give rise to innumerable frauds?

Add to the foregoing observations the fact that in all the provinces and towns of the Archipelago, except in the capital cities of Manila and Cavite, very rare are houses of masonry, as well as houses of bamboo and nipa for rent. Thus, the enforcement of the Regulation of Urban Taxation would be the most complete failure.

This explains why the revenues from this source do not exceed 70,000 pesos in the appropriations for 1880-81.

XV

RELIABLE BASES FOR TAXATION

For us the best basis for taxation is not the rental declared by the owners, but the area of the lot occupied by the house or building. Even if this is followed, the tax will not be kept apart from the net income, which should be sought and the tax adjusted to its amount.

Classify the provincial capitals and towns; investigate the rent of a house of such and such size in each locality, regardless of its construction materials, and adjust to its rent the rate of tax corresponding to its area. In this way, there will be perfect equality and equity in bearing the burden of taxation, and it will be free from fraud.

A house, for example, with an area of 600 square meters, located in the walled city of Manila, with an upper and ground floors, renting for 50 pesos monthly, yields 600 pesos yearly. Deducting from this amount 40 percent for maintenance expenses and periods of vacancy, there will remain 360 pesos. A tax of 5 percent on this net income will amount to 18 pesos. Here then is the standard rate: 18 pesos for 600 square meters or 3 pesos for 100 square meters.

The application of this rate may turn out unequal on account of the location of the house, but not because of the condition of the house. It is well known that houses in Manila and throughout the Archipelago cannot have more than one main floor and a ground floor or *entresuelo*, because of earthquakes, and therefore they cannot earn more rent unless they occupy more land space, unlike in Madrid where houses are towering like cups of sherbet and the higher they are the more rentals they get. The dissimilarity of the houses due to the materials of construction, masonry and wood, and bamboo and nipa, hardly affects the rentals. In the hot season, houses of bamboo, wood and nipa are the most sought and at times command higher rentals than houses of masonry located in zones where the prices of lots are higher.

The reason is simple why the difference in the construction materials of houses does not affect the rentals. If the materials of houses of masonry and galvanized iron cost more than bamboo, wood and nipa, on the other hand, the latter last nine tenths less. The first kind of houses have a beautiful appearance; they are stronger and less inflammable; they resist hurricane winds and at times they prevent the spread of fire. However, they are less comfortable during the dry season. Lastly, they represent greater investment for the same space and location; but the rental which is the index of the income, certainly does not depend either on the value of the property or on the length of life it may have, but exclusively on the comfort and safety they offer the tenants.

Buildings intended for stores, factories or warehouses command higher rent if they are made of masonry and galvanized iron; but they are so few they ought not to be subject to taxation nor should houses intended for residence which are the general rule either. If equal taxation on different types of buildings favors those of masonry and galvanized iron, this advantage should be another incentive to the construction of such houses instead of bamboo and nipa; and this will contribute toward the progress and beautification of the towns. The tax rate will not be burdensome to the poor who cannot erect houses of masonry, because the tax rate is adjusted to the present size of houses of bamboo and nipa in the towns.

With regard to the difference in location, this can be obviated easily through a good classification. Within the capital city of Manila and its districts there are places where rent is higher than in others, because it is adjusted to the value of the lots. In their classification the basis should be either the amount of the rent itself or the selling price of the lots they occupy. Under this concept four zones can be established and on each one fix a rate according to its class and area.

However, taxation should not be limited to lots occupied by buildings. Why should not vacant lots within the towns and intended for buildings, factories and houses also pay tax? Do they not also represent property and wealth like occupied lots? Are they not also productive under a different concept? If a lot is a yard, garden, orchard or woodland adjoining the building, does it not beautify the building, provide comforts to the occupants, and consequently enhance the value of the property?

If it is neither one nor the other, if it is not used for any kind of industry but is completely vacant, being a lot located in the town, its value inevitably increases as the town progresses. This already constitutes an increase proportional to its value.

Otherwise, what is the purpose of the owner in keeping it? If he lacks capital to erect a building in it, he can sell it, and he can use the money in some profitable business.

XVI

CLASSIFICATION OF TAXABLE MATTER

For the purpose of equalizing taxation which should conform to income and the manifestation of wealth, it is necessary, as we have already said, to classify the provincial capitals and towns into as many groups as it is advisable and within each establish distinct categories by localities or zones. Under this concept and in conformity with the present condition of the Islands and the new territorial division and administrative organization that we are proposing, the capital cities can be divided into four classes and the towns and separate barrios into three.

The capital city of Manila with the walled city of Cavite will be divided into four zones of first, second, third, and fourth categories, each with different rates.

The other provincial capitals, being the main cities subject to urban taxation, will be limited to an area of 4 to 16 square kilometers each; the towns to 2 to 8 square kilometers; and the separated barrios to 1 to 4 square kilometers; both will be subdivided into two zones of the first and second categories with different rates, as follows:

CLASSES AND RATES

Capitals	Zones	Tax rate for each 100 sq. meters	Total area subject to tax	Total amt. in pesos
1st cl.—Manila & Cavite City	(1st category	3.00 pesos	5 sq. km.	150,000
	(2nd " "	1.50 "	6 " "	90,000
	(3rd " "	0.75 "	4 " "	30,000
	(4th " "	0.35 "	6 " "	21,000
2nd cl.—10 capitals	(1st " "	0.50 "	24 " "	120,000
	(2nd " "	0.35 "	16 " "	56,000
3rd cl.—19 capitals	(1st " "	0.35 "	35 " "	122,000
	(2nd " "	0.25 "	30 " "	75,000
4th cl.—10 capitals	(1st " "	0.20 "	10 " "	20,000
	(2nd " "	0.15 "	10 " "	15,000

1st cl.—100 towns	(1st	"	0.35	"	200	"	"	700,000
	(2nd	"	0.25	"	100	"	"	250,000
2nd cl.—250 towns	(1st	"	0.15	"	200	"	"	300,000
	(2nd	"	0.10	"	100	"	"	100,000
3rd cl.—460 towns	(1st	"	0.07	"	250	"	"	175,000
	(2nd	"	0.05	"	140	"	"	75,000
1st cl.—282 isolated barrios	(1st	"	0.25	"	100	"	"	250,000
	(2nd	"	0.15	"	100	"	"	150,000
2nd cl.—526 isolated barrios	(1st	"	0.10	"	200	"	"	200,000
	(2nd	"	0.07	"	200	"	"	140,000
3rd cl.—920 isolated barrios	(1st	"	0.05	"	350	"	"	175,000
	(2nd	"	0.03	"	350	"	"	105,000
					<hr/>			
					2,436	sq. km.		<hr/> 3,319,500

SUMMARY

The foregoing table shows that there are 2,436 square kilometers allotted to buildings and subject to urban taxation and a total revenue of 3,319,500 pesos.

XVII

COMMERCIAL, INDUSTRIAL AND PROFESSIONAL RESOURCES

We no longer need to prove either the existence of commercial, industrial and professional resources, which are important, or the desirability of taxing them, inasmuch as other resources, like urban property, have been subject to taxation since 1878. Commerce, above all, as we have pointed out in previous articles, is so well developed that it would be sufficient to support the economic life of the country. There is no town however small its agricultural production without its traders and monopolizers of the produce, excepting very remote towns that are still difficult to reach for lack of roads. Today trading supports many towns lacking farms.

However, the very bad condition of public services still hampers the progress of commerce. The lack of roads makes transportation of goods difficult, slow and costly. This is the reason why goods are dear for the consumer and cheap for the producer.

The same thing cannot be said about the professional resource and above all, the industrial. In their present conditions they are not an asset to the Islands. Thus, imports, consisting almost exclusively of industrial products, exceed exports.

This difference between commercial resource and industrial should be taken strictly into account in classifying their various branches and fix the tariffs and levies according to their respective importance in order that, without hindering the progress of industry, the maximum amount of revenues can be collected from the Treasury.

Foreign industries established in the country should be protected, for they are very much needed. Nevertheless, there are in the Philippines all kinds of raw materials from land and sea that are not locally exploited nor is their utilization known which are exported to foreign countries and they are returned as manufactured goods and sold at fantastic prices.

The sea produces precious pearls, coral, tortoise shell, mother-of-pearl, etc.; in the mountains are found mines of gold, silver, copper, lead, iron, mineral coal, etc.; and farming offers all kinds of produce. But the strange thing is that articles made of these materials sold there are imported from other countries.

It is necessary, therefore, to grant certain privileges to industries owned by foreigners, encourage them and reward them if possible, and appeal to other foreigners to establish more of them, recognize them as distinct from those already existing in the country and exempt them from taxation for a certain period.

With regard to commerce there are certain conditions that must be attended to. Although it is relatively more developed than industry, it cannot, however, be compared with that in Spain and other advanced countries. At Manila, with the exception of some stores owned by Europeans, including Spaniards, those owned by the Chinese sell everything: office supplies, hats, glassware, chinaware, dinner sets, hardware, metal objects of all kinds, shapes and uses, woolens, cotton cloth, silk, woolen yarn, embroideries, paintings, prints, ready-to-wear clothing, leather goods, etc., including petroleum—everything may be found in one store.

It would be an improvement, without doubt, to divide commercial establishments, to classify into groups the goods they sell and fix on each group a different duty. But if at the same time an establishment is not made to pay the different rates corresponding to two or more groups of goods that it carries, neither would the classification be easy nor would it produce any effect. If on the contrary the payment of two or more rates is required, it would also become vexatious and hinder the natural progress of commerce.

This could be carried out in the districts of Manila and the walled city of Cavite and even in the provincial capitals of the second class; but in the rest, particularly in towns where scarcely four or five commercial establishments of this kind can be found, having more than twenty groups of merchandise, it would turn out that either there would be a lack of stores selling goods of real necessity in each town or a store that sells only one group without any competitor and could have a monopoly of the goods.

In order that the classification into groups of diverse merchandise each with a distinct rate of duty would not be burdensome or prejudicial to the expansion of this important resource, we believe it desirable not to impose more than one duty on each store, even though it may carry merchandise belonging to two or more groups. But the goods should be divided into categories within the same class and in accordance with its category the highest rate of duty will be imposed on the groups of goods comprising their respective business.

For example, if the group to which belongs silk, woolen or linen has a higher duty than that of steel, copper and lead objects and the store sells both groups, it should pay according to its category the duty fixed for the first group.

XVIII

PROFESSIONAL, INDUSTRIAL AND COMMERCIAL LEVY

The principal reason why we are now proposing this reform is the failure of the Instruction on January 1880 to take into account the different conditions of industrial and commercial life in the Philippines. The Instruction, which provides for the imposition of these levies, though different in amount, follows the same plan for Spain and Cuba. It contains various classifications, complete rate schedules and the taxes are from 12 to 400 pesos. But withal it does not, in our opinion, meet the requirements that the burden of taxation should fall on the real financier and on the profit that each branch of industry, profession or commerce produces.

In the budget for 1880-81 the revenues from these levies were estimated at 960,541 pesos, as follows:

	Pesos
Tax on industry, commerce, arts, trades and professions in the whole Archipelago	400,000
Five percent surcharge for collection expenses	20,000
Fines for late payment	3,500
Industrial patents of the Chinese in all the islands	272,020
Patents for the alcohol industry	265,028

The classification of the items and the figures shown reveal the imperfection of the system of industrial and commercial levy now followed in the Philippines. Whoever examines them will say that no industries exist there except that of alcohol and those in which the Chinese are engaged, or that the alcohol industry surpass all the rest, including commerce, arts, trades and professions practiced by nationals and non-Chinese foreigners.

However, the alcohol industry there consists merely of the manufacture of rum and a spirituous liquor of low quality intended for the consumption of the proletariat. The number

of Chinese industrialists and merchants is 2,000 or 3,000 at most.

On the other hand, if the rates of the levy amount to 12, 30, 60, 100, 200, 300, and 400 pesos, separating the 400,000 pesos of the first item that in general should be paid by commerce, industry and the professions, it turns out that the number of merchants, industrialists, artists and professionals in all the Islands who are nationals and non-Chinese foreigners does not go beyond 13,333 persons.

We would divide them into, first, commerce or the various commercial operations; second, manufacturing industries; third, mining industries; fourth, learned professions; and fifth, artistic professions and manual trades. Each one will be subdivided into classes, these into categories, and each category into tariffs with their corresponding rates, as follows:

COMMERCE

		Category	Rates Pesos
1st class—	Banks and companies engaged in all kinds of commercial operations	1st	500
		2nd	400
		3rd	300
		4th	200
2nd class—	Individual merchants in wholesale import and export of all kinds of domestic and foreign goods	1st	300
		2nd	200
		3rd	150
		4th	100
3rd class—	Wholesale buyers and sellers who are not importers or exporters, shop owners, buyers and the like of all kinds of domestic and foreign goods	1st	200
		2nd	150
		3rd	100
		4th	75
4th class—	Wholesale buyers and sellers, shop owners, buyers and the like of Philippine goods only	1st	150
		2nd	100
		3rd	75
		4th	50

5th class—	Retail buyers and sellers of domestic and foreign goods	1st	100
		2nd	75
		3rd	50
		4th	35
6th class—	Retail buyers and sellers of Philippine goods only	1st	75
		2nd	55
		3rd	40
		4th	30
		5th	20
		6th	12
7th class—	Individual moneylenders	1st	300
		2nd	200
		3rd	150
8th class—	Auctioneers	1st	150
		2nd	100
		3rd	75

FACTORIES AND INDUSTRIES

1st class—	Textile factories and in- dustries using foreign materials in large scale	1st	200
		2nd	150
		3rd	100
2nd class—	Textile factories and in- dustries using Philippine materials in large scale	1st	250
		2nd	200
		3rd	150
3rd class—	Textile factories and in- dustries using mixed materials in large scale	1st	250
		2nd	175
		3rd	125
4th class—	Textile factories and in- dustries new in the coun- try will be exempt from taxation during the first fifteen years of their establishment. After this period, they will pay taxes in accordance with the above three classes.		
5th class—	Small factories and in- dustries of textile known	1st	75
		2nd	55

in the country, regard-	3rd	40
less of materials used	4th	30
	5th	20
	6th	12

6th class.— Small factories and industries of new textile will be exempted from taxation during their first ten years. After that period, they will be taxed like the above class.

MINING INDUSTRIES

Mining industries will pay the fees prescribed in the Regulation

LEARNED PROFESSIONS

1st class— Lawyers	1st	150
	2nd	75
	3rd	40
	4th	25
	5th	15
2nd class— Registrar of Deeds, clerks of courts and notaries	1st	75
	2nd	50
	3rd	35
	4th	25
3rd class— Solicitors at the seats of the Audiencia and courts of justice. Deputies at the court of justice who are not lawyers	1st	35
	2nd	20
	3rd	20
4th class— Physicians	1st	150
	2nd	75
	3rd	40
	4th	20
5th class— Pharmacists	1st	150
	2nd	75
	3rd	50
	4th	25
6th class— Veterinarians	1st	50
	2nd	25
	3rd	20

7th class—	Engineers and architects	1st	50
		2nd	25
8th class—	Surveyors, builders and masons	1st	25
		2nd	15
		3rd	8
9th class—	Artistic and manual occupations without shops open to the public	1st	50
		2nd	40
		3rd	30
		4th	25
		5th	17
		6th	12
		7th	8

EXPLANATION

Within the categories can be determined all the tariffs necessary for the division of the articles into groups, fixing for each one different rates.

If the taxpayer falls into two or more classes, if, for example, he is a merchant and at the same time an industrialist, lawyer or physician in active practice, he will pay all the taxes fixed for all those classes. But if he comprises two or more tariffs belonging to as many groups within one class and category, he will pay only the tax fixed for the highest group.

The application of the categories of each group will be adjusted to the importance of the business concern, factory, store, warehouse or trade and the conditions of the place.

An import and export trader can have in his place of business stores and warehouse for the storage and wholesale of his goods; but if in addition he has other stores for the sale of his wares, he should pay another tax for them. If he has in different places several warehouses for storage and stores for the sale of his goods, he will pay the tax for each category.

The wholesale buyer and seller who also sells and buys at retail and has only one place for his business will pay only the tax fixed for it; but if he has a different store for retail, he will pay in addition the tax for the retail merchant.

A manufacturer can import directly and store materials for his industry and have buildings for their storage and safe-keeping and he will not be considered an importer nor a shop

owner or collector of materials. He can also sell his products wholesale and at retail without paying any additional tax for this so long as the sale is made in the factory. However, if in addition he has another place exclusively for the sale of his wares, he will pay a tax corresponding to their class and category.

Those who are engaged in artistic and manual occupations who employ workers exposed to the public will be classified as manufacturers or industrialists.

SUMMARY

Assuming that there are 3,000 taxpayers throughout the Islands who pay rates of 100 to 500 pesos in accordance with the classifications and categories in the preceding table, they would pay on an average of 125 pesos each, a total of 375,000 pesos.

If 30,000 taxpayers would pay rates of 25 to 75, at an average of 40 pesos each, its total amount would be 1,200,000 pesos.

If there were 80,000 who would pay from 12 to 20 pesos, at an average of 15 pesos each, they would pay a total of 1,200,000 pesos.

The total number of taxpayers to the industrial, professional and commercial levy is 113,000.

Total amount of the levy is 2,775,000 pesos.

XIX

PUBLIC SERVICES AS SOURCES OF REVENUE

Personal cedula for security service

The imposition of a tax for security service is nothing new in the Philippines, although the existing one is irregular, full of privileges, inequalities and injustices. Such is the head tax whose payment is proven by means of the personal *cedula* or tax certificate. It was the first tax introduced by the Spaniards upon their occupation of the Islands. It was the same as the tax imposed by Carthage and Rome upon all the peoples they subjugated. Despite the fact that public opinion has been protesting against it for many years, especially the above mentioned Commission on Economic Reforms which considered it "a marvelous collection of injustices, inequalities and privileges", it still exists to the disgrace of the natives, rather of those who have no Spanish or European blood in their veins, because it is levied on them exclusively.

It is desirable, therefore, to reform it by substituting "security service" for its odious name and abolishing the privileges with which it is saturated and equalizing its exaction by making its amount proportional to each person's resources, similar to that found in Spain and until recently in Cuba.

The tribute has a meaning condemned by modern law from the moment it grants freedom to the citizen and the exclusive use of his fortune and property. Unlike before, the state is no longer absolute owner of the life and property of persons under it. It ought to defend, protect and help them and in return for such services, it can also demand a certain contribution but a voluntary one and up to a certain point, inasmuch as it can be evaded, the individual or citizen renouncing the ownership of certain properties. Thus, one who owns nothing pays nothing.

However, the tribute, which was introduced by governments by force during centuries of barbarism and by the right of conquest, signifies an obligatory and unavoidable impost to be paid whether or not one has means. It was imposed in ancient times when peoples were conquered and ruled by force of arms. If they were unable to pay, they were destroyed or subjugated, or else they shook off the yoke, or they engaged in plundering and sacking other peoples weaker than they. Thus, the tribute was imposed by force, enforced by force and ended also by force.

In a word, a citizen ought to contribute toward the support of the state according to his ability and in return for the services it renders him, but he should not be compelled to pay tribute or anything like it if he owns nothing. If, then, the Philippines is considered a part of the Spanish nation and therefore a province of Spain and not a tributary colony; if her people are also born Spaniards like those in the metropolis; if, lastly, the Spaniards have the right of citizenship, the Filipinos must also be recognized as Spanish citizens. As citizens, they cannot be compelled to pay tribute in its exact sense, but they can be compelled to pay a tax in proportion to their property and the services rendered by the state for the security of their persons and the protection of their property.

Well now, since this tax is payment for services, it should be adjusted to the value of the property of the citizen, for the more property he has the greater is the security service he needs. If so, why exempt from it persons belonging to another race? Why should it be paid only by those who have no Spanish or European blood in their veins from the father's side? By chance, do the so called natives and *mestizos* only receive protection from the state? Does it not extend to persons of Spanish and European lineage through the father's side? Should the Spaniards and other Europeans only have rights and those born in the Philippines alone have duties, because they are not considered Spaniards?

This is the system of taxation that the Commission on Reforms for the Philippines, composed entirely of Spaniards—some of whom are heads of families residing in the Philippines and favored by the system—could not help but call it

“a marvelous collection of injustices, inequalities and privileges whose study repels the minds most inured to the contemplation of human aberrations; they recoil in disgust, doubt and distrust surging in their minds.”

If one is to seek the purpose of such a privilege, unless it be to create a division between the Europeans and the natives, the first as rulers exempt from the payment of tribute, and the second as the ruled, the slaves and tribute-paying people, like the helots of ancient Sparta, the sudras of India, the *threll* among the German barbarians, and the pariahs, in short, of all the nations, according to the old system of the rule of force, cannot be other than to propagate there the Spanish progeny and, let us say, hispanize the Philippines by virtue of blood. However, instead of hardworking and industrious settlers who might eventually become landowners and could inspire their descendants to work, it sends there employees who are unstable, first, because they owe their positions to political favor rather than to the cause of good government and second, because it is the policy of the government not to let a fixed number of Spaniards, though small, to enjoy permanently all the comforts of life in those regions. The benefits expected from such positions became detrimental to the favored class as they aroused the animosity of the bypassed natives—antagonisms that are always fatal for both classes—and a discredit to the Spaniards in the eyes of the Filipinos and even of the Spaniards scattered there.

And why? Because the Spanish employees even before they embark for the Philippines are already thinking of their return and do not wish to expose their families, if they have any, to the hazards of government service and the discomforts of the voyage or if they are bachelors they are reluctant to go there where there is nothing attractive to them except their commission or the desire to travel and visit foreign countries. And what happens? With a few exceptions none get to form legitimate families, but procreate bastards who, believing that they have privileged blood in their veins, seeing that they have lighter skin than the natives and being raised by their mothers alone—mothers who believe themselves also a privileged class—begin from childhood to look down on the natives and abhor any kind of work, considering it only fit for the natives. They are exempt from the tribute, local services and other

impositions of the state including military service. They live in idleness, they indulge in all kinds of abuses against the social class they regard as inferior, they mock the local functionaries and they impose themselves on the agents of the law. If they are not prepared to practice any profession, they all aspire to become employees of the government or of companies, business houses or private enterprises, desirous of imitating the Spanish employees who sit comfortably in their offices four or five hours daily.

Such is the condition of some members of the privileged class who are neglected by their parents and uneducated whose privileged status casts them headlong into the abyss. Certain writers, desirous of sharpening their wits on Philippine matters, have picked on the most exaggerated specimens of this class, portraying them in their articles and pamphlets as the rule rather than the exception. To this class, however, do not belong the children of Spanish parents who are legitimately married and have become landowners and who, through hard work, rose to become the first capitalists, proprietors and merchants in the Archipelago.

Aside from the privileges enjoyed by individuals of Spanish lineage, there are other inequalities in the exaction of the tribute on account of blood, place, free consumption of tobacco and the free manufacture of rum. The tribute is not based on the fortune of the taxpayer as it should be. In some towns the tribute of a native, whether rich or poor, man or woman, amounts to 96 cents and that of a *mestizo* in the same circumstances is one peso and 66 cents; in other towns the tribute of a native is 1.46 and that of the *mestizo*, 1.96, excluding the *sanctorum* and local excise taxes. For the Chinese there are other fixed taxes that are still higher and different among themselves, according to whether he is an industrialist, farmer, or miner and whether he resides in Manila or in the provinces.

In this instance the pure native, at least through the father's side, is favored but not the Chinese *mestizos* who are just as Filipinos as the natives. They are not like the pure Chinese who are wealthy because of their thrifty life and extreme industry. Among the natives and the Chinese *mestizos* antagonisms also arise which many times develop into collisions which could not be checked by those in charge of maintaining

harmony among them. The cause of these antagonisms is none other than the difference in the amount of tribute each class paid and from which the natives deduced that they are superior to the Chinese *mestizos*, in the same way those of Spanish lineage consider themselves superior to the natives.

Hence, it can be said that in the Philippines the very old system of the division of the races into classes still prevails, as follows:

1. The ruling race composed of the pure Peninsular Spaniards who have entailed the administrative positions in the government of the Archipelago.
2. Those of Spanish or European lineage, the *mestizos*, who are exempt from the tribute, compulsory duties and services required by the state, province and town of the Philippines.
3. The natives who are less overloaded with the tribute precede the Chinese *mestizos* in the order of preference.
4. The Chinese *mestizos* pay twice as much tribute as the natives.
5. The pure Chinese, being immigrants, are regarded in the same way as the Greeks and Egyptians did every foreigner who settled in their states.

Castes of different conditions, privileges, rights and duties in the Philippines! What a singular spectacle in the last years of the XIX century in a country ruled by Spain, a civilized country, where right has always prevailed over force, where, since olden times, the power of the kings has always been counter balanced by the representation of the towns and some councils. Later under the constitutional monarchy, the Spanish people in more perfect degree never gave in to the reactionary pretensions of despotism. And afterwards guaranteed with the alternatives of democracy and republic, men of every political persuasion, with the exception of a few persons who are guided not by their own conviction and judgment but by their petty interests and designs, jointly devote their efforts no longer to the consolidation of the representative system but to its perfection so that freedom and order, the unconditional rule of law would prevail.

If some persons have the intention of taking advantage of these social divisions to disunite the Filipinos so that the anta-

gonisms that arise from them will render futile any plan for independence they may wish to carry out, let them consider the privileged race, the Spanish and the Spanish *mestizo* today hardly number 50,000 throughout the Archipelago, while the tribute-paying, half-slave and degraded race now is 8,000,000; that the whole army, with the exception of a Spanish regiment of artillery composed of 850 men, the officers and subalterns of the other regiments of the armed forces, is composed of tribute-paying natives, that is, 80 percent of the army. (Surely there are persons who think thus. Provided they succeed to establish a government, however short-lived it may be, they do not mind the means they employ, whether or not they are reprehensible, contrary to every notion of divine and human justice, and they are not bothered at all that the results may be fatal to the material and moral life of that people.)

Well then, if the immense majority of the native population had ever thought of such condemnable and sinister plans, which are not only terrible for Spain but even more so for the Philippines, which are not as deplorable for the Spaniards as for the Filipinos, what force or what device would be able to smash them? And on the other hand, what advantages or what benefits would separation from the metropolis bring them? What would be her lot except to become the toy of other powers that are greedy and ambitious and for sometime have been casting covetous eyes on her rich land? What would these powers do there but to exploit her natural resources and promote only their material interests in order to satiate their commercial greed, ignoring completely the moral and intellectual development of her inhabitants? And lastly, the rivalry among the various powers that claims those Islands and their submissive inhabitants by right of conquest, like booty abandoned to chance to be picked up by the first powerful nation that comes along, how easy it is to foresee the dismemberment of the Islands, which is favored by her geographical condition, and the complete division of the Filipinos by reason of race, government, language, customs, religion, conditions, etc. If the Spaniards, who will surely join the struggle, British, French, Germans, Russians, and North Americans divide the Island among themselves, they can afterward use them as unconscious instruments to solve the dissensions that may arise among them. And would the Filipinos desire all this to happen to them and

their country in preference to the rule and protection of the metropolis? They would never think of ever separating from Spain if they would be granted the same treatment and rights as those born in the Spanish Peninsula. And if they have not thought of it nor can they nor should they ever think of it because of the aforesaid reasons, why then these class divisions if they are regarded as preventive measures? What advantages or what security can they give Spanish rule? What has this odious, unjust and immoral system produced until now except the excessive pride of the privileged class, the attitude of superiority fostered by a capricious law, even making them believe that they have a legitimate right to despise and abuse the unprivileged classes, thus giving rise to resentments, to the desire for revenge and rebellion that at times acquire the proportions of an insurrection? For, what were the motives of the abortive rebellion in 1852 plotted by a lieutenant of infantry named Novales, the rebellion of a detachment of carabineers in Nueva Ecija in 1854 led by Cuesta, its officer, and the military insurrection in Cavite on 20 February 1872, of a few soldiers of infantry of the navy led by a sergeant named La Madrid, but mere resentments, mere personal vengeance, which were carried out by officers with the participation of soldiers under their command?

Officer Novales was ignored in the promotions in the army and this was the beginning of his rancor. He became jealous and envious of the Spaniards who filled the high positions and received bigger salaries than the Filipinos holding the same rank, which is still true today. Rancor, envy and jealousy drove him to plot a mutiny, counting only on a few native and *mestizo* soldiers of his company, to relieve his mind and to satisfy his desire for vengeance, without any separatist idea in his mind.

Officer Cuesta, belittled and insulted by some Spanish employees and residents of San Isidro, Province of Nueva Ecija, who called him the ugliest nicknames and scorned him in public, had no other purpose, but to murder every Peninsular Spaniard that he would encounter. In the delirium of his profound resentment, mad and furious, accompanied by the 30 carabineers under his command (who were unaware of his plan) looted the safe of the tobacco agency, killed its manager

Mr. Vicente Mucio, with whom he had sometimes dined; they scattered on the streets the looted money; they fled to the Province of Pampanga where, exhausted by fatigue and hunger, some of them were killed by a squadron of infantry; but Cuesta was able to save himself and reach Manila.

The motives of the Cavite mutiny were similar to those of Sergeant Novales; but the government, full of apprehension and fear, magnified it, giving it all the importance of a real separatist insurrection that it could not have, neither for its nature nor for its spirit, plans and methods of execution nor for its indirect and immediate effects. Besides, the triumph of the great revolution in Spain was just recent, the war in Cuba had begun, and not yet forgotten was the stifled student protest in November 1870, when some students of the University of Santo Tomas through anonymous letters expressed their disapproval of the methods of teaching of the Dominican fathers and asked for the appointment of more capable professors and the broadening of education like that in Spain. They also asked the government to take direct control of the university and to remove the Dominicans from its administration, for education is a national interest of the highest importance and should not be entrusted exclusively to certain religious corporations, for, however great is their zeal for their divine mission and the high qualities of their sacred institution, their members are nevertheless mortals (*mortales sunt tamen*) who, sometimes, as it has been shown in France and Spain, pursue ends contrary to those of the established government. But this movement of young students was entirely harmless; it could not be a threat to the integrity of the Spanish nation not only because of the age and capacity of its presumed leaders—students of Roman civil and canon laws—but also of its character and object. The students' demand was not subversive but reasonable, just and legal. The students did not disturb the interior order of the University; there were no shouts or interruption of the classes or was there a public demonstration. The residents of the walled city, a mere four square kilometers, did not even hear of it, as it was not talked about publicly for fear of complicity. Transcendental complications were inferred from this student protest as well as from the rebellion of Novales, the Cuesta incident and La Madrid's uprising in Cavite, attributing to well-to-do and educated citizens their

planning, plot, preparation and leadership and separatist purpose.

On account of the student incident various persons were imprisoned. One of them was Felipe Buencamino, 23 years old, a law student and presumed to be the leader; and the others were various hapless and honorable heads of families residing in the provinces, who did not even understand the language of the metropolis, and an artist or so who did not even earn ten *reales* daily. But after nine or eleven months the case was dropped, no charges having been proven any one of the accused, nor the crime of subversion that was charged at the beginning, unless it be the anonymous letters that were picked up at the University which expressed clearly the object, or better, the legitimate aspiration of the students.

As to the Novales attempt, its leadership, project, and plan were imputed to the most prominent citizens of Manila who were very close to the Spaniards through blood and friendship: five or seven, some lawyers and others were businessmen and proprietors, were accused of high treason, but they were all acquitted of any complicity and of the slightest suspicion and were all rehabilitated before public opinion.

As to Cuesta's rebellion, some citizens of the Province of Nueva Ecija, including some Spaniards, were also implicated and suit was brought against those who had had any dealing with the rebels before and after their rebellion. False information came forth, placing in danger the life of some residents who possessed some wealth accumulated through hard work and thrift, because it was believed they shared in the looting of "the King's money" by the carabineers which was scattered in the streets and buried in the broken ground. In this case as in the previous ones nothing either came out besides the true guilty ones. Fatality awaited other circumstances to choose its victims and inflict upon them all its might!

Thus it happened to the ill-fated Cavite mutiny, which, not satisfied with having sacrificed persons who were perhaps innocent, it aroused envy and jealousy over the social position and wealth of certain persons. It led to false accusations, which have not ceased until this date, because some used them as a mighty weapon of revenge, and others as a sure means of exploiting the pusillanimous. It spread distrust and fear even

among Spanish families, because the wretched accusers already raise their sights to this social class. It spread terror and general panic among those peaceful people, driving some away from their native land. In the midst of this anxiety that bordered on despair perhaps sinister thoughts had assailed loyal minds.

As a result then of that dismal mutiny, three Filipino priests were garroted; three persons among the most select of the Spanish *mestizo* and native classes were imprisoned for life in Ceuta and some lawyers, clergymen, businessmen and industrialists, fifteen altogether, were exiled to the Marianas Islands. Spaniards and foreigners who knew each one of the victims could not understand or explain their alleged complicity or participation in the Cavite mutiny to have deserved the heaviest penalties in the Penal Code. Neither their antecedents or their social position and conditions nor their minds, ideas and known aspirations or their life, customs and connections justified the penalty imposed upon them. Without doubt circumstances more than the facts themselves at times can be more forceful, perhaps also when aided by a black hand that moved before and during the proceedings, the false and anonymous accusations which then became general in Manila and were used as a powerful weapon of revenge, means of speculation and even of amusement, and the rushing of the trial that was finished in less than three months. They acted in such a way that the court officer as well as the members of the Council of War, who were all military men, found proven the participation of the accused in the mutiny and deserving of the penalty imposed upon them. Despite the appeal to the Supreme Council of War, the sentences were carried out, death for some and life imprisonment and exile for the others. Had the regular proceedings been followed before the ordinary court, certain nebulosities that completely enveloped the case might have been dispelled and there would have been no charge against those who were condemned. Mysterious versions are still common talk there to which are related subsequent occurrences beyond the grave which are superstitious and fantastic.

We are not trying to censure the decision of that military court nor the severity of the penalty imposed upon the guilty. Why should we censure it when we would be the first one to

advise the same in similar cases, as well as the first to condemn the acts that caused them and the first also to deplore their effects if they had been more transcendental; for it is us, natives of that country, who would suffer their fatal consequences in the future. But we state our opinion on the proceedings followed and their disturbing effects on the calm and tranquility of those peaceful people. We say that had the regular proceedings in an ordinary court been followed with all the investigations and inquiries needed by the case, under the procedure and formalities of civil trials, not against those caught with arms whose guilt was unquestionable, but against those who were suspected to be involved and were apprehended peacefully in their homes, perhaps the nebulosities that enveloped in mystery those wretched deeds would have been cleared and the real culprits would have been discovered and the evil would have been nipped in the bud, so that there would be no more fear in the future of new disturbances of that kind, which always arouse sinister thoughts even in loyal hearts.

The denunciations which, as we have said, became general in Manila, did not cease looking for more victims even long after everyone wished to forget the past, as if fate were persisting to make appear what did not exist, more exactly, to excite the mind about the unknown or what is not thought about. Two years afterward, in 1874, without any motive or apparent cause except that of having given credence to these infamous denunciations—which, however, the authorities neither can nor ought to ignore completely—they proceeded to arrest and imprison some citizens charging them on one hand with conspiracy to annex the Philippines to Germany and on the other with having an understanding with the *cantonales*¹¹ of Cartagena, just because one or various letters had been intercepted written by one of the Filipino prisoners in Ceuta to someone in the Philippines. The letters, however, dealt only with family affairs. And after special and rigid inquiries as such serious cases required nothing after all was discovered. Nevertheless, the incident sowed distrust and fear even among Spanish families, for the professional informers no longer respected this social class and hence they did not

¹¹ *Cantonales* were advocates of dividing a country into cantons, more or less independent. (*Translator.*)

escape imprisonment and the stigma on their reputation, like Colonel Moscoso of untarnished reputation.

Well then, admitting that these incidents which have hitherto occurred in the Philippines were real conspiracies with plans, purposes and means of carrying them out, perfectly conceived and adequate to achieve the emancipation of those Islands, which of those incidents showed that social and racial divisions had served as a deterrent? Which of them showed that private grudges, racial and class antagonisms had been able either through remote influence to neutralize or even attenuate their effects, or prevent the carrying out of the project, or avoid its plot? In what movement have not been united and mingled the Chinese *mestizos* who pay double tribute, the natives who pay less and the Spanish *mestizos* who pay nothing? Have these classifications and social distinctions prevented the contriving and execution of reprehensible plans?

In the Novales revolt—Novales was a privileged Spanish *mestizo*—took part sergeants, corporals and soldiers who were Chinese *mestizos*, Spanish *mestizos* and natives, all jumbled together. The revolt would have spread had it not been for the strong opposition of the brother of Novales himself. In the Cuesta rebellion—Cuesta was also a Spanish *mestizo*—took part members of the other social classes and even pure Spaniards residing in Nueva Ecija were involved in the cause. In the student movement the three social classes were also mingled together, a *mestizo* taxpayer being the presumed leader. In the Cavite mutiny the real initiators, the sergeants, corporals and soldiers, as well as those implicated in it, were privileged Spanish *mestizos*, *mestizo* taxpayers and natives and among the suspects were Peninsular Spaniards, the plot having been revealed by a Filipino woman three days before it broke out. Lastly, because of the denunciations made in 1874, indicted were not only members of the three classes of Filipinos but also pure Spaniards. Why should it be wondered at if they unite and mix in spite of the different classes into which they are divided since, after all, they are all Filipinos, born in the same land, under the same sun and climate, and rocked by the same ambient air and if Peninsular Spaniards join them?

Ah, what a boon it would be if the government would abolish the odious privileges, the racial divisions, the social

stratification, the distinction in rights and duties of the Filipinos, hitherto and forever the source of resentments, vengeance and rebellions, thus avoiding any kind of movement that always arouse sooner or later sinister thoughts in the harmless minds of those peaceful islanders! With that pleasure would the native pay, instead of a tribute now imposed on him in the manner of conquered peoples who are governed through force, a personal *cedula* for his protection by the state, a document that can also serve as his identification, valid throughout the Archipelago, showing that he is a citizen in good standing, neither a tramp nor a vagrant! What resentments would not the Filipinos lay aside, what reproachable ideas and designs would they not cast off, when they see that the law in full measure governs them; that there is no class distinction among them; that everyone contributes to the support of the state according to his earning and fortune; that there are no longer among them such denominations as "native *Indio*, Chinese *mestizo*, Spanish *mestizo*, *castila*¹² or Spaniard", denominations that are still used in all official documents and ceremonies, as if their family names and residence were not enough to identify them; that all of them are as *castilas* or Spaniards, the appellation exclusively applied to the few Peninsular Spaniards residing there; that, in short, all those born in the Philippines who have not renounced their citizenship are as Spanish citizens as those born in Spain, endowed with all the political rights, such as, suffrage, to hold public office, etc., etc.! What an imperishable memory any government would leave behind in the entire country, how profound and eternal would be the gratitude of her people that they would transmit to all generations to come, if the government would carry out such earnestly desired reform, demanded by justice, by law and even by national and political convenience, as it will establish forever a bond of common interests between the Philippines and the metropolis.

¹² *Castila* is a Tagalog word meaning Spaniard. (Translator.)

XX

PERSONAL CEDULAS: THEIR KIND, VALUE AND USE

We divide personal *cedulas* into three kinds: the first is for all resident nationals and foreigners, except the Chinese; the second is exclusively for the Chinese; and the third is for subdued non-Christian natives who now pay a tax called "recognition of vassalage."

We favor the abolition of all class distinctions and the establishment of proportional equality, which is just and equitable, in the exaction of every tax and impost, considering the different conditions and capacities of the taxpayers. Under this concept and on that quality we base the division of the *cedulas* into three kinds.

We assign a distinct kind of *cedula* to the Chinese, because their economic life is absolutely incomparable to that of the nationals and European foreigners and of the most civilized peoples. While they earn more than other nationalities in all kinds of industries, they also spend very much less; and after they become rich, they return to their country with all their money earned in perhaps one fourth of the time that a national or European would employ, working hard under the same circumstances.

It is the practice of the Chinese in Manila to accumulate gold and silver, to live very economically, and afterward carry away their money to their country. After two or three years, they return to the Islands without any capital. He starts with the credit he had built up before leaving, or with money loaned by his countrymen (because in the matter of mutual protection and aid no other people can surpass them) and at the end of five or six years they have saved enough to go back again to their country. There are some who undertake these round trips four or five times on the pretext of bringing goods from Chinese ports. Being Christian converts and having a family in the

Philippines do not hinder them at all. When the time comes, they abandon their families without any consideration, many times never to return and always they carried with them their money.

In their commercial ventures they clinch together for joint or combined liability. So that the bankrupt as well as the newcomer without capital can very easily find the means to start a business supported by loans from the big foreign firms with the guarantee and credit, if necessary, of five, ten or twenty established Chinese businessmen that he can find without difficulty. And the same borrower afterward, even before building up his own credit, serves as a guarantor for others. With such a powerful association it will not be surprising that they would take over the wealth of the country, nor would it be just or equitable to impost upon them the same tax rate as the nationals.

Thus the Spanish gold coins of *onza* and half *onza*, the *centenes* and old gold doubloons and the Mexican and Spanish silver pesos of ancient coinage that circulated freely in the Islands were all transferred in a short time to China.

The Chinese have penetrated all industries in the country, except those which are unprofitable for them; they have imported some from their country. Wherever they carry on business, they offer deadly competition to the natives, always to the disadvantage of the latter who cannot equal them neither in constancy nor in ingenuity nor in thrift. There are towns in the Province of Batangas, like Taal, for example, where the natives resist them and do not allow them to stay. Until this date no Chinese has settled there.

However, the immigration into the Philippines of a larger number of Chinese is very useful and necessary. From 150,000 to 500,000 should be admitted and distributed all over the Islands, and they should be compelled to engage in farming and mining, rather than in commerce and industry. However, since we impose upon them the same rates of direct taxes as those paid by the natives and other foreigners, in order to establish equality in taxation proportional to the net profits that each taxpayer earns, it is desirable to surcharge the tax for security service or personal *cedula* of the Chinese, because undoubtedly they make greater profits than the natives. Besides, this would not be unusual for them inasmuch as at

present they pay higher capitation, industrial and commercial taxes than the natives.

Also, the price of the personal *cedula* for the subdued non-Christians who are natives of the country should be lower in view of their lack of education and their resources are always inferior to the lowest among the nationals.

Unnaturalized foreigners, excepting the Chinese, should pay only for the personal *cedula* when they enter into contracts under the sanction of the country's civil laws.

All nationals, Peninsular and insular Spaniards, regardless of classes and conditions, with the exception of ecclesiastics and military men in active service, will be compelled to provide themselves with the personal *cedula* of the first kind, according to the class corresponding to their position, earning and fortune in the following order:

Men from 17 to 65 years of age and women from 21, if they are single, and at any age until 55, if they are married.

The disabled on account of sickness and those above 55 and 65 respectively, if they are poor, will be provided gratis by the municipal government with a certificate valid for all official acts. If they have property, besides the certificate issued by the municipal government, they will need the personal *cedula* of the class immediately below the one that otherwise they would have to get in order to enter into contracts, conduct any kind of business, and to go from one province to another.

Minors without capital or salary of any kind, if they are employed in any establishment as a factor, shop clerk or representative, will only pay for the *cedula* of the last class, regardless of the social position and fortune of the family.

Male minors of 17 years of age and female of 21 and youths of 14 should provide themselves with a certificate from the municipal government, which will serve as a passport to enable them to go from one town to another or from one province to another.

CLASSES AND PRICES

We subdivide each kind of *cedula* mentioned into various classes with different prices, according to the fortune and earning of the person who will hold it, as follows:

1st kind		2nd kind		3rd kind	
For nationals and foreigners		For the Chinese		For non-Christians and mountain dwellers	
Classes	Price	Classes	Price	Classes	Price
1.	25 pesos	1.	75 pesos	1.	3 pesos
2.	15 "	2.	50 "	2.	1 "
3.	10 "	3.	35 "		
4.	7 "	4.	25 "		
5.	5 "	5.	15 "		
6.	3.50 "	6.	8 "		
7.	2.50 "	7.	4 "		

These rates are not burdensome, if one takes into account the amount the tax-paying classes pay for poll tax and municipal excise taxes. A native in the towns least overcharged now pays 96 cents tribute, 50 cents for *sanctorum* and municipal excise taxes and three pesos for the redemption of personal service in public works: a total of 4 pesos and 46 cents.

A Chinese *mestizo* in the towns least overcharged pays 1.96 pesos as tribute, 50 cents for *sanctorum* and municipal excise taxes and 3 pesos for the redemption of personal service in public works: a total of 5.46 pesos.

A Chinese miner pays a capitation tax of 75 cents, 3 pesos for the redemption of personal service in public works and 12½ cents for excise tax: total, 3.875 pesos.

A Chinese industrialist in the towns least overcharged pays a capitation tax of 6 pesos, 25 cents for excise tax and 3 pesos for the redemption of personal service in public works: total, 9.25 pesos.

Lastly, the non-Christians now pay for the recognition of vassalage 20 *cuartos* in some places and 10 *cuartos* in others. We raise this tax to 3 pesos for the chiefs of the tribes and one peso for all the rest. They will be compelled to live in the villages where they will be assigned free lands.

So that, in accordance with the classes and prices we have set, a poor man, whether native or *mestizo*, will pay only 2.50 pesos tax and if necessary 3 pesos, the 50 cents being assigned to the support of local administration. The Chinese miner will pay at most 4.50 pesos and a farm hand without property, a day laborer, etcetera, 8.50 pesos. Therefore, only

those with earnings of 5,000 pesos and above will have to provide themselves with *cedulas* of the first class of 75 pesos if they are Chinese and 25 pesos if they are nationals and foreigners.

SUMMARY

Supposing the number of nationals and foreigners is 20,000 who would provide themselves with *cedulas* of 10 to 25 pesos each, the total amount on the average will be 240,000 pesos. Likewise if 2,800,000 would pay from 2.50 to 7.00 pesos each, at the rate of 3 pesos each, the total will amount to 8,400,000 pesos.

From some 10,000 Chinese who would pay from 25 to 75 pesos each, the total amount would be 500,000; and from 100,000 who would pay from 4 to 25 pesos, the total, 1,000,000 pesos. Some 100,000 non-Christians who would pay one peso each, the total, 100,000.

The total number of holders of personal *cedula*, 3,030,000. The total revenue, 10,240,000 pesos.

XXI

CUSTOMS

As we have already said, it is desirable and necessary to abolish the customs office as it hinders the commercial as well as the agricultural and industrial progress of the country and also because it can never be free from fraudulent practices. The political or police duties assigned to it can very well be performed either by the Civil Guard or by a corps of coast guards that can be formed of members of the navy.

Some defend the continuance of the customs office, saying that as industrial and agricultural production is bound to increase in a short time on account of the richness of the soil of those privileged lands and especially of the abolition of the tobacco monopoly, whose immediate effects give promise of a flattering future, customs duties would bring big revenues to the Treasury which would be enough to defray the additional expenses of the government due to the increase of public services, without resorting to new taxes. However, we say that if agricultural production is doubled, if industry and commerce, which are its indispensable auxiliaries, would also increase proportionally, what would their effect be except the doubling of the revenues from ordinary taxation as we propose in our reforms? If these three taxable matters yield 10,000,000 pesos in revenues—a minimum estimate that we base on their present condition—would not these revenues increase to 20,000,000 pesos if the production were doubled? And with such an increase in revenues, would there still be a need to resort to new taxes to defray the additional expenses of the government? Develop the sources of wealth, strengthen their component parts and remove all obstacles and fetters that obstruct their development—these are the things that should be done, for so long as they are productive, the government will not lack the funds it needs. Besides, as we have already said, importers and exporters, shipowners and others engaged in overseas trade would prefer to pay higher taxes

provided they would not be subjected to those customs regulations that are inspired by distrust and which customs agents enforce with unusual zeal, making one suspect that they are acting more for their personal interest than for that of the government. They delay a great deal the loading and unloading of cargo and the clearance of commercial goods, as well as the arrival and departure of vessels, unlike in Singapore, Hong Kong and other free ports where customs operations are done with marvelous speed that at times in one day a vessel of 2,000 tonnage loads and unloads and sails. It is not necessary to be a businessman or to have seen or passed with commercial goods through the customs at Manila to harbor these sentiments, for all customs are the same. Gate fees, bridge tolls, turnpike tolls and excise taxes are condemned by common consent.

Aside from customs duties, there is another tax that hurts noticeably the commercial movement in the most productive and advanced towns of the Archipelago. This is the navigation tax collected upon the registration of every kind of vessel and craft. In this case, as in the matter of customs duties, it is not the payment of the tax that hurts most directly but the filling up of its requirements.

In order to fulfill these requirements, shipowners or skippers residing in towns far from the capital or the office of the port captain, the only place of registration, have to spend a considerable amount of time and money. We can attest to this because we ourself experienced it.

From the town of Tambobong¹³ to Manila—a distance of not more than seven kilometers—takes less than an hour in a tilbury. To fit out a *casco*, a river craft of very little draught, and put it in shape for river navigation requires at least twelve days and sometimes a month and a half for the following reason: Supposing that on the first day one finds the five, six or seven men needed to man the craft. At times they cannot be found in ten days, as there are none available, above all during the rainy season. Some of the men have no personal *cedula* for not having money to pay for it, and the shipowner has to look for the heads of barangay to obtain the document and pay for it, spending three days working actively in this business. The personal *cedulas* of the crew are brought to

¹³ Tambobong is now named Malabon. (*Translator.*)

the office of the port captain. In addition to the payment of the required fees, about five pesos at least are spent for tips in order to get prompt attention; but even with all that it takes three or four more trips to Manila to get a clearance, costing about eight pesos in travelling expenses. Sometimes the clearance papers lie in the office of the port captain unacted for ten or fifteen days, especially when the employees are not tipped. When the sailing permit is already obtained, a member of the crew gets sick, or disappears after getting his advance pay, or for some other reason he cannot go on the trip. The shipowner then has to look for a substitute or substitutes and returns to the office of the port captain to register the new names and fulfills other requirements, like the payment of the new recruits' personal *cedulas*, spending another six or ten days attending to all this.

The *casco* is at last now ready for the trip; and sets out on the rivers of Bulacan and Pampanga, and if during the trip a member of the crew disappears, which is very frequent, and the craft cannot continue the voyage for lack of the necessary crew, the skipper has to look for the *gobbernadorcillo* of the town nearest to the point wherein the crewman's disappearance has been noticed, even if the distance is about five or ten leagues and request him to attest the crewman's disappearance and to help look for substitutes, for along the route there are carabineers and civil guards who inspect the roll of the craft and if they discover in it any disparity between the names and personal descriptions and those in their respective personal *cedulas*, they take to prison the skipper or pilot, stop the trip, and watch the craft. Another delay.

The *casco* returns to Tambobong; the cargo is brought to Manila where the market offers bigger profits; and the *casco* owner has to submit a report to the office of the port captain on the incidents of the trip. Without these requisites the round trip can be made in six days. He secures a new permit to unload in the bay or rivers of the capital city. If these requirements are not fulfilled, the watchers who are strict beyond comparison, they read the register and take the pilot to jail, and the *casco* owner has to pay a fine to get him out. Sometimes also so many formalities are omitted; but the merchant can never escape handing out tips to the agents or employees of the registry office for their zeal. On

account of the meagerness of their salaries they depended on such tips in order to live. We have experienced this many times and we have seen at Manila the same thing happening daily.

If the customs office is bad, even worse are its agents who go to the extreme in the performance of their duties, committing an infinity of immoral acts and tormenting the timid and submissive natives.

The Board of Tariffs of Manila, composed of members who were familiar with the moral and material conditions in the Islands, in 1871 protested against the navigation tax including port fees as well as against the abuses in their collection, citing the same reasons we have pointed out, and stating that it would have no other effect but to discourage native traders and to ruin the provinces and towns of the Archipelago which, having no roads or highways, depended solely on water routes, the rivers and the seas. However the minister of colonies at Madrid disregarded these arguments and today the vexatious practices continue to the greatest detriment of domestic commerce.¹⁴

Our political economists have been accustomed to the system of indirect taxation and they lose no opportunity to advocate it regardless of time and place or of its mediate and immediate consequences. It is a very shrewd system indeed, because it appears as an insignificant tax and is not heavy, except to the buyer of the stuff on which it is imposed. However, it is also uneconomical on account of its vagueness and uncertainty. It is unjust, unequal and immoral for at times it falls mercilessly on the poor. It is generally condemned and people resist it as they do the excise tax, turnpike toll, bridge toll, or sales tax. It is only advisable in cases of necessity when no more bases for direct taxation can be found, or when the existing taxes can no longer be increased, as it happens in Spain. Lastly, it is most complicated and liable to abuses and irregularities by its collectors.

Whenever goods are moved or consumed, taxes must be paid to the government. Little does it matter if it is the same taxable stuff that is moved. For every movement one tax. It matters little if the commodities consumed are the staple

¹⁴ See Appendix: Domestic Commerce. (Author.)

food of the people. If because of the tax the prices of goods rise and the poor will be unable to buy food, the tax will be collected nonetheless. The government takes pity, except in very exceptional cases, but with the indirect taxation it will never do it; it forebodes misfortune but it is unaware of the unfortunate. Thus an eminent statesman of the public treasury describes the nature of indirect taxes.

If the estimated revenues under the system proposed in the present project are not enough to cover the expenses of the government, there will undoubtedly be an increase in revenues on account of the abolition of the tobacco monopoly. At least, therefore, imported materials needed in manufacturing, building construction, the arts and learned professions should be exempted from import duties.

Likewise trade with all Spanish possessions should be declared coasting trade, particularly with Spain, in order to promote closer relations between the metropolis and the Philippines. This arrangement will undoubtedly bring greater advantages to Spain, considering the present conditions of production in the Philippines; but these advantages are counterbalanced by the 100,000 *quintals* of tobacco that the Philippine government sends to Spain as tribute.

The navigation tax including all the requirements inherent in it likewise should be abolished. The registration of every kind of craft should be made in the municipal government of each town which can send to the office of the port captain a report of its entries every quarter.

SUMMARY

	Pesos
According to the appropriations of 1880-81:	
Export duties	297,450.00
Import duties	1,261,950.00
Tobacco export duty at the rate of 6 pesos per <i>quintal</i> ; estimate: 200,000 <i>quintals</i>	1,200,000.00
Import duty on opium at the rate of 50% <i>ad valorem</i> , estimate: 1,000,000 pesos	500,000.00
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TOTAL	3,259,100.00

XXII

VARIOUS SERVICES OF THE GOVERNMENT THAT ARE FINANCED BY STAMPED EFFECTS

These services are those performed by the departments of justice, interior, post office, and various others solely to earn revenues for the government.

According to present legislation and practice, the stamped articles that pay for these services are: 1. stamped paper. 2. Drafts. 3. Postage stamps. 4. Official receipts. 5. Stamps for receipts and accounts. 6. Judicial stamps. 7. Signature seals. 8. Passport stamps. 9. Telegraph stamps. 10. Private subscription for semaphore information service. 11. Bulls of the Holy Crusade.

We would reduce so many items into the following:

1. Stamped paper
2. Judicial stamp
3. Police and public order stamp
4. Postage stamp
5. Telegraph stamp
6. Commercial stamp
7. Bulls
8. Official receipts

STAMPED PAPER

There are four classes of stamped paper in the Philippines. 1st. each sheet costs 40 pesetas, used for titles and documents whose value is 3,000 pesos and above; 2nd. each sheet, 7 pesetas and 50 cents, used for powers of attorney and documents of lower value; 3rd. a half sheet, 5 *reales vellon* for judicial and administrative actions regardless of the amount involved; 4th. a half sheet, 5 *cuartos*, ex officio and for the poor.

We believe that by increasing the number of classes the amount of revenue would increase, inasmuch as their use will be placed within the reach of everyone. As the third class stamped paper is required for all kinds of judicial and administrative matters, even for a mere exposition before any official, office or main administrative office, many people shun these proceedings rather than pursue their legitimate interests.

The judicial charges are higher and the delays in lawsuits are more endless than in Spain. Why should not those who need justice shy away from the courts when they cannot sue as paupers?

The Philippines is not yet as important as Spain or Cuba. Few are the lawsuits that involve 3,000 pesos or higher, the majority being 300 pesos or below. And when it is not worth more than 1,000 pesos and there is no prospect of winning the case in a short time, whether because of its nature or because of the strength of the adversary, conciliatory or spiritless natives refrain from suing. This is the explanation for the poor demand for this kind of stamped paper in relation to the number of towns, provinces and inhabitants of the Philippines.

The obligation to pay for the administration of justice certainly has not been instituted for the purpose of discouraging litigations and driving away those who need justice, but simply to obtain revenues that would help defray the expenses of administering it. Hence, to raise its price would have a contrary effect as it happens generally in some commercial transactions.

We would therefore increase the number of classes of stamped paper fixing their prices according to the value of the transaction, to wit:

1. Stamped paper, each sheet 50 pesetas, for titles and documents worth 4,001 pesos and above.
2. Stamped paper, each sheet 25 pesetas, for documents worth 1,001, to 4,000 pesos.
3. Stamped paper, each sheet 7 pesetas and 50 cents for power of attorney and deeds from 201 to 1,000 pesos.
4. Stamped paper, each half sheet 1 peseta and 50 cents for judicial actions.
5. Stamped paper, each half sheet 1 peseta for judicial actions.

6. Stamped paper, each half sheet 50 cents for judicial actions.
7. Stamped paper, each half sheet 12.5 cents for judicial actions.

SUMMARY

The amount of these revenues in the appropriations of 1880-81 was 160,000 pesos. We presume that there would be a considerable increase of these revenues if, as we propose, there would be established a supreme court in the Visayas, new courts of first instance, registries of deed and notaries public where today none exist.

Under this concept we estimate the total revenues at 400,000 pesos.

JUDICIAL STAMPS

Under the title of "Judicial Stamps" we put together in one class the various fees paid for judicial services, such as, the same judicial stamp that now exists, paper for reimbursements and fines paid to the government.

Thus, then, the judicial stamp that we propose will be allotted to the payment of the charges, fees, and reimbursements to the treasury, fines imposed by judicial functionaries and in short, all services inherent to these functions.

SUMMARY

In the appropriations of 1880-81, 19,000 pesos are allotted to "judicial stamps" and 130,000 pesos to "paper of payments to the state." By virtue of the increase of services we are proposing greater revenues will undoubtedly be collected and it would not be an exaggeration to estimate them at 300,000 pesos.

POLICE AND PUBLIC ORDER STAMP

We place together in one class only under the title "Police and Public Order Stamp" what are now called signature stamps, passport stamps, and part of the paper of payments to the state used for paying administrative fees.

So that the only "police and public order stamp" we are proposing will comprise all kinds of fees charged and the fines

imposed in the civil and administrative class, except those that correspond to the municipal governments as excise or municipal taxes.

SUMMARY

In the appropriations of 1880-81 are allocated as "signature fees" 30,000 pesos; as passport stamps, 3,500 pesos; and as "payment paper to the state," 130,000.

With the establishment of civil administrative services that we propose in the administrative part of this work, it would not be an exaggeration to suppose that the total amount of the sole "police and public order stamp" that will be sold throughout the Islands under the former concepts will be 150,000 pesos.

POSTAGE STAMPS

The immediate effect of regularizing the routes of communication, which we propose, would be the increase of domestic and overseas mail. It can well be expected from it a total revenue of 80,000 pesos while the present is only 59,000.

TELEGRAPH STAMPS

There are today "telegraph stamps" and what is called "private subscription to the semaphore service," both producing a revenue of 18,000 pesos.

The lines will be increased, as we propose, and consequently the revenues from this source will reach 50,000 pesos.

COMMERCIAL STAMPS

We will put together under "Commercial Stamps" commercial drafts, receipt stamps and bills and the tax on raffles which are now paid in cash.

In the appropriations of 1880-81 the first amounted to 22,000, the second 20,000 and the third 2,500: total, 44,500. With the services we propose there will be greater commercial activity which would result in the increase of the income from the lone commercial stamp, which may be estimated at 70,000 pesos.

BULLS

The revenues from bulls according to the appropriations of 1880-81 amount to 30,000 pesos.

PAYMENT PAPER TO THE STATE

Our proposal concerning the payment to the government for the sale or rent of its properties will be found under the title of "Properties and Fees of the State."

MONOPOLIES

Under this heading we place only lottery. We suppress the income from opium and increase its import duties. The tax on cockfighting is transferred to the local funds, as it is a municipal tax.

In the appropriations of 1880-81 the revenues from lotteries, excluding the tax on raffles, amounted to 890,000 pesos.

GENERAL SUMMARY OF REVENUES FROM STAMPED EFFECTS

	Pesos
Stamped paper of 7 classes	400,000
Judicial stamps	300,000
Police and public order stamps	150,000
Postage stamps	80,000
Telegraph stamps	50,000
Commercial stamps	70,000
Bulls of the Holy Crusade	30,000
Lotteries	890,000
Total	1,970,000

PROPERTIES AND FEES OF THE STATE

Of the different items that comprise this section in the appropriations of 1880-81 we omit the one about the sale of the products of the royal lands by the system of composition to which we are opposed and instead we propose free grant.

We are in favor of retaining the following items:

	Pesos
1. Rental of buildings and rice lands	300
2. Fees for mining claims. (We propose special regulation for these)	100
3. Sale of buildings	23,000
4. Sale of surplus effects	1,000

	Pesos
5. Sale of surplus effects of the War Department	15,350
6. Sale of forest products	139,000
7. Shipyard fees at the Cavite Arsenal	1,650
	<hr/>
Total	180,400

CONTINGENT FEES AND REVENUES

We omit the following items under this section of the appropriations of 1880-81:

	Pesos
1. 20% of the public lands	4,500
2. 10% of the excise taxes	199,000
3. Mint	24,000
	<hr/>
Total	227,500

The reason for the first two items is the suppression of the *polo* or free labor in the public works and other municipal taxes; and as to the Mint, the uselessness of this department. It is a drain on the Treasury instead of an asset. Its revenues amount to 24,000 pesos, while its expenditures for personnel and materials amount to 47,473.65 pesos.

Besides, the money minted in those Islands suffer a discount here [Spain] to the disadvantage of returning employees.

Since the mints in Spain make considerable net profits yearly, it is better to send to the Philippines money minted in Spain, as is done to Cuba, until the time those Islands shall become more important. This is already being done with respect to copper and silver coins, because only gold is minted in the Islands.

We retain the items listed below:

	Pesos
1. Ecclesiastical monthly allowances	5,000
2. One half of the first year's income from secular benefits	600
3. Saleable and transferable offices	2,500
4. Balance of accounts	20,000
5. Devolutions	70,000

	Pesos
6. Profits from money orders and drafts	8,000
7. Special couriers of the post office	12,600
8. Sale of books and other printed matter	2,000
9. Unowned property	6,500
10. Product of prisoners' work, only with respect to women prisoners and disabled male prisoners who will be given work suitable to their sex and age. All the other male prisoners will be assigned to public works	12,000
11. Discount of 10% from the salaries of government employees which amount to 340,000 pesos in the appropriations of 1880-81; but by increasing the personnel of all government branches, the total revenues can be estimated at a minimum of	1,500,000
12. Miscellaneous resources	2,000
We add:	
13. The sale of the value of buildings and equipment used by the tobacco monopoly which are the property of the state and whose total value cannot be below	1,000,000
Total	2,641,000

REVENUES OF LOCAL GOVERNMENT

The revenues of local government at present come from taxes and excise known as follows:

1. Tribute of natives and Chinese *mestizos*, one *real fuerte* (silver coin).
2. Tax on each registered Chinese: If he is a miner or second class farmer, one *real fuerte*; if he is an industrial worker, two *reales fuertes*.
3. Merchant seamen.
4. Exemption from compulsory labor of *tanaorias* and guards.
5. Exemption from compulsory labor in public works or from fines for abandoning work.

The *sanctorum* which is one *real fuerte* goes to the support of the church and not to the local funds.

All these taxes and excise taxes have the same origin as the tribute and they are borne only by the tribute-paying class. The *polos* and services consist of personal labor for 40 days a year required of every male taxpayer, but it can be redeemed by paying 12 *cuartos* for each day or three pesos a year. This redemption is called *fallas* or fines for abandoning work and paid in coins most irregularly.

These obligatory personal services, like the capitation tax, should be abolished. All local services should be performed by salaried employees of the province and town, and public works should be undertaken by contract. However, delinquent taxpayers may be employed in public works at the same daily rate as contract laborers.

For the expenses of local government there will be a surcharge of 10% at most on the tax on real estate, farming and livestock and on the professional, industrial and commercial fees and 10 *reales vellon* on each personal *cedula* regardless of kind and class.

The tax on cockfighting is local and is collected by the municipal government.

The ferry boat business is free, which today is taxed by the municipality.

SUMMARY

A surcharge of 10% on 10,319,000 pesos which is the amount of the tax on real estate, farming and livestock and the industrial and commercial levies, 1,031,950 pesos.

Ten *reales vellon* surcharge on 3,030,000 personal *cedulas* of all classes and kind amount to 1,515,000 pesos.

Tax on cockfighting, according to the appropriations of 1880-81: 118,500 pesos.

Public lands of the municipalities for sale or lease: 1,000,000 pesos.

Total revenues of the municipalities: 3,644,500 pesos.

XXIII

GENERAL REVENUES FROM REAL ESTATE IN THE PHILIPPINES

SECTION 1.—Direct Taxes

Chapter I.—Real Estate Tax	Pesos
Art. 1. Tax on cleared lands devoted to farming and all kinds of use, including the site of country dwellings and the lands beyond the center of the town, at the rate of 2 pesos per hectare, 8 pesos per <i>quiñon</i> and 200 pesos per one square kilometer, and estimating its total area at 30,000 square kilometers	6,000,000
Tax on half-cleared lands or those that are cultivated from the fifth to the eighth year of the concession, at the rate of 100 pesos per square kilometer and estimating its total area at 5,000 square kilometers	500,000
Tax on lands devoted to the usufruct of forest products, at the rate of 50 pesos per one square kilometer, estimated at 5,000 square kilometers	250,000
Art. 2. Tax on pasture land at the rate of 25 pesos per square kilometer, its total area estimated at 10,000 square kilometers	250,000
Art. 3. Tax on city property based on the size of the lot occupied by houses, buildings and factories and empty building lots located within the town, in accordance with the rates indicated on page 89	3,319,500
Chapter II.—Professional, Industrial and Commercial Levies	

Sole article. For the practice of all kinds of professions, arts, trades, industry and commerce, in accordance with the rates and classifications on pages 94 <i>et seq</i>	2,775,000
	<hr/>
	13,094.500

SECTION 2.—Indirect Taxes for Public Service

Chapter I.—Administrative Services

Art. 1. For three classes of personal <i>cedula</i> , the first class for nationals and non-Chinese foreigners, the second for Chinese and the third for subdued non-Christians in accordance with the prices and classes indicated on page 123	10,240,000
Art. 2. Customs service, according to the particulars stated on page 123	3,259,100
Art. 3. Various services paid with stamped effects, according to the particulars given on pages 133–138 inclusive	1,080,000

Chapter II.—Monopolies

Sole art. Lottery	890,000
	<hr/>
	15,469,100

SECTION 3.—Properties and Fees of the State and Contingent Revenues

Chapter I.—Properties and Fees

Sole art. Sale of the products and lease of the properties of the State, according to the particulars given on page 139	180,400
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Chapter II.—Fees and contingent and transitory revenues

Sole art. For various concepts specified on pages 140 and 141	2,641,000
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	2,821,400

Total general revenues of the real estate of the Philippines	31,385,000
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LOCAL REVENUES

Sole Chapter

Art. 1. Additional tax of 10% on 10,319,000 pesos, the taxes on real property, farming, live- stock and industrial and commercial levies ..	1,031,950
Art. 2. Surcharge of 10 <i>reales vellon</i> on each one of the 3,030,000 personal <i>cedulas</i>	1,515,000
Art. 3. Tax on cockfighting	118,500
Art. 4. Product of the properties belonging exclu- sively to the provinces and municipalities ..	1,000,000
	<hr/>
Total local revenues	3,665,450

APPENDIX

I

GEOGRAPHICAL AND METEOROLOGICAL DESCRIPTION¹

The Philippine Islands are situated between Formosa and Borneo and they are laved by the Pacific Ocean and the China Sea. From the Jolo Islands in the south to the Babuyan Islands in the north they extend by $14\frac{1}{2}^{\circ}$ latitude, from 5° to $13\frac{1}{2}^{\circ}$ latitude, from 5° to $13\frac{1}{2}^{\circ}$ north latitude and counting from the Bashee Islands until Batanes 21° . From east to west they comprise 9° longitude.

When it is noon at Madrid, at Manila it is 8 o'clock, 18 minutes and 41 seconds at night, so that the capital city of Manila is located at $124^{\circ}40'15''$ to the east of Madrid (7 hours; 54 minutes; 35 seconds from Paris). As Magellan discovered those Islands in 1521 in his celebrated voyage of circumnavigation, following the course of the rotation of the earth or of the apparent movement of the sun, he was behind four minutes for every degree he advanced toward the east, and upon his arrival at the Archipelago, he was 16 hours behind. However, it seems that the intrepid navigator did not notice this difference because Elcano, captain of the only vessel that was saved, did not reckon in his return voyage that he had to deduct one day from his logbook upon his arrival at the point of his departure; but he noted the difference upon arriving at the Cape Verde Islands on 9 July 1522 when he said "this day was Wednesday" and for them it was Thursday.

Neither was this circumstance noted in the Philippines, and in the calendar followed there until 1844, it appeared that it was still the 31st of December, whereas in the rest of the world the new year had already begun. Toward the end of that year, it was decided to omit altogether the day of Saint Sylvester, and since then the Islands were no longer considered in the Far West but in the Far East, and the computation of time is about eight hours ahead of that of Spain. This rectification was made at the same time in Macao by the Portuguese. However, for Europe her commercial sphere was Far West, because it was from there that the Archipelago was colonized. For centuries, until 1811, the Philippines had no other means of communication with Europe except the annual voyage of the nao between Acapulco and Manila. But when the eastern coasts of the Pacific Ocean were settled and developed with astonishing rapidity, the Philippines could not remain aloof from the general movement, for, in relation to the American West, no other colony was more favorably situated than the Archipelago; and with respect to Australia, only the Dutch Indies can challenge her supremacy.

According to the bull of Pope Alexander VI, issued on 4 May 1493, which divided the terrestrial globe into two parts by a meridian, all the

¹ Feodor Jagor. *Reisen in den Philippinen*. Berlin, 1873. Spanish translation by Sebastian Vidal y Soler, Madrid 1875. (Translator.)

pagan territories that would be discovered on the eastern side of that line should belong to the Portuguese and to the Spaniards all those on the western. The Philippines could be considered among the latter provided she would be found located in the western hemisphere. The demarcation line passed from the north pole to the south 100 leagues to the west of the Azores Islands and Cape Verde; but in the Treaty of Tordesillas between Spain and Portugal, concluded in 1494 and ratified by Pope Julius II in 1506, the dividing line ran some 370 leagues to the west of Cape Verde.

The usual leagues then between Spain and Portugal were $17\frac{1}{2}^{\circ}$ west of the equator; if the difference in longitudes between the western point of the Archipelago and those of Cape Verde and Cadiz is computed, it turns out $18^{\circ} 48'$, and therefore the limits of the hemisphere whose discoveries should belong to the Spaniards would fall, drawing a line at the meridian of Cadiz, to $40^{\circ}55'$ to the west and $130^{\circ}17'$ to the east. But the methods followed in fixing these divisions were very defective; the latitude was measured with astrolabes or compass made of wood; the variation of the magnetic needle was unknown, as well as the log line, and lastly there were no instruments or methods of ascertaining the longitude with any degree of precision. Under such circumstances the Spaniards alleged that the eastern dividing line passed through the mouths of the Ganges River; hence the Spice Islands belonged to them. The Portuguese protested against this claim, which was afterward settled by an agreement in 1529 in which Charles I ceded all his rights to the Moluccas, receiving a compensation of 350,000 ducats. The Philippines then had no value.

* * * * *

There are two islands larger than all the rest: Luzon with an area of 2,000 square miles and Mindanao, of more than 1,500. Seven islands follow them in size: Paragua or Palawan, Samar, Panay, Mindoro, Leyte, Negros, and Cebu, the last one being 100 square miles and the first one, 250. Bohol and Masbate each is approximately one half the size of Cebu. There are in addition 20 smaller but remarkable islands; and a multitude of islets, atolls, reefs and rocks.

As to the total number of islands, some estimate it at 1,400; others, many more.

The entire Archipelago is extraordinarily favored by its location and insular character. Extending from 5° to 21° north latitude, or 16° , it enjoys a great variety of climate, which the Dutch possessions do not enjoy as they spread from east to west, a few degrees from each side of the equator. Its varied climate due to its geographical position is even enhanced by its orography, so that plants of torrid and temperate zones grow there; such as, palm, pine, pineapple, wheat and potato.

The larger islands have bays and inlets, numerous lakes, and large rivers which are navigable in most parts; they have plenty of safe ports, providing innumerable shelters for vessels. Another favorable circum-

stance that is not readily visible on the map is the existence of very many small rivers and rivulets that come down from the mountains and break into estuaries before reaching the sea, thus enabling ships to go up to the foot of the mountains and load there. The fertility of the soil is incomparable. The salt and fresh waters are full of fish and shellfish. There is not a single ferocious wild beast. I believe there are two jennets: *Miro* (*Paradoxurus philippinensis*, Temm) and *Galong* (*viverra tangalunga*, Gray).

Even more than for its size, Luzon excels all the other islands in importance. It can very well be considered, says Gawofurd, the most privileged in the tropical world for the fertility of its soil and other natural conditions. Its capital city, Manila, is located at the rear of a beautiful bay that is approximately 24 miles in diameter and 120 in circumference, and it is rated as one of the best in the world and can hold all the fleets of Europe.

The principal mass, as we can call the body of Luzon, forms an elongated quadrilateral of 25 miles wide from 18° 41' north, until Manila Bay, to 14° 30' north, its members cut by large lakes and deep coves extending toward the east, joined only by two narrow tongues of land on the east and west of the vast Laguna de Bay. Many traces of recent elevations of land clearly indicate that those members were formerly separated by an arm of the sea forming two separate islands. The large mass stretching toward the east, almost as long as the one heading to the north, forms a kind of two parallel peninsulas, as they are separated by the gulfs of Ragay and Sogod and they contain one, the Province of Tayabas and the other, the provinces of Camarines Norte, Camarines Sur and Albay.

In the Philippines there are two seasons: one dry and the other rainy. The monsoon of the southwest comes in the months corresponding to summer in Europe, with heavy rains in the regions exposed to the winds of the third and fourth quadrant. On the northern and eastern coasts the rainy season coincides with the rainy season of our winter, and it is determined by the monsoon of the northeast. These general conditions are subject to notable local variations brought about by the orography of the country. In Manila the dry season lasts from November to June (northeast monsoon) and the rainy season in the remaining months (southwest monsoon). The most rainy month is September; in March and April there is hardly one drop of rain. From October to February a dry and cool weather prevails, the dominant winds being the northwest and northeast. March, April and May are warm and dry months with winds from the east, northeast, east and east southeast; lastly, from June to September, it is humid and moderately warm.

EXTRACT FROM THE REPORT OF THE METEOROLOGICAL OBSERVATORY OF MANILA IN 1867

Barometer—The average height of the column of mercury in 1867 was 755.5 mm; in 1865, 754.57 mm, and in 1866, 753.37 mm.

So that the difference between the extreme heights until 1867 did not go beyond 13.96 mm and would have been much less if the violent storms that broke out in July and September of that year had not made mercury drop. The hourly oscillations were only a few millimeters.

Daily course of the barometer—At dawn it rises until nine o'clock; it goes down until three or four in the afternoon; it rises again until 9 o'clock at night, and at this hour it begins to descend. The two great atmospheric currents affect the barometer greatly: the northerly makes it rise to the normal height of 756 mm and the southerly makes it drop to 753 mm.

Temperature—The heat increases from January until the last days of May and diminishes until the last days of December. The annual average is 27.9°, 0.4° more than in previous years. The maximum observed was on 15 April 1867, at three o'clock in the afternoon, which rose to 37.7° and the maximum on 14 December and 30 January at six o'clock in the morning, 19.4°. The difference between the maximum and the minimum is only 18.3°.

Thermometrical Oscillations—1867—January, 13.9°; February, 14.9°; March, 15°; April, 14.6°; May, 11.1°; June, 9.90°; July, 9°; August, 9°; September, 10°; October, 11.9°; November, 11.8°; December, 11.7° *Coldest months*: November, December, and January, which are the season of the north winds. *Warmest months*: April and May. This high temperature indicates the change of the northeast monsoon to southwest. From June to September is the time when the temperature approaches the normal; the oscillations are the least considerable of the year on account of the incessant rains and of the sky being always overcast.

Daily Course of the Thermometer—The coolest hours are from 6 to 7 in the morning; the heat rises gradually, reaching its maximum at 3 in the afternoon, and afterward it diminishes. During a few hours at night, the temperature remains almost even, but from dawn it falls rapidly.

Direction of the Winds—In all the seasons the direction of the winds is very regular although at times it varies because of local circumstances. In the course of the year, they go through all the quadrants. In January and February the north winds prevail; in March and April, the southeast, and from May to September, the southwest. At the beginning of October, the winds fluctuate between the second and third quadrants, holding on toward the end of the month in the northeast, a direction they keep with sufficient constancy in the following two months. The changes of the monsoon always occur in April or May and in October. Generally both monsoons have the same duration; but in Manila, whose location is protected by high mountains, they swerve frequently from the northeast to the southeast and to the northwest. For the same reason the southwest blows with the greater force.

The sky in general is partly overcast; cloudless days are rare and only from April to May, with the northeast monsoon.

Rainy days—The heaviest and most frequent rains fall from June until the last days of October; the rain falls in torrents; in September the rainfall was 1.5 m, almost thrice the rainfall in Berlin during one year on the average. In twelve months it was 3,072.8 mm, which is more than the average.

Evaporation only reached 2,307.3 mm; but in ordinary years, its quantity used to be equal to that of the rain, not in different months but throughout the year.

The average daily evaporation was about 6.3 mm. Horrible storms usually accompany the change of monsoons. During one of them, the velocity of the wind reached 37 and 38 meters per second.

On 27 September 1865, according to the report of the British vice-consul, a typhoon or *baguio* caused considerable damage in Manila, the Pasig River overflowed, flooding the streets more than one meter deep and 17 ships were dashed to the beach. Subsequently there had been destructive typhoons of the same force and intensity.

Earthquakes—Earthquakes are frequent, causing considerable damage to property and death. The most memorable that are recorded were in 1601; 30 November 1610; 30 November 1645; 30 August 1658; 1675; 1699; 1796; 1824; 1852; 3 June 1863 at 7:31 p.m.; 8 October 1871; 29 January 1872; and 11, 14, 17, 19, 21, 23 July 1880.

The earthquake of 30 November 1610, according to Father Aduarte, caused great damage in an area of more than 200 leagues. "It was of greatest force in Nueva Segovia (Ilocos Sur); it buried palm trees, leaving only their tops above the ground; mountains yawned, lakes appeared; the earth disgorged great quantities of sand and it oscillated with such violence that people could not remain standing. In the region inhabited by Mandayas one mountain sank, crushing one village and causing the death of its inhabitants. An enormous chunk of earth fell into the river. In short, the houses were destroyed and numerous persons were killed."

In the earthquake of 1645, 600 persons died, according to Zuñiga, and 3,000, according to others. Of the buildings only the convent and church of the Augustinians and of the Jesuits remained standing.

In the earthquake of 1863 the number of killed is estimated at 400 and wounded, 2,000. The losses are estimated at 8,000,000 pesos with 46 public buildings and 528 private houses either destroyed or collapsed.

Those of 1871 and 1872 caused great havoc in Mindanao. Cotabato was a pretty town on 8 December 1871. At 6:10 p.m. it was a heap of ruins. The tremors were very violent; the earth seemed to be boiling and new sulphurous springs gushed forth. On the same day Mayon Volcano in Albay erupted; in Manila various oscillations were felt but they caused no damage.

The earthquakes of 1880 which were rather frequent, more than those of 1863, did not however cause as much damage as the latter. They were felt all over Luzon and the Visayas, but their effects were localized

in the capital city of Manila, damaging only the stone buildings and houses which were heavy but not solid. Some 20 persons at most died and 50 were wounded altogether, 400 houses and buildings were partially destroyed and the estimated losses did not reach 3,000,000 pesos.

Lastly, in the translated work of Mr. Jagor is related the eruption of three volcanoes, two that emitted fire and one, water on the same day, 4 January 1641. "Towards the end of December 1840 (official report) ashes fell twice in the vicinity of Zamboanga covering the fields. On 3 January of the following year, at 7 p.m., suddenly were heard distant sounds similar to the discharge of artillery and harquebuses in the midst of battle. On the 4th, at 9 o'clock in the morning, the noise increased, lasting one half hour. The people and the government itself of Mindanao were frightened, believing it to be the attack of some foreign fleet. However, at noon appeared dense tongues of smoke coming from the southern part of Zamboanga, which indicated that Sanguil Volcano had erupted. At one o'clock in the afternoon all that region was enveloped in darkness and seemed like nighttime and in a few moments there was a rain of stones, earth and ashes in abundance and with such force that they reached as far as the islands of Cebu and Panay forty leagues away from Sanguil Volcano. At the same time a volcano in Jolo facing the sandbar of a large river burst forth, the earth cracked, emitting tongues of fire, big rocks, shells and other things from the bottom of the sea and earth. The trees also were uprooted and many were burnt. It was most astonishing that on the same day and time there was another earthquake in Ilocos on the Island of Luzon, preceded by a furious hurricane and a great torrent of rain. In the country of the Ilongots, says Fray Gonzalo de Palma, five days of journey eastward from Ilocos, on 4 January 1641, there occurred an earthquake so strong and frightful as the furious hurricane preceding it. The earth swallowed up three mountains, one of which was inaccessible and had three towns on its slope. This mass, completely detached from its solid base, was blown up with plenty of water, leaving below a lake, leaving no trace of what was there before, neither of the towns nor of the mountains that were formerly there. Wind and water blew up the bowels of the earth with such extraordinary fury that the trees and mountains were hurled in pieces to a height of 12 *picas*¹⁵ (168 feet), producing such a tremendous noise upon colliding in the air and upon falling that it was heard many leagues away. The noise produced by the eruption of these three volcanoes was heard in a circle 300 leagues in diameter and 900 in circumference. It reached the kingdoms of Cochin-China, Champa and Cambodia on the Asiatic continent, according to the religious who arrived at Manila afterward from those countries, and in the entire Archipelago it was felt with the same intensity that people thought it came from a place nearby.¹⁶

Luckily these great phenomena had not occurred again, if it is true that they had occurred.

¹⁵ A *pica* is a unit of measurement equivalent to 14 feet. (Translator.)

¹⁶ No vestige of what is related here has ever been seen; above all there is no information about the lake opened in the mountains of Ilocos. (Author.)

The subsequent eruptions of the various existing volcanoes had occurred without producing such frightening spectacles.

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AN EXTRACT FROM *THE CLIMATE OF THE PHILIPPINES AND ITS INFLUENCE ON ORGANIC LIFE* BY DOCTOR CARLOS SAMPER, PROFESSOR EXTRAORDINARY AT THE UNIVERSITY OF WURZBURG.

The climate of the Philippine Archipelago can be characterized in general as tropical-insular, in the most ample meaning of the word. A complete lack of abrupt changes in temperature, a maximum high annual average, great quantity of rain and humidity in the atmosphere, as well as periodic changes in the direction of the prevailing winds are the principal characteristics of the climate of those regions, which can be explained satisfactorily by the geographical position of the Islands.

The annual average temperature is 20.88° Reaumur, the maximum average, 25.4° and the average minimum, 16.2°. The annual rainfall rises to 974.6 lines, or 812 inches; the relative humidity is 28.7° and the average atmospheric pressure is 237.18 lines from Paris.

The direction of the wind from October to April is north 57° east and from April to October, south 28° west. The two principal seasons that can be called *cold* and *warm* or *dry* and *rainy*, are determined by two monsoons, northeast and southwest, and they change with imponderable regularity.

In Manila, a place, which compared with the rest of the Archipelago, is the driest, the amount of rainfall reaches 81 inches, and in Lanao, located in the northeastern part of Mindanao, it reaches 142. Such a frightening annual rainfall necessarily must exert a great influence on the development of organic life together with other causes that determine it.

During the months of December, January and February, the very constant northeast wind which blows at a temperature of 19.6° Reaumur, scarcely determines the precipitation of rain. The fields dry up and deep cracks open in the earth. Clouds of annoying dust cover the carriages of people in the streets of Manila, and the plants, also covered with dust, are a sorry and somber sight. But in May or June when the southwest wind from the south wishes to wrest from the northeast wind its sway, storms of great force prevail, called *collas* in the Philippines, lasting for days as the result of opposing winds. For the second time in September and October begins the struggle between the currents of air. The *colla* of autumn breaks out with fury over the cities and fields suddenly and rapidly at times without any indication of the fall of the barometer or the increase of the torrents of water, and the rivers overflow, dragging along with them houses and trees in their whirling currents.

Great exuberance of the vegetation is the inevitable result of a climate that is warm, uniform, rainy and humid in the extreme. Impenetrable tropical forests cover a great portion of the slopes until the very summit

of the mountains, and in the lowlands and valleys around the villages are to be found the well-known useful plants of the torrid zone. Growing most luxuriantly are cacao, indigo, coffee, cotton and abaca; and in Mindanao, cinnamon grows wild as well as coconut, banana, mango and other fruit trees are found everywhere. Some fruits ripen only in certain season, like the mango, coffee, indigo and cacao; but others, like coconut and banana bear fruit throughout the year.

The influence of the climate and its periodic phenomena is even more marked on naturalized plants than on the native. Sugar cane is planted in February, March and April around Manila and neighboring provinces which enjoy a fairly uniform climate, while in Mindanao, it is planted in any month of the year, for even in the driest season there is always some rain enough to prevent the young plants from drying. The cultivation of tobacco likewise depends on the seasons. In the uplands far from the rivulets and rivers of the provinces in northern Luzon, like Cagayan and Isabela, the latter comprising the land of the Catalanganes, sowing is done in August in order that the young plants may not be flooded, which is very harmful to them. But when the *colla* has passed away in September or October and the lowlands are fertilized with slime, left behind by the river currents, which is commonly calcareous, for it comes from the tertiary mountains of this rock. When the tobacco plants have already become vigorous and fairly tall, they are ready to be transplanted in that rich soil are able to withstand small floods, or heavy rains. Transplanting is done toward the end of October or the beginning of November, placing the plants about a foot and a half apart.

However, not all the work is over, for the plants demand constant care to prevent them from drying and to make the leaves mature appropriately. In times of great droughts they are watered, and if it rains too much, they need continuous attention to prevent their roots from exposure to the air. It is necessary to remove one by one the caterpillars of the butterflies which in a few days come out in great numbers, cleaning afterward the stems and leaves, because the smallest hole in them renders them valueless. Only a small number of plants are left to produce seeds and from the rest the buds are cut off to allow the leaves to grow. Finally, if it does not rain in the last weeks of July, May and June being the driest months of the year in that region, the leaves retain their special gum and the harvest begins in July.

The harvest is done with the greatest possible speed, and in the interval until the next transplanting season, maize is planted and harvested, maize being almost the only food of the people of that region. In two months this plant matures.

The variable influence of climatological phenomena is even more marked on rice cultivation. Judging by the extent of the area devoted to it, this cereal may be considered the most important product of the country. Philippine rice needs at most five to six months to mature, so that under favorable circumstances it is possible to have two harvests a year. In reality, however, this is not feasible, because of the quality of the rice itself, as well as the variable climate. There are more than sixty varieties of this cereal which, according to the nature of the rice-

lands, may be divided into two principal groups: dry land or upland and irrigated land or lowland rice. The varieties of the first group are planted, as the name indicates, in lands that are not irrigated naturally or artificially, assuming there are periodical floods. They need much less care than the second group and require exceedingly humid soil or is muddy part of the year; on the other hand, they require a longer period to mature, about more than seven months, while irrigated rice matures in five or six months.

The method of cultivation exerts also some influence, but always less than climate and for that reason we shall not deal with it here. Rice needs a certain amount of warmth and humidity, besides other nutritive elements of the soil and as the first two vary according to the climate of the different provinces, its cultivation also varies, upon which naturally depends the life of the people, since it is their principal, and in many localities, their only food.

In the first place there is the effect of the variable conditions of humidity. While in Manila and the neighboring provinces, exposed to the winds of the southwest, sowing is done in June, that is, after the dry season, in order that the rains may give the soil the needed humidity, among the Irayas(?), a people of northeast Luzon, the fields for the sowing of dryland rice are prepared in December and January after the northeast monsoon has settled and the rainy season has begun, and its harvest coincides with that of tobacco and planting time in Manila. The contrast itself already called the attention of Spanish writers in the Visayas. Wrote Father Misino in 1604 about the Island of Leyte: "When it is winter in the northern half of the island, which is usually the same months as in Spain, it is summer in the south; so that one half sows and the other harvests."

"In Bontoc, a district in the center of Abra, a valley situated at the end of Mount Data, which extends toward the north of Luzon, lowland rice is not sown until the beginning of December, May and June, a dry period, is harvest time. The period from July to October is devoted to the planting of *camote* (sweet potato, *Convolvus Batatas*). Only in Butuan, Mindanao, it seems, that the distribution of rain is such that it allows two rice harvests: the first is sown in January and after the rainy season, northeast monsoon, and the second is sown in August and September. In the swampy lands of Agusan, inhabited by the Manobos, farming is like in Bontoc, the dryland rice yielding only one harvest, which is sown in March at the close of the season of the heaviest rains."

Writing about the relations between the phenomena of animal life and their motives, he said: "Fishing already indicates to us this dependence, for it is not done regularly in all the seasons of the year. At the time of the northeast monsoon, it is hardly feasible along the eastern coast, called in the Philippines *contra-costa*, generally steep and with few shelters and coves, and fishing is limited to catching some edible species that the natives find during low tide under the coral reefs. When the southwest monsoon ruffles the seas of the west, navigation and fishing become dangerous.

"The canals and coves become lively with the numerous small craft of fishermen and of the coasting trade that carries all kinds of products of the country to Cebu and Manila. Chinese traders bring manufactured articles from their country and in exchange they take home gold, oats, rice, slugs and *sigay* (shells). In order to gather *sigay* many canoes put out to sea, each one carrying only three men, always exposed to the danger of being captured by Muslim pirates of Jolo, Mindanao, Formosa Island and other places, especially of the southwest of the Archipelago who chase them in light pincos with a crew of sixty or seventy men whose bold raids extend to the neighborhood of the capitals of Spanish provinces.

"As in our country, many land animals in the Philippines also display a periodicity in the different phases of their life and their development depends, as it happens in the vegetable kingdom, on the relation between heat and humidity. Although the majority of the insects there, as well as in all equatorial countries, are not linked to the different seasons in a manner as noticeable as in temperate zones, differences in their development are noticeable. The largest number of insects appear in the months from May to July during which the increasing humidity and heat favor their propagation. Then the mountain bees finish putting honey in their honeycomb, which the Negroes and Malays (tribes who still inhabit remote places) gather, depriving the larvae of the food intended for them.

"In certain seasons armies of fish enter the rivers and follow their course until a certain distance. The natives catch them by the millions, using a great variety of ingeniously made contrivances. Former historians mentioned with admiration the enormous quantities of fish with barely the size of a finger (some are of the specie known in the country as *dulong* and others are the fingerlings of the sardine). Salted and stored in earthen jars they are preserved for a long time and then is sold everywhere in the Archipelago under the name of *bagoong* (preserved fish), whose role in domestic trade is not negligible.

"There is a fresh water fish belonging to the genus *ophiocephalus* (*dalag*) which is found all over the Archipelago, as well as in Malaysia and India and which has a special importance in characterizing the climatological differences between Luzon and Mindanao. The genus *ophiocephalus* belongs to the group of fish which are equipped with receivers on the sides of the head to retain water so that they can remain on land for some time and they even go up the palm trees without lacking humidity in their bronchial tubes and being prevented from breathing. There is a considerable number of the species of this genus in the Philippines and they constitute one of the principal foods of the natives who catch them by the thousands. (They breed in all the puddles of fresh water solely under the influence of the climate.)

"The method of catching them in Luzon is different from that used in Mindanao. In the first place, during the dry season, the rivulets, puddles and swamps where this fish live become dry and they have to seek refuge where there is still a little water, or they remain under the

shallow crust buried in the mud as if lethargic until the return of the rainy season. But when the rains of May or June begin to soften the earth and puddles are formed in the swamps and low places and the rice fields, it seems that breeding then begins and the young ones begin to appear. The farm workers catch them by whacking them with sticks, without the need of spreading out nets, snares or other contraptions.

"In the swampy regions of Agusan, Mindanao, the method is different. The number of Christians there is small and the Manobos and Mandayas who live around the swamps and are in control, hardly cultivate the fields as the Christians do. They limit themselves to planting dryland rice. In the extensive fields there are no devices to regulate the flow of water of the Agusan River as in Luzon. The lands there are crisscrossed by natural canals. For that reason there are always outlets for the *dalag* when the water flows down the rivers or to the lakes, and they do not remain buried in the mud. But the Manobos and Mandayas go down the swamps where they improvise huts during the fishing season and they spread nets against the falling current of the rivers, and in that way they catch *dalag* by the thousands."

* * * * *

*Remarks*¹⁶.—On the Island of Luzon also two crops of rice a year are obtained from irrigated lands. This is true in Malolos, Province of Bulacan, and in some places in Pampanga, Cavite, and Laguna. For the first crop the seedbeds are readied in February and March. In April the seedlings are transplanted and in September they are reaped. For the second crop the seedbeds are prepared in August; the seedlings are transplanted in October; in February they are reaped. One month is always allowed for tilling the land for the first crop so that the transplanting for the second crop may be done. It must be noted that the seedbed occupies a small space, one-twentieth or one-thirtieth of the part of the land needed for transplanting.

In all other places two crops a year could also be obtained if it is rice, tobacco or indigo, and four crops if it is maize, sesame and some other crop of little value, if the waters of the rivers are utilized and the owners of the property would spend for the digging of canals, so that there would be no lack of water throughout the year. Under the same conditions sugar growing would not need two parcels of land, as at present, one for the seedlings and the other for the growing plants. If there is water, immediately after cutting the canes, the same space can be tilled and planted anew. This method has already been tried by a Spaniard name Juan Fernández, residing in the Province of Nueva Ecija, but, instead of canals, he put up an irrigation device to make the water of the river rise. As his land was rather high, it irrigated only a very small portion of it. A greater volume of water would be necessary.

In Cuba the trunks of the cane are left for 15 and 20 years without replanting. Under this method neither work animals nor laborers are needed, except for cutting the cane and the manufacture of sugar.

¹⁶ Remarks by the author.

However, the land produces very much less: 160 *arrobas* of sugar at most from one hectare of land.

*Cultivation of Tobacco*¹⁷.—The cultivation of tobacco in Nueva Ecija begins with the preparation of a seedbed in a small plot of ground in the months of September and October, covering it with rice straw or any dry leaves. While the plants grow to a height of one span, the land where they will be transplanted is tilled in December and January ordinarily and sometimes in November and February. When this is done and the plants have taken roots, the soil between the young plants is cultivated with a spade or plow, leaving furrows in the space between the plants. The same method is followed in the cultivation of sugar cane. From that time on the plants need plenty of care. Every day, if it is possible, the same task ought to be repeated to pull out the weeds that hinder the growth of the tobacco plant or sugar cane, especially in virgin lands where wild vines and weeds grow in a prodigious manner after a few drops of rain. It is also necessary to clean the leaves of worms and other insects that gnaw them and to remove the dewdrops that stain them.

This work lasts for two months at most, because in March begins the cutting of the leaves that are ripening, a task, which like aerating and other work necessary to ready them for sale, is done by women and children so that the men can till the land, cut the cane and manufacture sugar, take the rice to the warehouses, and other tasks fit for men. After the leaves are cut, they are aerated in a well-ventilated warehouse, strung on sticks, and by August and September, they are pressed, then arranged in bales, and delivered to the appraisers on account of the Treasury.

From all this the tobacco farmers derive four advantages extremely beneficial to them.

First. The short time required for its cultivation, which lasts only from October, when the seedbed is made and the ground prepared for transplanting, until March, when the cutting of the leaves begins. In the case of rice, from the sowing in May, transplanting in July or August, reaping in December and January, threshing in March, etc., the crop does not escape the contingencies of the weather, and it demands at least watching by the farmer tenants and owner. In the case of sugar, the preparation of the fields begins in October, the planting of the cane, as well as the cutting and manufacture of sugar are done at the same time from December or January until April. From that time until August the farm worker returns to the planted field, always with the plow and he has to perform the same tasks as those we have already described about tobacco. The harvest is not done until the lapse of one whole year.

Second. The abundance of lowlands which are inundated with the yearly swelling of the rivers in the months from June to October. We have already said that the growing of sugar cane takes a whole

¹⁷ This is one of the articles published by the author in *El Demócrata* opposing the proposal to lease Philippine tobacco as prejudicial to the Philippines and pointing out the possibility of the abolition of the tobacco monopoly, which is now a reality. (Author.)

year; that of rice from June to December; that of abaca one year, but its seed is permanent, and coffee is like the olive whose life lasts for 150 years.

None of these plants can stand water. For this reason they require high land. However, as the cultivation of tobacco is done precisely during the dry season, when the waters of the rivers are low, those lowlands can be utilized only for tobacco raising. They can also be used for maize and other plants of slight importance that the profits they yield hardly compensate the worker for his care and labor.

Third. The small capital needed for tobacco raising. It is worth noting this fact considering the scarcity of capital in the Philippines. Work animals and farm implements, the tools necessary for any kind of husbandry, are the only things needed for its cultivation. The *camarin* or warehouse used for aerating, on account of the large amount of ventilation it needs and the short time of its use, does not have to be solidly built. For the size that can hold one or two thousand bales, not more than 200 *duros* are spent, provided its construction is done by the tenant farmers as part of their duty. While for sugar cane raising, it is necessary, in the first place, to have stone or iron mills run by animals or hydraulic or steam engines, according to the size of the crop; then two warehouses at least, one for the milling and making of sugar and the other for storage; and then the needed implements for these operations—many animals for hauling and many workmen. For a crop of 2,000 *picos* of sugar (one *pico* is $5\frac{1}{2}$ *arrobas*), equivalent to a tobacco crop of 1,500 to 2,000 bales, a capital at least of six to seven thousand pesos is needed for machinery and implements, excluding the price of the land, the work animals and the debt of the farm workers; while for tobacco only 200 *duros* are needed for the *camarin* and about as much for the women workers and the number of farm workers is much less than for sugar.

Raising rice needs less capital than sugar, but always more than tobacco, since rice lands are worth more than tobacco.

Fourth. The net profit derived from tobacco is at least double that from rice and sugar in the same size of land, if it is not controlled by the monopoly.

Summary of the meteorological observations made in Manila during the year 1865:

Atmospheric Pressure	(Maximum	760.75 mm (13 December)
	(Minimum	746.77 " (24 September)
	(Mean	755.50 "
	(Highest difference	13.96 "
Temperature of the air	(Maximum	37.9° heat (15 April)
	(Minimum	19.4° " (14 December)
	(Mean	27.7° "
	(Highest difference	18.3° "
Humidity of the air	(Maximum	97.81% (21 August)
	(Minimum	22.12% (16 May)
	(Mean	63.39%
	(Highest difference	75.69%

Quantity of rain	3,072.8 mm
Number of days of rain	168
Average evaporation in 24 hours	6.3 mm
Total evaporation	2,307.3 mm
Clear days	49
Partially overcast	144
Completely overcast	172
Northeast wind	554
Southeast wind	561
Southwest wind	512
Northwest wind	453

Average wind velocity per second

Northeast	2.1 meters
Southeast	3.1 "
Southwest	3.6 "
Northwest	2.8 "

Averages of the period from 1865 to 1869

	January mm	February mm	March mm	April mm	May mm	June mm	July mm	August mm	September mm	October mm	November mm	December mm
Barometer.....	757.19	756.78	756.58	755.30	751.5	753.95	753.50	753.7	752.2	754.78	755.75	756.37
Expansive force of vapors.....	14.71	14.27	15.53	16.25	18.48	20.42	20.70	20.92	21.77	18.53	17.41	15.24
Dry air barometric height minus vapor tension.....	742.48	742.51	741.5	739.5	734.65	734.32	732.33	732.89	729.75	733.8	736.25	738.87
Rain.....	24.2	13.46	14.56	16.46	110.3	243.8	255.8	281.22	723.42	236.9	149.97	11.47
Evaporation.....	17.18	18.25	250.95	273.82	217.67	243.33	171.27	186.77	163.53	196.7	189	201.35
Temperature.....	26.39	27.2	28.6	30.1	29.25	27.85	27.33	27.95	27.48	28.1	28.33	26.83

Annual rain 2,074.84—(In 1867 it was 3,072.8)

Annual evaporation 2,402.14—(In 1867 it was 2,307.3)

II

POPULATION, TERRITORY AND DIALECTS OF THE PHILIPPINES

DIALECTS

There are various dialects spoken in all the islands of the Archipelago, the most generalized among the natives being the Tagalog in Central Luzon, the Bicol in the far east, and the Ilocano in the north, the Visayo in the Visayas and Mindanao, the Calamian in Calamianes and Paragua, and the Carolino in the Marianas Islands. However, there are other dialects, let us say, localized, particularly those spoken by the subdued and unsubdued pagans who still remain savages, living far away from the towns, such as, in northern Luzon, the Pampango, Zambal, Pangasinan, Ibanag, Gaddan, among the Christian population; and the Aeta, Igorot, Suffin, Itanes, Idayan, Dadaya, Apayao, Ifugao, Malaneg, Tinguian, Ibilao, Ilongote, Buriks, Ituis, etc., among the pagans; the Cebuano, Panayano, Manobo, and Mandaya, besides the Visayo, among the Christian population of the Visayas and Mindanao, and a multitude of unknown tongues spoken by the Muslims and Joloanos, the *coywo agutiano* and others in Calamianes and Paragua; and lastly, the Chamorro, Carolino and others in the Marianas.

Spanish is spoken in all the islands, but only by the Peninsular Spaniards, their families and some natives who have studied in the larger towns. In the very walled city of Manila, which had been the constant residence of the Spaniards, the natives hardly speak it. This is due to the neglect of primary education throughout the Archipelago.

The Chinese language is spoken only by the Chinese because it is repugnant to the natives and even to the Chinese *mestizos* themselves.

The knowledge of other foreign tongues is extremely limited, even in the capital city of Manila where foreign businessmen and industrialists live.

TERRITORY

The data so far gathered about the surface area of the islands of the Archipelago which appear in various recent publications almost all agree that some have been taken at first sight and others from Coello's map. We believe, and many agree with us, that they are mere guesses, that they are lower than the real territorial size of the Archipelago, specially with reference to the islands of Mindanao and Palawan or Paragua, which civil and military explorers have not yet penetrated. Besides, only the principal islands are described which are important for the size of their population and their natural products.

The Philippine Islands are located north of Oceania, between 120°40' and 130°37' longitude, according to the meridian of Madrid, and 5°9' and 21°5' north latitude, comprising an area of 350 leagues from north to south by 231 from east to west. The Archipelago is bounded on the north and east by the China Sea, on the south by the Celebes Sea, and on the west by the great Equinoctial Ocean.

The number of islands in the Archipelago, according to the latest data, exceeds 1,400, the largest and most important being Luzon.

Here is the total area of the most important islands which we have taken from the work of Doctor Jagor.

	Estimated in		According to Engelhardt	According to Statistical Yearbook of Spain, 1858 Bench Geographical Yearbook, 1, 1869	
	Coello map sq. miles	Hydrographic sq. miles		sq. miles	sq. kilometers
Luzon.....	1,934.2	1,932.9	1,937.31	2,014.8	110,940
Mindanao.....	1,569.9	1,625.7		1,538.8	84,730
Palawan or Paragua.....	265.8	235.4		251.5	13,850
Samar.....	236.5	228	229.50	221.1	12,175
Panay.....	223.2	317.4	223	214.1	11,790
Mindoro.....	185.3	182	185	175.3	9,650
Negros.....	163.7	227.8	174.33	158.1	8,705
Leyte.....	168.9	166.3	192	172.5	9,500
Cebu.....	104.2	76.1	88.8	107.6	5,925
Bohol.....	55.9	55.9	59.6	59	3,250
Masbate.....	62.3	55.6			3,637
Catanduanes.....	30.4	29.7			
Polillo.....	14.2	16.8			
Marinduque.....	14.1	13.8			
Tablas or Romblon.....	13.2	15.2			
Burias.....	11.3	8.6			
Ticao.....	6.8	6.4			
Total with other small islands.....	5,293.18	5,392.7		5,368	295,585

POPULATION

No less inaccurate are the data found in various works about the total population of the Philippines. Some come from official reports concerning the number of tributes, based on six tribute payers in each family; others, like the ecclesiastical census whose estimate is based on the amount of *sanctorum* each tribute prayer gives and the parish lists, which are extremely complicated and disorderly, about births, marriages and deaths.

In the *Revista de Filipinas*, published by Mr. José F. del Pan, the total number of inhabitants given is 9,024,813, as follows:

According to the summaries of the tax lists for the year 1873-1874 there are 1,238,957 tributes, which multiplied by six make	Souls 7,433,742
According to the same source there are 55,407 pagans who pay the vassalage tax, multiplied by 3, make	166,221
Unsubdued pagans in Luzon	50,000
Population of Batanes and Marianas islands not included in the official reports	20,000
Exempted from the tribute according to the same official reports	351,180
Pagans in the Visayas and Mindanao	200,000
Chinese and European immigrants	50,000
5% error in estimates	400,000
Increase in 4 years until 1877 at the rate of 2% annually	353,000
Total	9,024,813

¹⁸ If the Basilan Island is included, as in the Yearbook, which has an area of 23.2, Jolo, 14.5, Tawi-Tawi and others which together measure 27.5 square miles, the total would be 6,365.5 square miles. (Appendix of Dr. Jagor's work.)

The ecclesiastical lists present the following tables of the tribute-paying population.

	Years	Tributes	Souls	Baptisms	Marriages	Deaths
Archbishopric of Manila comprising the provinces of Manila and Morong, Cavite, Batangas, Mindoro, Bataan, Bulacan, Pampanga, Tarlac, Nueva Ecija and Principe, Zambales, Laguna and Infanta	1800	117,089	469,726	.....	.....	.....
	1830	199,174½	806,708	.....	.....	.....
	1852	279,847½	1,235,588	54,052	10,681	42,306
	1860	364,174	1,475,902	.....	.....	.....
	1864	369,741	1,663,835	.....	.....	.....
	1876	462,882	1,689,536	77,787	17,653	46,992
	1877	469,354½	1,707,434	81,084	16,973	62,379
	1878	415,025	1,736,576	86,489	15,981	61,737
Bishopric of Nueva Segovia comprising Ilocos Sur, Ilocos Norte, La Unión and Benguet, Abra, Pangasinan, Cagayan, Isabela, Nueva Vizcaya and Batanes	1852	152,088½	682,769	27,982	7,079	17,979
	1864	228,572½	1,028,576	.....	.....	.....
	1877	229,335½	963,213	44,324	8,893	24,881
Bishopric of Nueva Cáceres comprising Camarines Sur, Camarines Norte, Tayabas, Masbate and Burias	1852	96,960	430,188	17,074	5,080	9,590
	1864	127,546	573,957	.....	.....	.....
	1877	144,951	570,414	23,413	4,958	13,925
Bishopric of Cebu comprising Cebu, Bohol, Leyte, Samar, Misamis, Surigao and Marianas	1852	285,951	1,367,696	66,631	11,934	31,338
	1864	405,367	1,824,152	.....	.....	.....
	1877	265,605½	1,238,246	53,910	9,702	21,967
Bishopric of Jaro comprising Iloilo, Capiz, Antique, Negros, Calamianes, Romblon, Zamboanga, Davao and Pollok	1852	(This bishopric was not yet created. It belonged to the Cebu bishopric.)				
	1864	<i>Idem.</i>				
	1877	248,313	1,022,049	51,382	8,597	23,532

Tribute payers	Exempted by privilege	By old age over 60 & sickness	From 1 to 7 yrs	From 7 to 12 yrs	From 12 to Tribute age	Total number of souls
830,050	41,764	67,794	372,587	217,859	204,014	1,734,068

Archbishopric of Manila, January, 1878

GENERAL SUMMARY OF THE CENSUS IN JANUARY 1877, ACCORDING TO ECCLESIASTICAL COMPUTATION

Bishoprics	Tributes	Souls	Baptized Total	Percentage	Deaths Total	Percentage	Marriages Total	Percentage	Actual Total	Increase Percentage
Manila	469,354½	1,707,434	81,084	4.748	62,379	3.653	16,973	1.988	18,705	1.995
Nueva Segovia	229,335½	963,213	44,324	4.601	24,881	2.582	8,893	1.847	19,443	2.006
Nueva Cáceres	144,951	570,414	23,413	4.104	13,925	2.441	4,958	1.738	9,488	1.633
Cebu	265,605½	1,238,246	53,910	4.353	21,967	1.774	9,702	1.567	31,943	2.579
Iloilo or Jaro ..	248,313	1,022,049	51,382	5.027	23,532	2.301	8,597	1.682	27,850	2.724
	1,357,559½	5,501,356	254,113	4.557	146,684	2.550	49,123	1.764	107,429	2.000
Persons exempted from tribute	Clergy & religious corporations	Civil corporations & branches	Spanish private citizens	Unsubdued native pagans	Chinese	Foreigners	Army	Navy	TOTAL	
	1,962	5,552	13,265	602,853	30,797	378	14,545	2,294	671,646	

According to this summary, there are 5,501,356 tribute payers; and 671,646 who pay no tribute.

However, we have little confidence in these reports. Even admitting that the census of 1852 was the first taken of all the provinces of the Archipelago, if for each year a constant increase of 2% is added, there would be a total of 6,000,000 inhabitants in 1877. Any one can make the mathematical computation beginning with any year and he would obtain higher figures than the census corresponding to the subsequent years shown.

We are going to make other deductions based on more recent official data on the practical life of the country and her institutions. If we take the amount of the stipends of parish priests given in the appropriations of 1880-81, which is regulated at the rate of 180 pesos in the majority of the provinces and at 150 in others, and 212,500 for every 500 tributes, we shall have a total of 1,465,000 pesos approximately; but if we take the same number fixed by the appropriation of revenues from the head tax of the tribute-paying natives, the amount will be only 1,320,069 in all the islands, excepting the Marianas. Neither one nor the other of these figures, however, is correct. The second figure is inaccurate because it does not include the tributes that are not collected by reason of privilege, for temporary exemption, for having passed the age fixed by law, and for omissions in the list; some of which are fraudulent and others involuntary. For the same reasons the first figure is unreliable.

All the officials of the municipal government of each town, such as, *gobernadorcillos*, lieutenants, judges or *regidores*, barrio lieutenants, *cabezas de barangay*, tribute collectors, including their respective families, are exempted from the payment of tribute during their term of office, and also together with their wives the *alguaciles* (constables) and *cuadrilleros* (rural guards) who composed the police force whose duty was to apprehend criminals. Each one of these represents one whole tribute and in the case of the first group at times three or four tributes, according to the size of their families.

Likewise persons of Spanish lineage through the male line are exempt from the tribute, as a privilege; those above 60 years, the sick and invalids pay only 10 *cuartos* each. All these individuals, as well as the officials of the municipal governments and the rural police are not included in the second figure given in the appropriation for the capitation tax.

In each town there are one or two *gobernadorcillos* if the *gremio* (guild) of the natives is separate from that of the Chinese *mestizos*, as it happens in Santa Cruz, Binondo, Tondo, Tambobong, etc., of the province of Manila and others. Each *gremio* is composed of 5 to 12 lieutenants, 3 to 5 judges or *regidores*, 1 to 3 barrio lieutenants, 1 *cabeza de barangay* for each 40 to 50 whole tributes or families, 6 to 16 constables and 25 to 80 rural police. Supposing that in each *gremio* there are 2,000 whole tributes, the number of *cabezas* would be 40. If in each family of these town officials there are four tribute payers, a number representing two tributes, the total exemptions would be from 131 to 225 in each town if it has only one *gremio*, one distant *barrio* and 2,000 tributes or families. The number of exemptions would be duplicated if there were two *gremios*, two barrios and 4,000 tributes. It is impossible to go into further details concerning this class of exemp-

tions and their total number without filling up many pages; but it must be noted, for the sake of clarity, that each town, as a general rule, however small it may be, has at least one *gobernadorcillo*, three lieutenants, two judges or *regidores*, as they are called there, three constables, 20 rural police, one *cabeza de barangay* for each 40 tributes and one lieutenant for each remote *barrio*. Excepting the *gobernadorcillo*, the number of officials increases, though there is no fixed rule, for 1,000 to 4,000 tributes; and the number is doubled if the number of tributes reaches 4,000: 80 rural police, 16 constables, 10 judges, 12 town lieutenants, 3 lieutenants for each *barrio* and one *cabeza de barangay* for each 50 tributes. If in the town there is a sufficient number of Chinese *mestizos* to form a separate *gremio*, then it will have two *gobernadorcillos*, each with the corresponding subordinate officials, acting as if it were an independent town.

If the minimum number of exemptions for every 2,000 tributes is 131, that will be 6½%.

Those exempted by privilege of blood, such as the Spanish *mestizos*, are not included in any census. The figure of 41,764 given in the ecclesiastical census corresponding to 1 January 1878 is confined exclusively to the archbishopric of Manila. According to the law of 3 November 1863, all males, whether European or native, nationals or foreigners, must render personal service of 24 days a year or redeem it in cash; but this law was not enforced, hence Spaniards and non-Chinese foreigners and their descendants, the *mestizos*, were free from all state burden and tribute. The European *mestizos* also ought to pay 3 *reales fuertes* as *sanctorum* and 10 *cuartos* as *diezmos*, but, as a rule, they do not do so, as we have found out in the Province of Manila and in others. Thus, we do not know if the number of inhabitants given in the ecclesiastical census for different years includes this group; but even if it were, not all of its members would be included as they do not pay the *sanctorum*.

The domestic servants in the capital city of Manila, Cavite and some towns, as well as rig drivers, sailors and others who pay a special tribute, have their special tax list, and they are not included either in the revenues from the poll tax, because their payments are deposited in the local funds, or in the ecclesiastical census because they are exempted from the *sanctorum*. However, it can be assumed without any exaggeration, that the total amount of their tributes is 25,000 pesos. With regard to those exempted on account of old age, over 60 years, and sickness, their number can be deduced from the amount of the *diezmos* which they pay at the rate of 10 *cuartos* each and whose total amount given in the appropriations of 1880-81 is 23,615 pesos.

There now remain the omission in the tax list through fraud, error and negligence of the *cabezas de barangay* and *gobernadorcillos* of the towns. The taxpayers who own no real property often change their place of residence in search of work and they are not registered in any town from four to ten years, above all if they lead a disreputable life. The *cabezas* of the town where they come from report their absence to the *gobernadorcillo* and he in turn reports it to the government and economic administration of the province. After the lapse of two years, they drop them from their registers. Before they fix their domicile and

they are listed by the *cabezas de barangay* of the towns, where they have gone to reside, years pass by. Sometimes they are never found; sometimes the very same tax collectors hide them. The civil guard ignores this kind of vagrancy, because it does not have enough men to cover all towns; in fact it operates only in five or six provinces in Luzon, so that the service it renders is insignificant. Its duty is to ask for personal documents from persons it encounters outside the town limits who look suspicious. Moreover, the *cabezas* give *cedulas* to transients, though they are not in their tax list.

We have observed in many towns that each *cabeza de barangay* drops from his list from 6 to 10 tribute payers a year for absence and other reasons, while the entries hardly reach 3 or 4, which is undoubtedly due to the natural increase in population. The omission through error, fraud and negligence of the collectors of the tribute can well be estimated at 10 to 15%.

Finally, with respect to the pagan natives, there is no datum that even approximates the truth, or anything from which deductions can be made.

The appropriation of 1880-81 gives 14,866 pesos as the amount of vassalage fees paid by pagans and mountain dwellers of which 13,895 pesos were collected in Luzon, 880 in the Visayas and 111 in Mindanao. Pagans in Luzon pay 20 *cuartos* for each family and the rest 10 *cuartos*. In the islands adjacent to Luzon, like Mindoro, Babuyanes, Batanes, Masbate, Ticao, Burias, etc., and in the Calamianes, Paragua, Balabac and Marianas no pagan native pays this kind of tax. In the Island of Luzon only those who live in the environs of Nueva Ecija, Nueva Vizcaya, Isabela, Cagayan, Ilocos Sur, Ilocos Norte, Unión, Abra, Camarines Sur, Camarines Norte and Albay pay this tax. A large number of them who live in the mountains and do not come down to the towns and those dwelling in the mountains of Pampanga, Zambales, Bataan and the Morong District of the Province of Manila still remain outside of Spanish jurisdiction and do not pay the vassalage fee.

Even smaller is the number of subdued pagans in the Visayas, particularly in Leyte, Samar and Negros; but still very much smaller, infinitely smaller, is the number of those appearing in the appropriation with reference to Mindanao.

The ecclesiastical computation for the year 1866-67 shows a total number of 602,853 pagans throughout the Archipelago. The official data for the year 1860 copied in the work of Doctor Jagor increase them to 541,000, but only in the Mindanao Island, to wit:

Negritoes scattered in the mountains	10,000
Manobos in the environs of Butuan	10,000
Manguangas in Tingog, near Misamis, and in the mountains until the lake of Buhayan or Maguindanao	80,000
Mandayas, from Lanao until the lakes of Liguasin and Butuan	40,000
Mandayas <i>mestizos</i> , near the Gulf of Davao	7,000
Guiangas and Bagobos, from Apo Volcano until the plains near the Gulf of Davao	12,000

Tagacaolos, Sanguiles and Bilanes from Apo Volcano to the southeast coast	76,000
Subanos, from Misamis to Zamboanga	70,000
Muslims, around the Gulf of Davao and Sarangani	21,000
Muslims, along the banks of Painan River and the south coast	45,000
Muslims, around the bays of Illana, Sibuguey, Sindangan & Iligan	70,000
Muslims, east of Misamis, Lake Buhayan and rivers coming from it	70,000
Muslims, in the interior toward the south of Misamis	30,000
TOTAL	541,000

We are convinced that in the whole of Mindanao there cannot be less than a million non-Christians inhabiting its very extensive and rich land.

However, leaving aside conjectures without justifiable foundation, we are going to determine the total population of the Philippines in accordance with official data and our own observations as we have pointed out, to wit:

Number of whole tributes, according to the appropriation of 1880-81	1,320,069
6 1/2% of temporary exemption by reason of official position	85,804
10% of omissions through fraud, error and negligence of the tribute collectors	132,007
Total whole tributes	1,537,880
1,537,880 whole tributes at the rate of 5 persons each	7,689,440
23,615 pesos of revenues from <i>diezmos</i> of those exempted from the tribute on account of old age, over 60, and infirmity at the rate of 10 <i>cuartos</i> each, represent persons numbering	377,840
Others exempted from the tribute under the same concepts, omitted through error in listing, at 5%	18,892
Servants, sailors, and others in special lists	25,000
Total number of native tribute payers	8,111,172
Persons of Spanish and European lineage exempted from the tribute, let us assume to be 100,000; the ecclesiastical census of 1887 gives 41,764 as their number in the archbishopric of Manila	100,000
Peninsular Spaniards who are private citizens, according to the ecclesiastical census of 1887 plus their increase until 1881	15,000
The families of the above who pay no tribute and are not registered in the parishes, estimated number	30,000

Clergy and religious corporations, civil corporations and their branches, Army and Navy, according to the ecclesiastical census of 1877	24,353
Chinese tribute payers, according to the appropriation of 1880-81	39,658
Families of the preceding who pay no tribute for being under age	39,658
Other foreigners, according to the ecclesiastical computation of 1876-77 plus their possible increase until 1881	400
Non-Christian natives who pay vassalage fee at the rate of 20 <i>cuartos</i> on the Island of Luzon and 10 in the Visayas and Mindanao, for each head of the family, whose total amounts given in the appropriations of 1880-81 are 111,160 pesos in Luzon, 14,050 in the Visayas, and 1,776 in Mindanao: total	127,016
Families of the preceding, estimated at 2 members each	254,032
Unsubdued non-Christians who pay no tax, estimated at double the number of the subdued on Luzon and adjacent islands, make 666,960; a quintuple in the Visayas, 211,200; 541,000 in Mindanao, according to the data gathered by Doctor Jagor, and 100,000 on the islands of Calamianes, Paragua, Balabac and Marianas; total	1,518,960
Total population of the Philippines	10,260,249

III

FOREST AND AGRICULTURAL PRODUCTS ¹⁹

Batanes Islands.—The Batanes Islands form an archipelago located north of Luzon with an area of 620 square kilometers and a population of 8,250, according to the ecclesiastical census of 1876 and exceeds 13,000 according to our estimate. The islands have no important forests. The little timber used by their inhabitants come from the trees growing in their own enclosures. Until the present the Treasury has derived no income from their forests. The majority of the small farmlands are devoted to rice growing.

Cagayan.—The area of this province 1,441,880 square kilometers, excluding the Babuyan Islands, which are volcanic; and its population is less than 100,000. The soil is extraordinarily fertile because of the abundance of rain and rivers that flow throughout the province, depositing rich alluvial soil on its rolling land. Its principal products consists of rice, maize and tobacco, the last being the most important which together with that of Isabela are the only tobacco which are in demand in foreign markets. Its cultivation, however, remains backward due to the scarcity of farmhands. Its increase production cannot be expected unless the forests and miasmas whose excessive humidity is harmful to strangers, are first cleaned and regular roads are built. The forestal area can be estimated at 1,200,000 hectares, but it hardly yields any income for the government because of the impossibility at times of cutting the timber and the difficulty of hauling it to the market by land and by water.

The most dominant arboreous species are *molave*, *ipil*, *yacal*, *narra*, *mangachapuy*, ebony, *camagon*, *banaba*, *palomaria*, and *dungon*; the subordinate ones are *tasay*, *magalayas*, *panitogan*, *dalanan*, *anago*, *piampa*, *casile*, *babatalan*, *mangatoloy* and many others. From the sale of timber in 1872-73 the government received the sum of 682 pesetas but in the following year no timber was cut. There is livestock.

Ilocos Norte.—This province is more agricultural than Cagayan, and its population is larger, now numbering 150,000. Its total area is 356,900 hectares. Its land is rather rolling and from its mountains gush forth large brooks and immense rivers, one of which flows through a stretch of 77 kilometers and another, 44. Its mild climate is favorable to the raising of rice, tobacco, cotton, indigo, sesame, sugar cane, maize, coffee, cacao, coconut, abaca, *sibucan*, etc.; and the temperature that goes down to 8° Reaumur in the mountains enables pine and oak to flourish. Its forestal area is estimated at 250,000 hectares and the dominant arboreous

¹⁹ We have taken most of these data from the interesting report for the year 1873-74 of the learned forestry engineer of the Philippines, Mr. Ramón Jordana y Morera. (Author.)

species that grow there are *molave*, *banaba*, *sigaycamagon* and pine; and the subordinate ones are *palomaria*, *dungon*, *narra*, *palusapis*, cedar, *tindalo*, oak, *dalacan*, *batucan*, *catingan*, evergreen oak, and others. However, little of these forest wealth is utilized and the government received no income from this source in 1872-73. In the following year together with the sale of the forest product of Ilocos Sur the government realized only 113 pesetas. It has livestock.

Ilocos Sur.—This province is more populous, its inhabitants numbering 250,000, while its territory is hardly 151,850 hectares. Many rivers also cut through it, though they are less important than those in Ilocos Norte. More advanced here are farming, industry and commerce, and its inhabitants emigrate to other provinces in search of farmlands. All products known in the Archipelago are produced here, rice being the most important, followed by tobacco, sugar cane, indigo, maize, sesame, coconut, *sibucan* and others. The forestal area is estimated at 78,000 hectares. It produces *narra*, *banaba*, *camagon*, *molave*, *dungon*, *mangachapuy*, *tindalo*, *canaen*, *baticuling*, *calantas*, *palusapis*, *sagat*, *daen*, and *catigen*. Despite the fact that this lumber is highly appreciated for its solidity, it is not exploited and yields no income to the government.

Abra and Bontoc, Lepanto and Tiagan Districts.—This province and the three districts are less agricultural and more forestal than the foregoing provinces. They have an area of 56,598 hectares and their population does not reach 60,000. Many pagans still inhabit their environs, and they lack laborers, and farming is hardly developed. However, they are rich in agricultural and forest products like the other provinces. They produce principally rice, tobacco, and maize, and also sugar cane used for the manufacture of rum, indigo, sesame, coconut, *sibucan*, and others of less importance. Among the arboreous the dominant ones are *ipil*, *molave*, oak, pine or *saleng*, *banaba*, *camagon*, and cedar; and among the subordinate species are *apuit*, *balingata*, *bangar*, *daeng*, *dalacan*, *catingen*, *bulalas*, *deran*, *ubion*, *gasatan*, *narra*, *limolimo*, *palumbuyen*, *madroño*, *pamitlaguen* and others. Its forestal area is 450,000 hectares, but it yielded no income to the government in 1872-73; but in 1873-74 its sale amounted to 17 pesetas and 74 cents.

Isabela and Saltan.—This province is one of the largest in Luzon and has the same conditions as Cagayan on which it borders. It was created in 1856 when it was separated from Nueva Vizcaya. It has an area of 1,371,309 hectares and a population which does not exceed 45,000. It is surrounded by pagans, some of whom are harmless and others are fierce. Its agriculture is very backward for lack of laborers. It does not progress because of its unhealthy climate due to its immense forests and to the absolute lack of public works. Its agricultural products are only rice, maize, and tobacco, the last one being as valued as that of Cagayan. The land is unsuitable for all kinds of farming. Its forestal area is not lower than 1,000,000 hectares, for its cultivated portions and plains are confined to the river banks. The dominant arboreous species are *molave*, *narra*, *ipil*, *guijo*, *bancal*, *betis*, *dingon* and many more whose names are still unknown; and among the subordinate species are *magalayan*, *taantan*, *tindalo*, *culasi*, *bitog*, *obion*, *panalapasan*,

balicatan and *dubuman*. The government received no income from its forests in the years 1872-74. It has livestock.

Unión and Benguet District.—The whole province with the district has an area of 342,942 hectares and its population is 120,000. *Unión* is highly agricultural; and as there is hardly any uncultivated land, its inhabitants emigrate to other provinces. *Benguet*, on the contrary, has plenty of forest land and it is still inhabited by pagan *Negritos*. The forest in both can be estimated at 250,000 hectares that produce *molave*, pine or *saleng*, *narra*, oak, *dungon*, *banaba*, *camagon*, *catingan*, *palambuyen*, *obion*, *bacayao*, *barrincorong*, *calantas*, *palosapis*, *calius* and others. The government received no income from these forests in the years 1872-74.

Nueva Vizcaya.—This province has been reduced to 439,067 hectares when *Isabela* was segregated from it. It is the most backward among the provinces in *Luzon*. It has a population of more than 35,000 tribute payers, but the number of pagans who live around it, some of whom come down to the towns, are innumerable. Its climate is favorable to all kinds of crops, but it does not raise more than rice, tobacco and maize. Its tobacco is classified among those of *Isabela* and *Cagayan*. Its forestal area is 350,000 hectares, but it has not been explored nor has it produced any income for the government. The local absence of roads and its unhealthful climate, owing to its very dense forests will keep it for a long time in a backward state. It has livestock.

Nueva Ecija.—It comprises an extensive territory of 824,184 hectares. It has immense plains on the west that borders on *Unión*, *Pangasinan* and *Pampanga*, and on the east it extends to the Pacific Ocean where the terrain is almost entirely mountainous. Great and immense rivers cross it, one through *Cabanatuan* and the other through *San José*, the two meeting at *Arayat* in the Province of *Pampanga*. Its population together with that of *Principe* is 150,000. Agriculture is relatively developed, the principal products being rice, tobacco, sugar and maize and a small quantity of coffee, cacao, coconut, mango, indigo, sesame and many others. In the uplands, on the side of *Pantabangan* and in the mountain range separating it from the eastern coast are found still a multitude of pagans. It has also livestock. The forestal area is estimated at 540,000 hectares and its products are *acle*, *guijo*, *dungon*, *amuguis*, *malarujat*, *banaba*, *ipil*, *palomaria*, *paitan*, *lanite*, *pusipus*, *narra*, *molave*, *bilolo*, *calamansalay*, *bitog*, *anosep*, *lauaan*, *balacat*, *palacpalac*, *sacat*, *calumpit*, *anubling*, *pasac*, *betis*, *bulao*, *dampol*, *camagon*, *baneal*, *malabayabas*, *balinhasay*, *antipolo*, *biluan*, *calumpang*, *banitan*, *aninapla*, *mamban*, *sulipot* and very many others. In 1872-73 the government received an income of 33,521.51 pesetas from its products and the amount rose to 34,626.73 in 1873-74. If the rivers were cleaned and the roads improved, a higher income could be obtained.

Principe District.—This district is included in the Province of *Nueva Ecija* and has an area of 262,090 hectares and a population of about 5,000. There is little farming and numerous pagans still live there. The forestal area is not lower than 250,000 hectares. The dominant

arboreous species are ebony, *camagon*, *narra*, *guisit*, *balayon*, *banaba*, *dungon*, *baticuling* and *palomaria*. The subordinate species are *matubig*, *molave*, *talisay*, *ditá*, *malarujat*, *indan* and very many others. Their timber is utilized only by the inhabitants.

Pangasinan.—It is one of the most advanced provinces of Luzon with regard to population and farming. Its population is 300,000, while its whole territory is only 417,355 hectares. Its inhabitants are industrial workers, sailors and farmers. Its most abundant products are rice, sugar, maize, indigo, cacao, sesame, but it can raise any farm product. Its forestal area is estimated at some 160,000 hectares in which grow *molave*, *dungon*, *banaba*, *narra*, *mangachapuy*, *ipil*, *palomaria* and *basili* among the dominant arboreous species, and the subordinates are *yakal*, *tindalo*, *bacayao*, *guijo*, *paitan*, *balingasay*, *palonapuy*, *bitog*, *lanite*, *gataran* and many others. In 1872-73 the government realized from the sale of forest products 3,657 pesetas and in 1873-74 it increased to 6,008.79.

Zambales.—This province occupies a narrow strip of land 220 kilometers long and 33 wide, extending to the west southwest along the China Sea and to the east northeast along the mountain range separating it from the provinces of Pangasinan and Pampanga. Its total area is 425,402 hectares and its population does not exceed 100,000. There are still some pagans. Its principal agricultural products are rice, sugar, indigo, maize, vegetables, fruits, and many more. Its inhabitants are not allowed to raise tobacco like those in Pangasinan, Pampanga and Bataan, its neighbors. The forestal area is estimated at 336,000 hectares in which grow *molave*, *narra*, *yacal*, *dungon*, *palomaria* or *bitanjol*, *bolongaeta*, *guijo*, *acle*, *baticuling*, *tanguile*, *anagap*, *calantas*, *anosep*, *amuguis*, *manienic*, *malarujat*, *mayapis*, *lauaan*, *malabulac*, *malasantol*, *malapapaya*, *himbabao*, *ipil*, *malanonang*, *banaba*, *bancal*, *batitinan*, *anubiong*, *tanglin*, *mangachapuy*, *calamansalay*, *pasac*, *bilolo*, *bitog*, pine or *saleng* and many others. In 1872-73 the government realized from the sale of these forest products 7,947.79 pesetas; in 1873-74, 10,870.71.

Bataan.—The area of this province is very small; it is only 214,875 hectares, while its population is about 65,000 without counting the Aetas, the subdued Negritos, who live in the mountains and their slopes. Agriculture is as advanced as in Pampanga and Pangasinan, and the land is fairly fertile, producing rice, sugar, maize, indigo, and in small quantities, intended only for family consumption, coffee, cacao, and many other fruits. The people are not allowed to raise tobacco. The forestal area is estimated at 172,400 hectares, where *lauaan* 24 meters high with a diameter of 1 1/2 grows; other trees are *molave*, *banaba*, *mangachapuy*, *acle*, *dungon*, *lanite*, *baticuling*, *calantas*, and *betis* among the dominant species and *sandana*, *siacol*, *anagap*, *tindalo*, *guijo*, *penao*, *camayuan*, *calumpit*, *anubiong*, *lanutan*, *calamansalay*, *apalong*, *dalingdingan*, *bingas* and others among the subordinates. In 1872-73 the government received 4,121.86 pesetas from this source and in 1873-74, 20,026.86.

Pampanga and Tarlac and Porac Districts.—The area of the whole province is 436,733 hectares and its population is now some 220,000. It is one of the most advanced provinces in farming; it produces a

large quantity of sugar and rice, maize, indigo and fruits and vegetables. Its forestal area is 200,000 hectares and it contains among the dominant arboreous species *molave*, *narra*, *acle*, *betis*, *banaba*, *calamansalay* and *guijo*; and among the subordinates, *pasac*, *bitanjol*, *calumpit*, *palac-palac*, *bochoc*, *anosep*, *bancal*, *takimurong*, *lanutan*, *sacat*, *bilolo*, *palomaria*, and others.

Bulacan.—Like Pampanga, farming in this province is fairly well developed; it has little land, with the exception of the town of San Miguel, so that its natives go to other provinces in search of land or work. Its total area is estimated at 242,837 hectares, while the number of its inhabitants is over 250,000. Its principal agricultural products are rice, sugar, maize, indigo, many kinds of fruits and vegetables. Its forestal area is 89,980 hectares with the following arboreous species: *yacal*, *guijo*, *dungon*, *narra*, *tindalo*, *saplungan* and *molave*; and the subordinate species are *malarujat*, *aninapla*, *banaba*, *balao*, *calumpit*, *mangachapuy*, *malanonang*, *calantas*, *baticuling*, oak, *batitinan*, etc. The income from forest products in 1872-73 is 1,911.87 pesetas and in 1873-74, 7,784.93.

Manila.—This province, the seat of the capital of the Archipelago, has very little land, its area being 66,457 hectares, and it has very many inhabitants, exceeding 400,000. In the mountains of San Mateo remains some part of the forest, measuring 30,000 hectares, with the arboreous species: *acle*, *guijo*, *sacat*, *dungon*, *banaba*, *batitinan*, *saplungan*, *palomaria*, *baticuling*, *malanonang*, *aninapla*, *lanite*, *balete*, *bitanjol*, *bilolo*, and *molave*. Their income in 1872-73 was 15.65 pesetas and in 1873-74 it rose to 342.89.

Morong District.—This district within the Province of Manila has a very rugged terrain of 84,570 hectares with a population of more than 50,000. Farming is very backward, which is only found around the towns. Its uplands are still inhabited by some pagan mountain dwellers and people of evil life. The agricultural products consist of small quantity of rice, sugar, maize and some others. The forestal area is about 81,500 hectares that produce among the dominant arboreous species *malanonang*, *tiaong*, *mayapis*, *malasantol*, *malaitmo*, *lauaan* and *tanguile*; and among the subordinates *lanite*, *bayucan*, *bolongita*, *narra*, *calantas*, *baticuling*, *palomaria*, *ipil*, *yacal*, *saplungan*, *sarat*, *bochoc*, *bancal*, *batino*, *dungon* and *malarujat*. Their income in 1872-73 was 427.75 pesetas and in 1873-74, it rose to 840.23.

Laguna.—This province has an area of 266,829 hectares with a population of over 160,000. Farming is fairly advanced; it produces sugar, rice, and coconut on a large scale, besides maize, indigo, coffee, and many others. The forestal area is 104,785 hectares in which grow *lauaan*, *tanguile*, *mayapis*, *malanonang*, *himbabao*, *lanite*, *baticuling*, *camagon*, *narra*, *camayuan*, *antipolo*, *batino*, *malarujat*, *malaitmo*, *calamansalay*, *culingmanoc*, *amuguis*, *acle*, *malasaguin*, *talactalac*, *matang-wlang* and others. Their income in 1872-73 was 7,154.20 pesetas and in 1873-74 it increased to 8,722.96.

Infanta District.—It is located on the east coast of Luzon along the Pacific Ocean and includes the Island of Polillo. The area of the district

is 177,077 hectares while that of Polillo is 74,100, totalling 251,177 hectares. Its population is over 10,000. Its land is mountainous; farming is backward, its principal products being rice, maize, coconut and a few others. The forestal area is 233,000 hectares with dominant arboreous species of high value such as, *mangachapuy*, *mayapis*, *malagmat*, *malatiaong*, *banaba*, *aranga* and *lariangao*; and the subordinates, *hagachac*, *manapo*, ebony, *camagon*, *p palomaria*, *tangal*, *batino*, *sacat*, *saplungan*, *acle*, *bolongita*, *malarujat*, *antipolo*, *baticuling*, *calantas*, *lanutan*, *balao* and others. The government has not received any benefit from this forest land.

Cavite.—This province has a small area. Its population is now 150,000, while the land area is only 123,390 hectares. Farming is fairly advanced and produces excellent coffee and much rice, sugar, wheat, cacao, pepper, and fruits; but its inhabitants are in general laborers and farmhands. There are few landowners for the reason that the greater part of the land belongs to the religious corporations. The forestal area is very small, measuring hardly 36,650 hectares, its dominant arboreous species being *amuguis*, *lanite*, *bansalaguin*, *acle*, and *sandana*; and the subordinates, *molave*, *banaba*, *tondon*, *tindalo*, *guijo*, *banay-banay*, *bancal*, *malarujat*, *calumpit*, and *malabayabas*. The government has received no income from this forest in the years 1872-74.

Batangas.—It has the same conditions as the foregoing: many inhabitants and little land. The population is now over 350,000 and the province has an area of only 320,159 hectares, the greater part of which is unproductive. In the interior of the province is the grand Taal Volcano surrounded by a rather large lake. It is one of the richest provinces in agricultural products that consist of coffee, sugar, rice, maize, indigo, pepper, wheat, cotton, cacao, nutmeg, and many others—an offering of its rich soil and mild climate. The forestal area is 124,000 hectares but the arboreous species it produces are of very little importance since they are hardly enough to meet the needs of the inhabitants. The dominant species are *banaba*, *dungon*, *betis*, *lanite*, *batino*, *duguan*, *amuguis*, *anubling* and *bancal*; and among the subordinates are *molave*, *narra*, ebony, *camagon*, *ipil*, *mangachapuy*, *tindalo*, *palomaria*, *yacal*, *antipolo*, *lamitan*, *calantas*, etc. They have not yielded any income to the government. There is livestock.

Tayabas.—It has an area of 562,492 hectares and its population is over 130,000. Its land is exceedingly rolling and it has few plains. It has many rivers but they are of little importance. Farming is backward because of the rolling terrain and the shortage of workers and above all of the total lack of vehicle roads and highways. Its agricultural products consist principally of coconut, sugar, rice, wheat, maize, pepper, etc; but the most important is its forest products which are suitable for all kinds of construction, whether of big buildings or ships of any size. There are 62 dominant species suitable for all kinds of civil and naval constructions, for cabinet work and industry, among which are *narra*, *molave*, *palomaria*, *guijo*, *betis*, *dungon*, *acle*, *callumpit*, etc.; and among the subordinates, also suitable for all kinds of industry and numbering 216 are ebony, *camagon*, *calantas*, *mangachapuy*, etc. However, the lack of roads makes their exploitation exceedingly difficult. In 1872-73 they

yielded an income of 83,865.88 pesetas to the government and 79,326.43 in 1873-74. This province has livestock.

Camarines Norte.—The total area of this province is 391,065 hectares; but with the exception of a zone extending along the coasts of the north and east, the entire interior is an entangled net of mountain ridges, hills, ravines, precipices covered with an exuberant woody vegetation and in the midst of all of them vast uncultivated plains. Here live still some pagans. Farming is rather backward due to the lack of workers whose total number is not over 45,000 and to the rolling terrain, as well as to the lack of public works. Its agricultural products consist of abaca, rice, wheat, coconut, maize and others of minor importance. It has rich gold and silver mines and grazing land for livestock. The forestal area is estimated at 264,000 hectares which produce *molave*, *narra*, *guijo*, *mangachapuy*, and *marang* among the dominant species; and some 44 subordinate species of great value. They yield no income to the government on account of the difficulties of obtaining them.

Camarines Sur.—This province is more extensive than Camarines Norte and has a larger population. Nonetheless, it is not very advanced in farming and public works. Its total area is about 615,075 hectares and its population is about 250,000. In its center is Mount Isarog, still inhabited by savage Negritos. There are numerous rivers that irrigate and fertilize the fields, but the land is rather rolling. The most important agricultural products are abaca, cacao, maize, wheat, coconut and rice. However, they do not raise enough rice for local consumption and they have to import it every year from other provinces. This is also true with regard to its neighbors Camarines Norte and Albay. The forestal area is 30,700 hectares rich in valuable trees, such as, *molave*, *narra*, *guijo*, *amuguis*, *mangachapuy*, *analion*, *caroncong*, *naga*, and *nato* among the dominant species and there are some 55 subordinate species among which are *camagon*, *ipil*, *alintatao*, *acle*, *antipolo*, etc. In 1873-74 they earned only 113 pesetas for the government.

Albay.—This province has an area of 657,098 hectares including the islands of Catanduanes, Batan, Cacraray, Raporapo, and San Miguel. It has a population of more than 300,000. Farming is fairly advanced, producing abaca, rice, sugar, sesame, maize, coconut and others. Its port is equipped for foreign trade. The forestal area is of less importance than farming. Its area is 341,200 hectares. The dominant arboreous species are *molave*, *batitinan*, *anubling*, *guijo* and *malasinoro* and the subordinates are *mangachapuy*, *dungon*, *maladungon*, ebony, *palomaria*, *alintatao* and others. Their income in 1873-74 amounted to 3,689.86 pesetas.

Masbate, Ticao and Burias.—Masbate with some smaller islands has an area of 374,298 hectares; Ticao's area is 36,246; and Burias, 29,935, totalling 440,479. It is not strange that farming is backward in such an extensive territory with a population of less than 30,000. Many pagans still live there. Burias Island is all plains without forest land and the islands of Masbate and Ticao have a forestal area of 294,000 hectares. Their agricultural products consist of abaca, rice, tobacco, maize, coconut and others. The arboreous species are *molave*, *lauaan*, *calamansalay*,

narra, tindalo, maladungon, ipil, dungon, antipolo, pili, calantas, ebony, palomaria, amuguis and many others. Their earnings in 1872-73 were 2,423.60 pesetas and in 1873-74, 2,484.06 pesetas.

Mindoro.—This province includes three principal islands and many others of minor importance and its total area is 1,038,290 hectares. The Island of Mindoro alone has 1,800 hectares of cultivated land; Luban Island, about 1,220; and Marinduque, which is the most important, for it alone has more than 20,000 inhabitants, about 8,000. Their principal agricultural products are rice, coffee, cacao, abaca, coconut, maize, indigo, and many others. The forestal area of all the islands is 1,027,000 hectares; it is still inhabited by pagans; and its arboreous species are as yet unknown, because it has not been explored until the present time, except the parts along the coast. However, judging by the samples taken, they are of great value, like that of Tayabas, and can be used for all kinds of construction, including ships of all sizes. Among the known dominant species are *molave, narra, ipil, dungon, banaba, guijo, calamansalay, amuguis, bancal, and lauaan*; and among the subordinate species numbering about 90 are *camagon, alintatao, malatapay, ebony, yacal, mangachapuy, palomaria, bitanjol* and others no less valuable. Their earnings in 1872-73 were 10,489.21 pesetas and 1873-74, 28,309.87.

Romblon.—This district belonging to the Province of Capiz comprises three principal islands and other smaller ones. The total area is 127,872 hectares and the number of inhabitants is now over 40,000. Farming is fairly well advanced, producing rice, coffee, wheat, maize, abaca, indigo, coconut, sesame, cacao, and many more. The forestal area is estimated at about 105,000 hectares with *ipil, dungon, sapa, amuguis, antipolo, aranga, bancal, calantas, bagulibas* and *camattinjan* among the dominant species and among the subordinates are found *molave, narra, camagon, ebony, malatapay, mangachapuy, acle, betis, guijo* and others among 25 species. Their earnings in 1872-73 amounted to 11,849.93 pesetas and 11,139.7 in 1873-74.

Capiz.—It is one of the three provinces into which the Island of Panay is divided. Its area is approximately 402,510 hectares with a population of 250,000. Farming is fairly advanced for which its rich valleys are suitable. Its agricultural products consist of rice, cacao, maize, cotton, abaca, coconut, sugar, wheat, and many others. There are industries, like cotton and abaca weaving. The forestal area is estimated at only 134,000 hectares in which are found among the dominant arboreous species *molave, narra, calotingan, bansalagon, nato, guijo, lumati* and *bayuco*, and the subordinate species are *calantas, amuguis, mangachapuy, tindalo* and others numbering 25 in all. In 1872-73 their earnings were 301.58 pesetas and in 1873-74, 508.87.

Antique.—This province, like Capiz, is on the Island of Panay towards the sea coast of Paragua with an area of 379,317 hectares and a population of over 130,000. Farming is not well developed; its principal products are rice, maize, cacao, tobacco, cotton, abaca and fruits and vegetables. There are cotton and abaca factories. The forestal area is 340,000 hectares with the following dominant arboreous species: *alintatao, mangachapuy, bayuco, narra, guijo, molave, dungon, lumati, amuguis, camagon, baticuling, bitanjol, daguil, and jaras*, and among the subordinate

species are *ipil*, *banaba*, *lanite*, *antipolo*, *barlayan*, *banuyo*, *bancalanag* and others. Their earnings in 1872-73 amounted to 3,053.2 pesetas and in 1873-74, they went down to 1,639.67.

Iloilo and Concepción District.—This is the most important province in the Visayas and it is located on the Island of Panay. Its total area is 526,355 hectares with a population that is now 620,000. People from Iloilo go to Negros Island in search of opportunities for investment. Agriculture as well as commerce and industry are very advanced. Next to Manila its port is the busiest among those equipped for foreign and domestic commerce. It has cotton, silk, abaca and *piña* or *nipis* textile factories. Its farm products consist chiefly of rice, sugar, tobacco, maize, wheat, pepper, abaca, indigo, *sibucao*, fruits and vegetables. The livestock consists of horses, cattle, carabaos and sheep. The forestal area is of little importance; it has an area of only 60,000 hectares, producing the same species as in Antique. Their earnings in 1872-73 were 5,023.45 pesetas and in 1873-74 they went down to 224.82.

Negros Island.—It has an area of 906,396 hectares with a population of over 280,000. Its farming is increasing due to immigration from Iloilo. Its products are rice, sugar, tobacco, abaca, wheat, cotton, maize, cacao, *sibucao*, indigo and others. It has also textile factories of cotton, silk, abaca and *piña* or *nipis*. In spite of its relative progress its interior remains undeveloped with immense forests whose area is no lower than 730,000 hectares, still inhabited by pagan Negritos, and are rich in timber. The dominant arboreal species are three classes of *molave*, *narra*, ebony, *camagon*, *malatapay*, *ipil*, *guijo*, *mangachapuy*, *dungon*, *acle*, *palomaria*, *tindalo*, *guisijan* and others, and the subordinate species are 34. However, they yielded no earnings during the years from 1872 to 1874 on account of the difficulty of obtaining them.

Cebu.—This is the oldest province in the Visayas. It has an area of 679,257 hectares including the adjacent islands and a population of about 450,000. Industry and commerce surpass agriculture. There are textile factories of cotton, abaca and *piña*. Its inhabitants are very fond of sea life. Nonetheless they raise rice, sugar, tobacco, maize, cotton, vegetables and fruits. The forestal area is not more than 45,000 hectares for the reason that the ground is rocky and has a little vegetation. In the uplands, or rather, in the interior are still found savage pagans. The dominant arboreal species are *mabintod*, *guison*, *banawn*, *dungon*, *quiaquia*, *magpogahan*, *jambabayen* and others totalling 16, and the subordinate species are *molave*, *ipil*, *badayon*, *mangachapuy*, *sibucao*, *lanutan*, *pili*, *doldol* and others.

Bohol.—This island includes other small islands and their total area is 261,777 hectares with a population which does not exceed 280,000. The land is rocky and of limited fertility and too small for the size of its population. Its forestal area cannot be more than 30,000 hectares. The natives are engaged in seafaring and the weaving of cotton and abaca. Farming is limited on account of the condition of the land. The principal farm products are rice, abaca, tobacco, maize, cotton and a few others. Its forestal products, which are hardly enough to meet the needs of its inhabitants, are *molave*, *ipil*, cedar, *dungon*, *bangaluga*, *lanite*,

pili, *lauaan*, *guisoc* and other trees of little value. They yield no income for the government.

Leyte.—Together with its adjacent small islands Leyte has a total area of 1,151,710 hectares and its population is about 300,000. Its land is rolling though there are valleys suitable for farming, as they are very fertile and the climate is excellent. They raise rice, wheat, abaca, coconut, cotton, indigo, pepper, coffee, cacao, sugar, and many others. There are also textile factories of cotton and abaca. The forestal area is estimated at 760,000 hectares with the following arboreous species: red and white *apitong*, *molave*, *guijo*, *baticuling*, *dungon*, *lauaan*, *lanite* and others. They earned nothing during the years from 1872 to 1874. Unsubdued pagans are still found there.

Samar.—It has an area of 1,645,805 hectares with a population of not more than 260,000. The people engage in fishing, raising rice, abaca, coconut and others and in the gathering of forest products like beeswax, honey, etc. The forestal area is approximately 1,200,000 hectares and its products consist of *molave*, *apitong*, *guijo*, *baticuling*, *naga*, *ipil*, *bilolo* and others; and they do not cut more timber than what they need for their own use. Their earnings in 1872-73 amounted only to 2,370 pesetas and in 1873-74 only to 328.73. There are still pagan inhabitants.

Mindanao.—The entire island with the adjacent islands comprising seven military districts, have an area of 8,473,099 hectares or 3,200 square leagues, with a population of over 200,000 Christians. Being most extraordinarily fertile, according to all accounts and reports that have been written until this time, it is also the most backward among all the islands, owing to lack of laborers. The insalubrious climate due to the extensive swamps and immense impenetrable forests makes life exceedingly dangerous to settlers there, who must first get acclimatized in its healthful regions which are the coasts. The interior is still inhabited by Muslims and pagan Negritos whose number is not yet definitely known and who remain independent of Spanish rule and are exclusively under their respective *datos* and sultans; that is, they form truly independent principalities in the interior nevertheless of the territory of the Spanish nation. According to the scientific paper of Doctor Samper, all kinds of products can be raised there with advantage, for there they harvest twice a year crops which in the rest of the islands of the Archipelago are annual crops. Today their agricultural products are only coffee which is of excellent quality, rice, which is not sufficient for the Christian population, which is very small, coconut and maize. As to its forest resources, Mr. Jordana says: "There is no other evidence of its forest resources except that given by a traveler who ventured into the forests nearest the coast and he found people living in some parts. The forestal area may be estimated at no less than 7,000,000 hectares. Explorers as well as natives attest unanimously to the variety and gigantic growth of its woody vegetation." In fact it is said that in Mindanao are found trees of huge dimensions, such as, *molave*, *narra*, *apitong*, *ipil*, *camagon*, *baticuling*, *bilolo*, *dungon*, *mangachapuy*, *yacal*, ebony, and very many other species known and unknown in the whole Archipelago. Despite their importance the forests have earned nothing for the government.

Calamianes.—These islands like those of Paragua, Balabac and Marianas are in worst situation than Mindanao. All together they have an area of 788,861 hectares with a population of less than 25,000. Farming is backward, as it is to be expected, for it is neglected, even in relation to the size of the population. Its principal agricultural products are a little rice and maize and a few others exclusively used for their own consumption. They engage in fishing. The forest area is estimated at 500,000 hectares in which grow the white and mottled cane that are highly appreciated for walking canes and are there called *palasan* and *gajo*. The arboreous species are completely unknown officially and they yield no income for the government.

Balabac.—This island is located in the south of Paragua or Palawan. It has a total area of 32,350 hectares with a population of less than 2,000 composed mainly of prisoners. As in Calamianes and Paragua there are also pagans of a distinct race with customs, and religion distinct from those who live in the interior of other islands of the Archipelago. Their farming does not produce enough for the needs of the inhabitants. The forestal area is 28,000 hectares whose best known trees, which are neither utilized, are *ipil*, *narra*, *banaba*, *pagatpat*, *balongita*, *amuguis*, *lanutan*, *sibucáo*, *palomaría* and others. They also grow canes for walking sticks, which in Singapore are articles of trade and are exported to Europe.

NOTE: The population figures mentioned in the above accounts of the different provinces refer to the year 1881; the areas are of the year 1873-74 taken from the report of Mr. Jordaña y Morera. (Author.)

IV

MINERAL PRODUCTS ²⁰

COAL

"We begin this description with mineral coal, not only because of its mineralogical and industrial importance, but also because of its abundance in these Islands. We have already described, though slightly, the coal basins in the south of Luzon and Cebu, which by themselves would be sufficient to place coal in the foreground of Philippine minerals. They are not, however, the only places where this fuel exists, as we shall show."

IRON

"The exploitation of iron in the Philippines is very much older than that of coal and perhaps it has a greater importance and future. Iron mines are found widely and abundantly disseminated in the greater part of the Islands, but the Island of Luzon is the most outstanding of all, whether for the extent of its seams or the excellent quality of its minerals that contain up to 75 to 80% pure iron. In addition, it has the invaluable quality of being easily melted and produces an iron that has nothing to envy the best of Sweden. And, as if nature had wished to facilitate the exploitation of these abundant mines, it placed the seams in the middle of virgin forests whose inexhaustible woods, if used wisely, could always supply the necessary fuel for the foundries."

COPPER

"In dealing with the geology of Lepanto District, we cited the copper seams that are being worked in Mancayan, Suyuc, Bumucuo and Agbao by the Cantabro Filipina firm established there since 1862. In the same district there are also various other seams and the same firm buys from the Igorots of those mountains no small quantities of rich minerals which they extract from the seams located in their settlements, which are not yet easy to penetrate on account of the hostile and distrustful character of those mountain dwellers.

"In Mancayan are generally found gray copper or tennantite, antimony or *panabasa*, vitriol or *chalkosino*, the flecked *philipsita*, copper and iron pyrites and some other less abundant species and varieties. In Suyuc are found also copper colored minerals mixed with iron pyrite. In the little settlement of Bumucuo there is a mineral of pyrite compound of copper banded with quartz and fluorspar and some small veins of flecked copper and vitriol. Lastly, in Agbao there are also rich lodes of gray copper antimonial and vitriol containing up to 65% pure copper.

²⁰The following data are taken from the 1875 report of Mr. José Centeno, learned engineer inspector of mines in the Philippines.

"Besides the seams located in Lepanto District, there are others in various places in the Archipelago."

GOLD

"Gold is indisputably the most widespread in the whole Archipelago, for rare is the province which does not have it in small or large quantity, whether in lodes in its mountains or in nuggets or dust in its alluvial soil and in the bed of its rivers and brooks.

"The most notable places on the Island of Luzon where this metal is found are the mountains of Mambulao, Paracale and Labo in Camarines Norte, the ramifications to the north of Carballo in the territories of the Igorots, Buriks and Apayaos, various places in Nueva Ecija, especially an alluvium in the town of Gapan that contains gold of very high quantity in fairly abundant quantity; the mountains of the town of Atimonan, Province of Tayabas and some other provinces that also contain gold but in such small quantity that no one cares to search for it.

"Following Luzon in importance with regard to gold seams is the Island of Mindanao, and perhaps it may even be placed ahead of it, if it were better explored. So abundant gold is in some regions of Misamis and Surigao that the natives use gold nuggets and dust to pay for their purchases: they obtain them from their crude washers.

"In various other islands this precious metal is found, as in Cebu, in the eastern ramifications of the central mountain range toward the towns of Danao, and Liloan and in the islands of Mindanao, Panay, Sibuyan, Rapurapu and some others."

MERCURY

"The existence of mercury in some places in the islands has been repeatedly announced, but unfortunately none has been found until now. Toward the end of the last century two bottles of quicksilver were received in Manila, one of which came from the town of Cantilan in Mindanao and the other from Mount Tulalo in Capiz. In 1816 it was learned through a statement issued by Reverend Father Fray Justo Azofra, parish priest of Alimodian in Iloilo that when he was parish priest of Dumarao, Province of Capiz, he heard the natives of this town assure the existence of mines of quicksilver from which a bottle of this mineral had been extracted some time ago. Likewise he certified that he had read in some papers of former priests of the town that there were mines of quicksilver in the jurisdiction of Dumarao but which were not worked because of the greediness of the governors who wanted the natives to work them without pay. The mines were located up the river of the town, which could be reached by walking eastward through Lanaan until Catarman.

"In 1848 there was presented in the Office of Mines a record of quicksilver in the town of Casiguran, Albay Province. The truth is that until now its seams are unknown."

LEAD

"About four years ago, two seams of galena in the jurisdiction of the town of Consolación, on the Island of Cebu: one in the place called Panoy-poy and the other in Acsubing. Some samples were taken from both that were assayed in the Mint at Manila and they gave a surprising result, not only for their lead content (47%), but for the gold and silver they contained (one ounce per *quintal* of the first and two ounces of the second). Upon knowing these notable results, it did not take long to form a company in Cebu which immediately registered the mines and as soon as the papers authorizing the demarcation were ready, we went there to inspect the place and demarcate it; but we observed that the importance of the seams did not justify the hopes they had aroused.

"In the Province of Camarines Norte, near Paracale, in the mountain called Tinga, there are also some small veins from 3 to 10 centimeters thick in which are found plenty of gold-silver bearing galena whose gold and silver content of some samples is up to 5 ounces rich of alloy per *quintal* of lead."

ANTIMONY

"Not long ago we saw only one sample of sulphur of antimony, perfectly pure and crystallized, that we were told came from the Province of Zambales; but until this date, in spite of our inquiries, we have not ascertained the place in that province where it had been found, nor the importance and conditions of the seam."

SULPHUR

"In a country essentially volcanic like the Philippines, it could be as-
sured beforehand that deposits of this metalloid ought to exist. Actually,
in the vicinity of almost all big volcanoes are found large quantities of
sulphur sublimate and we have seen fairly pure one from Bulusan in Albay,
from Taal in Batangas and Apo in Mindanao. But the notable deposits
that are worthwhile exploiting are found in the central part of the
Island of Leyte. After a slight purification by means of fusion, it is
exported, though in a small scale, to other provinces of the Archipelago."

* * * * *

"Finally, we shall only cite other mineralogical species which abound
in the country and which can have immediate use in the manufacturing
industry and in constructions, because, in a certain way, they are beyond
the scope of mining. Such as, for example, the abundant and varied
marble of the Island of Romblon which is found in the vicinity of the
port of Romblon and could be exploited and exported economically; the
even finer and easier to carve marble of the Islands of Guimeras, near
the port of Iloilo; the alabaster of Camarines Sur on the boundaries of
Bato and Libong; the beautiful granite of the Mariveles mountains near
Manila Bay; and many other construction materials whose use, if not
unknown, is until now very limited indeed."

* * * * *

"The mining production of this country at present is confined to small
quantities of copper of the Mancayan and to even smaller quantities of

iron of the Province of Bulacan and of gold of various provinces. With regard to coal which, without question, is the most interesting product of the Philippines, nothing has been produced for some years, having ceased completely the old exploitations of Cebu (Guila-Guila, Uling and Alpaco) and the new ones of the same island (Compostela and Danao) and those of the province of Albay (Sugud and Batan) are not yet in the production stage."

* * * * *

"The mining industry is governed now by the Royal Decree of 14 May 1867.

The staff today is composed of one chief engineer of the first class as inspector; one chief engineer of the second class, two technical assistants, two draftsmen, three clerks, one messenger-porter, one janitor-servant of the laboratory. Expenses of the staff: 13,300 pesos; traveling expenses for inspection and survey, 10,000; materials, 1,400. Total: 24,700 pesos.

The concessions granted from 1864 to 1869 are 2 of quicksilver and coal in the Province of Albay; 2 of gold and silver in Camarines Norte; 14 of gold in Nueva Ecija; 1 of coal in Mindoro; 6 of iron and coal in Bulacan; 1 of coal in Camarines Sur; 5 of coal in Cebu; 8 of copper in Lepanto (Abra); 2 of coal in Tayabas; 2 of copper in Masbate; and 1 of coal in Marianas.

Those granted in 1869 are: 8 of lead and coal in Cebu and 5 of coal in Albay.

Of all these concessions only three or four are operating.

We shall propose one regulation in the administrative part of this work; but in the meantime, it would be desirable to publish in the *Gazette* and Manila newspapers the concessions which have lapsed for the information of the people and so that the new concessions would not suffer so much delay, as we have observed, to the point of despair of the applicants."

V

THE VALUE OF LAND

EXTRACT FROM THE INQUIRY HELD IN 1862 BY THE SUPERINTENDENT OF FINANCE AT MANILA FOR THE PURPOSE OF FIXING THE PRICE OF ROYAL LANDS TO BE ADJUDICATED. REPORT OF THE PROVINCIAL GOVERNORS.

Mindanao—"I regret to state that all the subdelegates replied that the backwardness of agriculture in these regions is due to the lack of laborers and capital and to the special disposition of these people (pagans forming the great majority) who till a piece of land today and the next day would go elsewhere to sow just enough grain for their needs, abandoning it afterward. This is the reason why the land, which is generally mountainous have no value. Because of its astonishing fertility the Island of Mindanao is capable of producing whatever is desired, but there are hardly any rice fields that are seriously cultivated. There are some coconut plantations and a small number of cattle. No price, therefore, should be fixed on royal or public lands that are to be adjudicated."

Calamianes and Paragua—"As the immense territory comprising this province is almost unpopulated, its fertile and virgin lands have no value among the inhabitants, who are pagans in the majority. Instead of fixing a price on every *quiñon* of land, it would be desirable to give a reward for every *quiñon* of land that is broken up."

Leyte—"The population is small in relation to the size of the entire territory of the province, which is very large, but not the land corresponding to each town where the surrounding lands are cultivated by their owners, and uncultivated ones are scarce. Lands far from the towns are not appreciated or wanted by the people, who are extremely rugged, running away at the sight of a gunboat or at the slightest sign of danger and abandoning whatever they have. A greater increase of population, as well as public instruction, is what should be promoted here rather than sale of land which at any rate the natives believe belongs to them exclusively, for they do not understand neither uncultivated nor royal lands."

Samar—"In this district lands have no great value until the present time. The natives occupy the lands they need for their plantings, abandoning them afterwards for an indefinite period. However, 25 pesos may be fixed as the price of each *quiñon* of uncultivated or royal land."

Masbate and Ticao—"Owing to the attitude of the natives, I consider the uncultivated and royal lands in this district of no value. In general they are hilly and covered with thick forests and clearing them will be very costly. At present very few are engaged in farming and seriously,

no one. As soon as they find out that the lands would cost them money, whatever gradual increase in farming there might be would disappear."

Antique—"As the indolence of these natives is the only reason for the existence of uncultivated land, it will be futile to require them to pay for royal or uncultivated lands. Rather, in order to encourage them to engage in farming, to protect their interests and to increase landownership, it would be desirable in my opinion, to give a prize to the one who would clear a piece of land and cultivate it for two years."

Mindoro—"With the exception of the Island of Marinduque, where land is apportioned, and has some value, on the other islands lands have no value. In the majority they have remained virgin lands, and even if given free, no one would take them for lack of laborers. It would be more desirable to attract natives of other provinces to settle there—the only way to give life and encouragement to this backward people."

Cagayan—"Unfortunately agriculture throughout the Archipelago is not progressing as it should, or as in other countries. The Europeans in the Philippines, whether because of their small number or lack of enterprising spirit, or for other causes, shun agriculture. The few who are engaged in farming in the environs of Manila and on the Island of Negros are insignificant considering the extent of this territory. The Chinese, although prohibited from engaging in any other industry except farming, do not engage in it. The *mestizos*, less numerous, are more fond of commerce and other industries than of agriculture. The worst thing is that the few landowners treat their workers like slaves. The workers without education, capital or incentive work as little as possible just to earn enough for their sustenance and more often, as it happens in this province, for fear of punishment.

"This agricultural situation demands direct and strong measures of protection, and since there are no prizes offered to those who clear the lands, to those who establish farms, nor is capital advanced to them, at least they should not be given the additional burden of paying for the land and another difficulty of filing applications in Manila, as the officials in charge do not reside in the provinces.

"This province, more than any other, suffers from lack of inhabitants. Except the cordon of towns along the eastern bank of Cagayan River, some others on the beaches on the north of the island and a group in the Itanes District, the whole province is an immense and rich forest that is begging favors from the hands of man; and the exploitation of these resources, that can only be achieved through an increase in population, would bring direct advantages to the government in the gathering of tobacco. The clearings would also improve the salubrity of the climate, which is somewhat injurious to Peninsular Spaniards. I believe, therefore, that it is desirable to exclude the provinces of Isabela and Cagayan from the projected regulation fixing the price and conditions of acquiring by private citizens of uncultivated or royal lands."

Isabela—"In this province, with the exception of the lands around the towns, *barrios* and settlements, all the rest are royal or uncultivated lands. The lands around the towns yield an income of 40 to 50 pesos

per *quiñon*. No price can be fixed for the royal or uncultivated lands because of their immense size and very small number of inhabitants; whatever price may be placed on them would be nominal, as no one would buy them. It has never been the custom to buy royal lands from the government. Everyone, through immemorial custom, transmitted from father to son, simply takes possession of a piece of land whether it is royal or uncultivated or commercial land."

Nueva Vizcaya—"Although this province has many uncultivated lands and forests in relation to its population, generally there is no other real property except the land assigned to each inhabitant without any price and these lands are the only cultivated ones. This is an inducement to the natives of other provinces where cultivated fields are scarce to come and settle here, for it would cost them nothing to have land, except the work of clearing it. But as soon as they are required to pay for it, however low the price may be, they would not come over and there would be no increase in population, which is highly to be desired."

Abra—"The uncultivated lands in this province are found in the mountains, which are usually arid and of little value, whether for farming or grazing. With regard to the cultivated lands, it is not possible to determine their price when their owners themselves do not know it; it depends upon the kind of farming to which it is devoted. A rice field may be converted into a tobacco plantation when it changes ownership; sometimes it may be devoted to raising vegetables or indigo and vice-versa."

Camarines Norte—"This province was created by the decree of 14 January 1829, separating it from Camarines Sur of which it was an insignificant part, on account of its sparse population, but it is valuable because of the gold placer mines of Paracale and Mambulao. Because of this circumstance and the frequent attacks of Muslim pirates, it was decided to make it a province so that it can be better defended by its own provincial officials. It was also the refuge of the worst people of its neighboring provinces of Tayabas, Laguna, Camarines Sur and Albay. It was then not a group of towns but scattered settlements, such that in the capital itself there was not one-fourth of the houses corresponding to the total number of tributes, nor a mile of road through which one can go on horseback. From 1846 to 1852 road building was undertaken. The inhabitants were ordered to raise plants of prime necessity and with the lucrative abaca, the conditions of the people improved, and bridges and the greater number of churches were constructed. At present (1862) there are 11 *visitas* and 40 *barrios*, all scattered and far from each other. Between them are extensive uncultivated lands, which can be farmed and are at the disposal of the inhabitants, being within the communal league. In view of this fact, no one would buy royal lands at any price. The price of one *quiñon* of cleared land for palay [unhusked rice] is from 40 to 75 pesos, according to whether it is irrigated or dry land. If the land is for planting sugar cane, it costs from 40 to 70 pesos a *quiñon*. In case a price is fixed on royal lands, in my opinion it should not exceed 10 to 15 pesos per *quiñon*, and the sale should be made through public bidding."

Camarines Sur—"There are no uncultivated lands in this province and the royal lands are found very far from the towns and on the slope of Mount Isarog where farming is impossible on account of the wild beasts and savages inhabiting them. The cultivated lands which belong to private owners are worth from 40 to 75 pesos per *quiñon*, if they are of the first class; from 20 to 40 those of the second class; and from 10 to 20 those of the third. At present there is a grazing land measuring 3,818 *brazas* long and 330 wide with 750 animals."

Cebu and Bohol—"The lands which have some value in this district are found in the environs of the towns and are privately owned. The uncultivated ones are in the mountains and are generally infertile because they are rocky and have only a very thin coat of soil which is easily removed by rain. The exceptions which are suitable for all kinds of crops belong to private individuals. On the western coast of Cebu, on the north of the east coast and in the interior of the Island of Bohol there are still lands of good quality that can be sold and can be used for grazing or farming; but I cannot possibly fix their price because of their varying conditions. One must take into consideration the nearness to the town, facilities for communication and the quality of the land. These circumstances can be better appreciated by the bidders if they are sold at a public auction. In this district and everywhere else, it is known that the native does not like to work by the day. The partnership system by which the farmer tenant gets one half of the crop is the most preferred; but it works only in the beginning, because the avaricious owner, in his desire to keep a tenant bound to him or to make immoderate profit, advances him money which he gets back from his share and thus the tenant remains forever pawned to him until the point when he gets fed up and leaves the farm and flees to the mountains if he feels that the court can compel him to return to the farm." (This is the principal reason why the natives become lazy and flee to the mountains.)

Negros Island—"The rising agriculture in this district is confined to the lands nearest to the towns, and their price has risen considerably in a few years. However, the lack of workers to clear the extensive uncultivated lands and royal domain may deter people from applying for them even at very low prices. In any case, only 5 pesos per *quiñon* should be fixed for the plains and 3 for the forest lands, considering that clearing them requires large capital before they can be made productive."

Capiz—"The land measure used in this district is the *cavan* of palay seeds. The price of first class land, which is cleared and irrigated, is from 50 to 120 pesos; the second class, 25 to 60 pesos. A *quiñon* of land is equivalent to four *cavanes* of palay seed; hence, the price of first class land would be from 200 to 500 pesos and the second class, from 100 to 250. The only ones who would buy royal lands would be the Peninsular Spaniards, but in the entire province there is none. The native would not buy any because clearing it would cost much."

Romblon—"Cleared land of one *cavan* of palay seed and irrigated costs 40 pesos; if it is cleared dry land, 25 pesos; and if it requires clearing and it is along the coast, 20 pesos."

Iloilo—"Uncultivated lands found in this district are few and of very poor quality; and even if planted to *camote*, sweet potato, wheat, tobacco and sugar cane, they are found very far from the towns without roads of any kind. The natives ordinarily go to Negros Island where they can find better lands. In any case, the maximum price for every *quiñon* should be eight pesos."

Unión—"In this province there are few royal lands and all of them are found on the ridges of the big mountain range that divides this north arm of Luzon from east to west. As farming should be encouraged throughout the region, I believe it is desirable not to fix more than 20 pesos for every *quiñon* of these lands."

Zambales—"The increase of the population of this province is due exclusively to Ilocano immigration. As a result, in four towns today the Zambal dialect is hardly heard. These immigrants are poor and have no other capital but their labor. They acquire lands through the free distribution of lands when they settle in a town. If they are required to pay for them, they would go away and the progress of this province will not be achieved."

Ilocos Norte—"As the natives of this district are exclusively farmers, all lands for common use are under cultivation, with the exception of those that are very far from the towns, because of the high cost of hauling their produce. A *quiñon* of irrigated land costs from 200 to 300 pesos, and of dry land, 100 pesos. However, for royal lands, the price to be fixed should not be more than 40 pesos per *quiñon*."

Ilocos Sur—"This province is situated in a valley that runs from south to north with a length of 23 leagues. It is bounded on the west by the sea and on the east by the big mountain range which is still inhabited by pagans. The plain is small and the majority of the towns do not have the communal league of land. Being overpopulated for the size of its territory, the natives emigrate to other provinces where they can find abundant lands. If Circular No. 265 is applied to this province, it is necessary to divide the royal lands into two classes: the first class to consist of lands suitable for all kinds of farming and the second, of pasture lands. For the first class can be fixed a price of 100 pesos per *quiñon* and for the second, 50 pesos."

Pangasinan—"For every *quiñon* of royal or uncultivated land can be fixed a price of from 30 to 40 pesos, if it is not covered with forest; from 15 to 20 pesos if it is, both being of the first class; that of the second class, from 10 to 15 pesos if it is not covered with forest and from 6 to 10 pesos, if it is; of the third class from 7 to 10 and from 4 to 6 respectively."

Bulacan—"More than one-half of the lands in this province belong to the religious corporations; the rest located in the plains are owned by private citizens under different titles. Only the lands on the mountain slope and valleys are uncultivated. These being royal lands, they can be disposed of by the government. They are classified into *cogon* lands or hills and forests. Because of the difficulty of improving the lands that are far from the towns, roads, markets and rivers, they should not be priced more than 5 pesos per *quiñon* for the first class and 2.50 the second.

After they are cultivated, they would be worth 300 the first class and 100 the second."

Cavite—"The greater part of the uncultivated lands belongs to the Recollect and Dominican fathers and to some private individuals. The price of 62.50 pesos per *quiñon* for the first class and 25 pesos for the second can be fixed on the land that are considered royal which are located in the towns of Cavite Viejo, Carmona and Silang."

Batangas—"There are no uncultivated or royal lands in this province, and all the towns are agricultural. There are 273,771 inhabitants, a population which is excessive for a territory with a perimeter of 120 leagues. Thus, a large number emigrate to the Island of Mindoro where there is surplus land. The privately owned uncultivated land is valued from 50 to 350 pesos per *quiñon* if it is hilly and forest; from 112 to 1,000 if it is plain and without forest; from 50 to 300 pesos if, though plain, is far from the town and has no water."

Tayabas—"The uncultivated lands in this province are worth from 200 to 1,000 pesos per *quiñon*, according to the degree of their vegetation, proximity to the town and the amount of water they may have on royal lands, it is not advisable to fix a price because of the scarcity of laborers throughout the province and the costliness of clearing them. In any case, the price of 50 pesos per *quiñon* can be fixed."

Albay—"The uncultivated land and royal lands in this province can be divided into three classes; first class lands suitable for rice growing; lands with slight obstruction suitable for abaca, coffee and other kinds of plants; and the hilly lands. On the first can be fixed from 100 to 200 pesos per *quiñon*, or 10 *balitas* or *picosones*; on the second, 50 pesos and on the third, 20."

Morong, Province of Manila—"For the sale of royal lands in this district the price of 40 or 50 pesos per *quiñon* can be fixed, notwithstanding the fact that they are rocky and of slight fertility."

Pampanga—"Considering the advanced state of agriculture in this province, the price of one peso (?) can be fixed on each *quiñon* of royal land."

Concrete information about the provinces of Marianas, Batanes, Nueva Ecija, Bataan, Laguna and Manila is lacking and we are going to supply it.

Marianas is in the same situation as Mindanao.

Batanes is divided into a portion of islands with a total area of 620 square kilometers with a population of 8,250, according to the ecclesiastical census of 1876 and is over 13,000, according to our estimate. The people are more fond of marine industry than of agriculture, and many of them go to Manila to engage in domestic service in private houses, schools, and other institutions. For this reason, there is very little farming.

Nueva Ecija—"The province is lower than Bulacan and Pampanga which it borders. There are extensive uncultivated lands or royal lands for lack of workers and capital. Cleared lands for farming cost 300 to 800 pesos per *quiñon* in the vicinity of towns and rivers, while the distant ones are as low as 50 to 150. We had lands there that cost

us from 150 to 250 pesos per *quinon*, each cleared piece, including forests, double and quadruple its size; but they have the advantage of being located between the big river of Cabanatuan, the market and the highway going to the town of Aliaga. In Pampanga and Bulacan, lands cost much more."

Bataan—"This province is in the same condition as Pampanga, its boundary. Its population is one fifth of that of Pampanga, but its agriculture is as advanced as that of its neighbor. Some religious corporations own also *haciendas* [estates] there."

Laguna—"Laguna is also in the same conditions as Cavite and Batangas, her neighbors; but she has a larger territory than the two combined and one-half of the population of the second. There is still plenty of uncultivated lands and royal lands and she has abundant forest products. Some religious corporations own *haciendas* there."

Manila—"Being the capital city of the Archipelago and its busiest port, it goes without saying that it surpasses all the other provinces. Excluding Morong District, Manila has no uncultivated or royal lands, except a small portion belonging to the *haciendas* of Messrs. Tuason and Cañas and a forest area belonging to the government in the towns of Marquina (*sic.*), San Mateo and Montavan. The excess population emigrate to Pampanga, Bulacan and Nueva Ecija."

* * * * *

Remarks—In spite of the foregoing reports that we have extracted, almost all opposed to the Regulation of Royal Lands, the royal order was carried out, fixing the price of 50 pesos for one *quinon* of land which is outside the common land of one league of each town, whatever its condition may be. The Regulation of 1880 confirmed it and besides it limited the common land to lands around the municipality, excluding the distant *barrios*. Since 1862, the date of the foregoing reports until the present date, population has doubled in the most backward provinces and along with it farming also has progressed and the value of lands near the towns has risen considerably. Mindanao then hardly had a population of 100,000 Christians, but on account of Visayan immigration, its tribute-paying population exceeds 200,000, without counting the privileged class exempted from taxation. The number of pagans must have also increased in the 20 years that have elapsed. Calamianes and Paragua had less than 10,000 inhabitants; now there are more than 20,000. Leyte, Samar, Masbate and Ticao, Antique and Mindoro have also progressed notably not only because of the natural increase of their populations but of immigration from other provinces.

* * * * *

We are going to say a few words on the much-talked-about indolence of the natives. Some refer to it with such exaggeration that if it were true, there would be no available remedy for it, nor could such a thing be imagined in known world. Because of it some have concocted in their ardent imagination such stupendous and fantastic things that do not deserve any serious refutation. First, because they have already in themselves the stamp of censure in the face of common sense, and second, because one who attacks a ridiculous thing becomes more ridiculous than what he has attacked. What is extravagant deserves no reply; one who *transeat*, let it pass, in dialectics, or it is equiv-

alent to a smile when one hears them, or to a spit and one continues on his way.²¹

One must have no common sense in order to indulge in such delusions, or to imagine things in that manner. He who expounds them, believes them and impugns them must be in the same situation.

The authors of such articles, of those so-called books, because they have more than 200 pages, though they are not really books but pieces of absurdities with neither head nor tail, with a prologue in each chapter and with leaders at the end of every sentence; the authors, we say, of those. . . doubtless imagining a literary form and a way of making their description of Philippine life a pleasant and interesting reading, they gave an account of a style of life peculiarly their own, which they applied in drawing a portrait of the native, the *mestizo* and the Peninsular Spaniard residing there. What a poor resort! However, in the end they succeeded to reflect in some passages their own characteristics.

They ridiculed the native, the *mestizo*, the priest, the friar the Peninsular Spaniard, the government, the institutions, in short, the whole country. They found nothing normal there—not even perhaps the very offices they filled, and one of them under the pretext of being a democrat and republican (now he is no longer so even in name) believed himself more of a statesman than anybody else, calling ignorant all past administrations, and pretending to give laws, which he did not, however, expound to that people and all because he was there *six or nine months as an official of the government of the second or third class, assigned to a province of the same category, with a salary of 10,000 or 12,000 reales vellon and an extra salary of 16,000 or 18,000 a year.*

Sometimes the censorship established at Manila does something good by banning the entry of that kind of printed matter. Their perusal would have provoked general indignation and excited the harmless spirit of those loyal, long-suffering people, not only against its author or authors, but perhaps also against Spain that tolerates such outrage against her own children.

The book was not well received, contrary to the expectation of its author, and in two or three newspapers an item was published stating that 150 copies of it had been sold in Germany, as if it accused the government and the public of being indifferent to a book of *such usefulness* that even foreign nations showed interest in it. What would have astonished us is that it was not true that 150 copies had been sold in Germany. Germany in particular which has shown and shows very lively interest in those rich Spanish possessions! Why would not the Germans read it avidly since they see in it literary and social absurdities that give them pleasure and reason to mock and laugh at Spanish institutions and whet their appetite for those highly to be desired islands, believing that Spanish despotism would sooner or later drive their inhabitants to despair?

²¹ A Filipino residing at Madrid challenged to a duel one of those inventors of lies; what would be the outcome? Another folly. (Author.)

Moreover, the Filipinos being Spanish citizens, with Spanish customs and habits, their land is Spanish, their institutions are Spanish, their government is Spanish, their flag is Spanish, all their aspirations are Spanish, in a word, everything there that exists, moves, is nourished, thought, seen, felt, touched, etc., etc. belongs to Spain. All the defects and shortcomings, whether real or imaginary, that are imputed to them, every mockery and ridicule made of them, every insult and abuse directed against them, everything is imputed, made and directed against Spain.

What we cannot understand is the attitude of the government which has not only rejected such kind of writings, but has even declared it useful for school use, ordering 300 copies of it for distribution to the libraries and enjoining all Spaniards to read it. It is true that the author has corrected some errors in the new edition and after making his correction, he made a complete turnabout, but withal his repentance does not correspond with the correction, or rather the correction has no relation to his repentance.

* * * * *

Let us see what is the indolence of the native. . . We admit our incompetence as a party in the case, because we are as native as those who are imputed, children of the Philippines and educated under the same principles of religion and moral, under the same spirit, ideas and sentiments as those who seemed stupid, ignorant, savage, immoral, devoid of every sentiment of honor, dignity, modesty, shame, of all attributes, in short, of all the human essence, to the authors of *El indio filipino* and *Recuerdos de Filipinas*, of superior spirit, so superior that they have separated not a bit from the common system of men. There is no difference between us and those, except that we have studied at the University of Madrid through sacrifices and we have seen the mother country of our benefactors.

Moreover, this is such an irritating point that will lead us to no less irritating and unpleasant digressions, even offending perhaps the most sacred, the most respected and appreciated by us and to whom we are indebted for everything that we and our fellow countrymen are and possess.

We are going to confine ourself, therefore, to transcribing some salient paragraphs of the *Memorias*, reports written by Peninsular Spaniards of very good judgment who had served in the Philippines as high government officials.

In the reports rendered by provincial governors and governors of military districts on the value of land in their jurisdictions there are contradictory opinions on the character of the native. However, those who attribute the backwardness of agriculture to the indolence of the natives are not more than five and they are those of Mindanao, Leyte, Samar, Antique and Masbate. The rest attribute it to the lack of laborers and those of other provinces, like Batangas, Pangasinan, Ilocos, Unión, etc., etc., said that agriculture was so developed that there were no more uncultivated lands in their provinces and their inhabitants had to emigrate to other provinces. And as Mindanao has an area of 8,473,099 or 84,730.99 square kilometers with less than 100,000 inhabitants

at the time of the report; Leyte with an area of 11,517.10 square kilometers with less than 200,000 inhabitants; Samar with an area of 16,973.45 square kilometers and some 130,000 inhabitants; Antique, 3,793.17 square kilometers and some 70,000 inhabitants; and Masbate, 4,105.44 square kilometers with a population of 7,000, it turns out that the indolence observed was due to the smallness of the population that the others have pointed out.

A proof that sometimes what is said is not explained clearly is the report on the District of Samar. "In this district," it said, "until the present time lands have no great value, for the natives till a piece of land they need for planting and *abandon it afterward* . . . The price of 25 pesos per *quiñon* may be fixed on the royal lands in this district." If cleared lands are worth nothing, because their owners abandon them, why then recommend 25 pesos for every *quiñon* of royal land which is not cleared? Is this not nonsensical? In the Province of Pampanga where farming is fairly well developed and farmlands are worth from 800 to 1,500 per *quiñon*, the governor fixed the price of one peso on one *quiñon* of royal land.

Some also say that the *Indio* is exceedingly apathetic, lazy and attached to the land where he was born; that he does not wish to emigrate even though he has nothing to eat for lack of work and lands to cultivate, as it happens in thickly populated provinces.

Here are some stupendous affirmations against those assertions: *Leyte*—The Governor: "Although it may seem exaggerated, let me say that in this province, as in others also, one must not reject as absurd the idea that the natives abandon the towns without rhyme or reason, without cause or some motive." The Sub-commission on Indirect Taxation said: "In the opinion of many people, the *Indio* is fickle, he prefers a nomadic life, he has no love for the home, he has no fondness for the place of his birth, he does not remember the burial place of his elders, he has no idea of the family. These characteristic phenomena, if some of them are true, cannot be attributed to the special organism of the native, but indeed to social cause, for they do not harmonize with his salient qualities. Without a flagrant contradiction of logic, of philosophy, of nature itself, those phenomena do not harmonize with his patriarchal customs, his love for a comfortable and sedentary life, his passion for religious worship, his hospitable spirit, his love of freedom and horror of exile, which to him is worse than death. It is necessary, therefore, to seek an explanation of these phenomena in a *social condition which is constant, powerful and disturbing, capable of distorting the most intimate inclinations of the Indio, of loosening his most sacred ties and of perverting his best instincts* . . ." (This disturbing "social condition" consists of the abuses and arbitrariness practiced there not only by Peninsular Spaniards but by natives themselves.)

Other answers to those who affirm that the *Indio* is apathetic and indolent, that he does not want to leave his birthplace to seek a means of livelihood are the following reports: *Zambales*—The Governor: "It is known that the natives of this province had been aided greatly in their farm work by the immigrants from Ilocos, Unión and Pangasinan to whom hilly and uncleared lands were allotted." *Ilocos Sur*—The Governor:

"There is also the circumstance that this province is thickly populated in relation to the size of its territory and there are many towns without communal lands and their inhabitants, unable to find in their native province land to clear and farm, emigrate to other provinces to acquire what they cannot find in their own." *Batangas*—The Governor: "There are no uncultivated lands or royal lands, for the people are essentially farmers, and instead of having surplus lands, they do not have enough, and for this reason they emigrate to Mindoro."

And the Ilocanos, compared with the Tagalogs, apparently have good reasons to be indolent. Among the Visayans there are also examples of indolence and nevertheless they are populating Mindanao, a rough place, a fertile and virgin land, full of hostile Muslims.

Others, lastly, say that the *Indios* withdraw to the mountains, fleeing from the towns without any motive . . . Well, here is the motive: *Camarines Norte*—The Governor: "The constant attacks of Muslim pirates who burn down towns two leagues from the beach, leaving no house standing; fleeing from Peninsular Spanish authority, inherent in the *Indio*; and the situation itself of the province, a very convenient refuge of the worst people of Tayabas, Camarines Sur, Albay and Laguna are to my knowledge the reasons why the *Corregidores* did not find here real towns, but scattered settlement, like a net over the whole fertile plain." *Leyte*—The Governor: "I said on another occasion, and I repeat it now, that in many towns of this district many people still escape to the mountains at the mere sight of a gunboat, abandoning whatever they have." *Cagayan*—The Governor: "There remain the *mestizos* and the great mass of natives. The first, a small number, are more fond of commerce and other industries rather than of farming; they are little inclined to invest in the improvement of their farms and they have a decided propensity to convert the natives into 'servants of the clod'." *Cebu*—The Governor: "But, as the property owners, whether to retain the tenant farmers or to profit oftentimes immoderately, advance them money payable in kind from their share of the crop, which is one half. They are never able to pay their debt in full and so it continues to increase until vexed, they abandon the land and disappear, if they believe that the courts of justice can compel them to go back to the farm." *Opinion of the Commission in charge of studying the plan of leasing Philippine tobacco, composed of a majority of former ministers of colonies*: "The very wretched condition of tobacco workers in the provinces of Cagayan and Isabela²² is another reason why the Commission cannot recommend in any manner the continuation of the government monopoly of tobacco. The *Indio* of Cagayan, docile, meek, industrious, faithful to his king and to his mother country, lover of religion and brave and vigorous soldier, the *Indio* of Cagayan, who was born and lives in one of the most fertile regions of the globe, is now in abject poverty; if at one time there was an excuse for it, the Commission believes that it should not and cannot continue, and that the honor of the government and the honor and the interests of the mother country are involved as long as such a lamentable condition is

²² This is also true in the provinces of Nueva Ecija, Nueva Vizcaya, Ilocos Sur, Ilocos Norte, Unión and Abra. (Author.)

not terminated. The tobacco worker is compelled to devote his entire time to the planting of tobacco exclusively, to the cultivation of an excessive number of plants that requires arduous labor and sells it to the government at its own price. As a prize for his industry, obedience, he receives not the stipulated paltry pay but a promissory note of the treasury which he cannot cash in the market except at a ruinous discount, ending in plunging him into poverty. As he does not plant maize or rice or *camote*, and as he has nothing to eat or to wear; and as the trade in prime commodities in those provinces is monopolized by heartless traders, *who have the real and effective support of the government employees*, the poor worker, besides the discount of his promissory note, has to pay exorbitant prices for the prime commodities he needs. Often, instead of a promissory note, he is paid in goods of no use to him, *distributed by the gobernadorcillos and cabezas de barangay with the knowledge and connivance of the authorities*, as if they were charges of the state. Hence, Most Excellent Sir, the aversion of the *Indio* of Cagayan to the raising of tobacco and toward all kinds of work in general, seeing that it does not bring him any profit while others get rich with the fruit of his labor. Hence he mistrusts the government, a mistrust that sometimes is expressed in acts of real resistance, like fleeing to the mountains. Hence the deplorable condition of those provinces which have no roads or bridges or public buildings, because the vicious system of tobacco collection absorbs the whole attention of the government. Hence the immorality, the misery and the widespread emigration from this province and the disparity between the number of inhabitants and births, which is self-evident if one compares it with the rest of the provinces in the Archipelago."

What can we add to these obvious reasons expounded by persons of very enlightened criterion such as Messrs. Marfori, Ayala, Elduayen, Balaguer, former ministers of colonies; General Lemery, captain general and Ortiga y Rey, former civil governor and the procurators of the Dominicans and Agustinians Fray Martínez Vigil and Fray Diez González? The abuses, arbitrary acts and violence committed by the authorities and even of Peninsular Spaniards who are private citizens and the immoderate greed of landowners, though they are but few, are the cause of the flight of the natives at the mere sight of government officials and of a gunboat and the withdrawal to the mountains that some have witnessed in a very small number of cases. That is *the constant social cause, potent and disturbing, that can induce the natives to change their attitude toward Spain* (of submission to Spain), *to loosen their most sacred ties and to distort their better instincts* (of respect and fidelity toward the metropolis of which they have given enough proofs as in the Chinese, Dutch and British attacks on those Islands).

If we would now mention in detail the abuses of private citizens against the proletariat, which are tolerated and even supported, as the Commission states, by the authorities, we would fill a voluminous tome to write down those committed in only one month.

Let's hear other opinions.

El Comercio, a Manila newspaper, edited by Peninsular Spaniards, on 17 April 1871, said: "We shall be told, as always, that the Philippines is a special country. But do the objections of persons who are pusillanimous, routinary and recalcitrant deserve serious refutation? According to them the abolition of the tobacco monopoly would lead to the abandonment of tobacco-growing, to the refusal of the natives to work the farms and consequently to the complete loss of Philippine tobacco . . . The example of rich provinces which harvest products no less valuable from their fertile lands; a survey of exports that are constantly increasing; a glance at the fields shows us the diligence of the native farmer in raising whatever products he needs for his subsistence or for sale . . ."

El Porvenir Filipino of 16 April 1871, said: "We confess that it would be difficult for us to dissuade those who have a poor idea of individual initiative and who distrust the workings of the laws of human nature and of those who govern society by expounding a series of purely doctrinal reasonings in support of the fact that the freer men are the more they would exert themselves. For that reason, we prefer to offer them a factual demonstration which strikes the eye before the mind. Just as to demonstrate the real existence of movement to a subtle philosopher who denied it, his interlocutor could find no other means more appropriate and convincing than for him to *move himself*, so to those who are not afraid to assure that upon the abolition of the tobacco monopoly, the production of tobacco will end or diminish considerably, we would call their attention to two facts vyingly significant. . ."

The *Diario de Manila*, among other things, says: ". . . because there is nothing more exaggerated than the *invincible indolence* attributed to the *Indios*, but the truth is, as the production of sugar, coffee, abaca, etc. demonstrates, that the *Indio* works like all the rest when he realizes that there is a positive benefit to him . . ."

Finally, the learned Mr. Jimeno Agius, former intendant of the treasury of the Philippines, said in his report: "There is nothing, however, more baseless and more exaggerated than that invincible indolence attributed to the *Indios* who surely dislike to work, as anybody else, who is not compensated adequately for his efforts; but they work their farms just as they engage in more or less lucrative industries from which they expect positive benefits to meet the increasing needs of their daily life. The increase of rice production is truly astonishing as its price rose from the moment its exportation was allowed. Formerly the *Indios* did not raise it unless they were very harshly punished. *Indios* now raise sugar cane and abaca, so that in recent years the increase in their production in all the islands has been so notable that the Belgian consul reported it to his government saying: "The production of abaca in various provinces has already reached the highest limit that for the present it would be impossible to increase it further, for all the workers were engaged in this task—an evident proof that a good profit conquers the laziness of the natives."

The governor of Camarines Norte could not help but admit this increase in abaca production in his report in 1862, already mentioned. After stating that the natives did not appreciate landownership and

that they fled to the mountains at the mere sight of government officials he said: "During the years from 1846 to 1852 the construction of various highways was undertaken, the raising of articles of prime necessity was ordered with firmness, including the lucrative abaca, the towns improved, bridges were built as well as many churches; in a word, there was sufficient production of indispensable articles and in addition abaca of the value of 100,000 pesos or more was exported yearly."

Well, sir, if they already exported yearly abaca worth more than 100,000 pesos, what more do you expect from a population of 25,000 at most that that province had that year? How many laborers were then engaged in the production of articles of prime necessity? How many, finally, were engaged in fishing, sailing, because the natives did not dislike the sea? If all the peoples of the world, of Europe herself, would export every year their own agricultural products worth 100,000 pesos for every 25,000 inhabitants, that is, four pesos for every inhabitant, no one could complain.

However, Mr. Jimeno Agius already touched one of the principal keys on which are based the pretexts of the indolence of the natives. He said in a footnote to his report on the abolition of the tobacco monopoly:

"In this same Report²³ we have a proof of the meaning at times of the much-talked-about argument of the indolence of the *Indio*. This significant document, on its page 53, says that the laws authorize the *Indios* to pay the tribute in cash or in kind if they so wish; but this beneficial provision of the laws has not always given the desired results and its enforcement has been evaded through direct or indirect means, for reasons that in reality are seldom just, though apparently so.

"The Filipino *Indios*, like other Asiatic peoples, are accused of being extremely lazy and only through compulsion would they engage in industrial work or farming. In order to achieve this and as a pretext to change his disposition, he was compelled at the beginning to pay the tribute in kind, of tariff prices that are commonly low.

"It is the prevailing idea that in order to make the Filipino *Indios* industrious, they must be required to pay the tribute in kind. It is the belief that the moment this method is abandoned and they are allowed to pay in cash, they would give up farming completely and would live in idleness. It is not realized that the old method is the origin of irritating vexations and the insuperable obstacle to the attainment of what is ardently desired. It is impossible to expand agriculture in the Islands for which their soil is so suitable so long as it is prohibited to export farm products, particularly rice, for fear that if exported freely, there would be scarcity of the grain and consequent hardship.

"Such contradictory and false ideas could not but produce fatal effects, not only in economic life but also in the political administration by making so simple a tax which is so easy to collect into the most complicated and expensive to collect.

"To this complicated practice must be added the punishable tricks of various provincial chiefs . . . If in years of good or regular harvest such

²³This is the report accompanying the budget of 1839 for the Philippines.

We note that the denunciations of the abuses and immoralities committed in the Archipelago always come from the Government of Spain, whereas it should come from the Philippines. (Author.)

extortions could be tolerated, in lean years they are absolutely intolerable. During such years the province which happens to have a chief with little scruple would be ruined, for the chief, under pretext of the scarcity of the grain and pretending that if he did not press the collection he would owe a balance, would publish threatening proclamations, would carry off the grain from the thrashing floors, leaving the workers without any means to pay their tribute in kind. The hapless taxpayers would explain to him their calamitous situation, the high price of farm produce compared to the price in the tariff list followed by the tax collector, but no argument could soften the severity of the greedy chief. After having collected a good part of the taxes in grain, he suddenly makes a turnabout and reports to the central government the distressing situation of the people in his province, requesting that they be allowed to pay their taxes in cash. The authorities, desiring the welfare of the people and the honest administration of justice, though they may be mistaken as to the means to that end, granted his request readily. To save appearances some tributes were collected in cash and the total amount of the tributes in cash was turned in to the treasury, whereas in fact the tributes had been paid in kind whose value exceeded the tax in cash, the difference being kept by the chief of the province.

“This does not mean that all provincial governors and *corregidores* behaved in that vicious way. On the contrary, the majority have honored their position with their good conduct and prudence; but this does not weaken the argument that the system was harmful.”

And Mr. Jimeno Agius adds: “So that according to the Government, informed by the report of the Council of the Indies (*Consejo de Indias*), of the Royal, of the Government and the Procurators for the Philippines at the Cortes, the indolence of the *Indios* was only a pretext to commit stupid abuses, which discredit the Spanish name at the same time ruining the poor Filipino farmer. The efficacious way of making him work is to stimulate him with the profits that work brings and to favor this with liberal laws, like the one lifting the ban on the exportation of rice.”

As for us, we are going to close this irritating subject.

VI

FOREIGN TRADE

"The maritime movement," said the Sub-commission on Indirect Taxation in its report, "is in harmony with customs regulations and geographical circumstances. Foreign ships come with cargo and some of them come to load. Without this inducement, it is not advantageous for them to come, on account of the port duties and the relative scarcity of naval effects and foodstuffs that these vessels need. These factors make them avoid Philippine ports, and instead they go to the nearby Chinese ports and Singapore, which do not have such inconveniences and are the most frequented ports in the Orient. The movement of foreign trade is certainly not like our active coasting trade. This repulsion has made many persons advocate the abolition of customs duties in the Philippines. However, the customs office does not merely collect duties; it is also a political arm of the government, acting as watcher and guardian over a fraction of the national territory . . . The Sub-commission would understand and might approve the establishment of free ports in the Philippines, if there is a possibility of organizing an adequate administrative force. It would be necessary to give impetus to public instruction in order to protect 6,000,000 inhabitants who are ignorant, obedient and meek from the dangers of the free entry of firearms, printed matter, of goods with which the spirit of greed attacks morals, the steady admittance of agitators who could undermine peace and damage the welfare of a society still in the rudimentary stage."

"Customs inspection," says Doctor Jagor, "and other formalities carried out with the utmost thoroughness by the native subordinate employees are all the more annoying to the traveler who has just come from the British free ports of East Asia. *With the guarantee of an established businessman he is allowed to debark after 16 hours as a special favor. He must, however, leave all his baggages aboard.*"

Manila Bay is considered one of the most beautiful in the world, large enough to hold all the fleets of European countries. It is circular in shape; five provinces surround it; and its circumference is 120 miles. The roadstead is not too safe during southwest monsoon. In such cases the ships seek shelter in the port of Cavite, 7 miles distant; but during the northeast monsoon, they can cast anchor half a mile from the shore. Ships under 300 tons enter through the Pasig River, going up to España Bridge, the only part of the river that is clean and only so periodically, because there are only one or two dredges.

Foreign vessels avoid this port because of protective tariff and they are the only ones which account for the commercial movement in the Philippines, the trade with Spain being almost non-existent. In 1868 there came to Manila 112 foreign ships with a cargo of 74,054 tons and 93 Spanish ships with a cargo of 26,762 tons. Almost all the foreign vessels were in ballast upon departure; the Spanish ships were loaded upon their return trip. So that foreign ships go there through extreme necessity to look for Philippine stuff or when they are called by business firms. However,

the annoying system of customs inspection and distrustful attitude of customs employees are still the strongest reasons why foreign trade is scared of the Philippines. At times merchants find no way of sending on time the orders for Philippine goods in striking contrast to the speed and convenience afforded merchants in Singapore and China, so that the port of Manila is discredited even by those who have not been there.

However, as the location of Manila is so convenient to commerce, being considered the center between Japan, China, Annam and the Dutch and British ports of the Malayan Archipelago and Australia, La Perouse says that it is perhaps the best situated city in the world. During the north-east monsoon, in the winter months in Europe, the ships going from the Indian Archipelago to China in search of some shelter, follow the route of the Strait of Gilolo passing very close to Manila. If the Manila customs did not embarrass them, they would call at that port. Lastly, the Philippines is very convenient to the trade of the western coasts of both Americas.

In 1868, according to the report of the British consul, the value of Philippine products exported from the port of Manila amounted only to 16,013,108 pesos of which 4,857,000 pesos worth went to England; 102,447 to other European ports; and 9,053,631 to ports in Asia and America. (Not included is the tobacco sent to Spain by the government valued at 3,169,114 pesos.)

The backwardness of Philippine foreign trade becomes even more glaring when compared with that of Singapore,²⁴ which, though without lands or conditions to produce articles of commerce, but being a free port, there is an astonishing activity in its poorly sheltered bay. Her export in 1873 reached the amount of 36,307,122 pesos and her imports went up to 42,022,565. The difference between the two figures is what remains in the country for the consumption of its 97,111 inhabitants, according to the census of 1871, in addition to the scanty produce of the island. There are 56 business firms, 36 of which are European; and the ships that anchored in its roadstead were 4,203 with a cargo of 1,296,096 tons and a crew of 84,745. See the accompanying tables.

PRINCIPAL ARTICLES EXPORTED FROM THE PORT OF SINGAPORE IN 1871

Articles	To England	To the United States of America	To Europe	TOTAL
Indigo			37 boxes	37 boxes
Rice			462 picos	462 picos
Buffalo horns	2,224 picos		828 "	3,052 "

²⁴ Singapore is a tiny island of the Malay Peninsula from which it is separated by a narrow canal bearing its name. Its greatest width is 11 miles and its greatest length is 27, its total area being 275 square miles. Though its soil is not fertile, it is covered with varied and luxuriant vegetation, which seems to be nourished more by the humidity and sun of the equatorial regions than by the soil. Bathed by frequent rains it enjoys a climate more benign than can be expected from its geographical location, which is 1° 16' north latitude and 103° 53' longitude (Greenwich meridian). (Author.)

Sugar	5,416 picos	16,290 picos		21,706 picos
Benzoin	696 picos			696 picos
Coffee	28,728 picos	4,230 picos	14,677 picos	47,635 picos
Malacca canes	1,974,000 canes		197,000 canes	2,171,000 canes
Ligeneous cane		410 picos	262 picos	672 picos
Real cane	139 picos			139 picos
Cashew	1,875 picos	13,136 picos	5,400 picos	20,411 picos
Tortoise shell	58 picos		13 picos	71 picos
Common shell.....			37 boxes	37 boxes
Cubeb	416 picos			416 picos
Buffalo leather	23,618 picos	2,132 picos	5,034 picos	30,784 picos
Tin	32,734 picos	32,184 picos	810 picos	65,823 picos
Resin gum	12,850 picos	1,940 picos		14,790 picos
Cambodia gum	258 picos			258 picos
Dammar gum	1,133 picos		973 picos	2,106 picos
India rubber	6,529 picos	3,413 picos	165 picos	10,103 picos
Gambier	343,089 picos	107,462 picos	95,281 picos	545,726 picos
Guttapercha	36,488 picos	176 picos	184 picos	36,848 picos
Rattan	52,678 picos	43,034 picos	10,951 picos	106,663 picos
Mother-of-pearl	1,328 picos			1,328 picos
Nutmeg	102 picos	2,343 picos		2,449 picos
Black pepper	78,806 picos	58,390 picos	21,284 picos	158,480 picos
White pepper	45,589 picos	1,399 picos	2,673 picos	49,661 picos
Sago flour	183,624 picos	7,033 picos	2,922 picos	193,579 picos
Pearl sago	48,511 picos	2,274 picos	5,462 picos	56,247 picos
Dragon's blood	118 picos			118 picos
Sesame			2,959 picos	2,959 picos
Sapanwood	1,404 picos	1,613 picos		3,017 picos
Tapioca	40,097 picos	11,948 picos	1,082 picos	53,127 picos

MARITIME-COMMERCIAL MOVEMENT AT SINGAPORE IN 1873
IMPORTS

Origin	Vessels				Ballast			Value in Pesos	
	Steam	Sail	Junk	Tonnage	Crew	Vessels	Tonnage		Crew
England	133	166		227,400	9,050				8,047,040
France	27	5		44,650	1,790				584,320
Germany	19	6		23,740	854				510,340
Austria									
Spain	7			4,374	366				52,120
Holland		5		2,670	74				210,320
British Indies	68	11		75,820	3,810				5,956,830
Dutch Indies	127	142	764	158,650	16,420	7	3,180	118	5,645,600
French Indochina	37	31	142	89,530	4,350				1,906,000

Philippines	35	4		12,140	1,180				517,460
China	198	52	93	246,310	14,210	9	4,980	165	5,124,590
Siam	74	48	23	56,720	3,230				1,089,720
Burma	8	62		49,560	1,410				934,650
Borneo	47	49	127	55,820	3,690				961,520
Malaya	106	152	875	172,040	16,310				8,650,720
Celebes	12	3	42	8,310	1,235				603,205
Mauritius Island		6		4,670	115				2,560
Australia	2	23		10,540	359				170,210
Japan	2			1,950	92				12,970
Others	23	54	376	43,150	5,280				1,072,420
Total	925	819	2,443	1,288,011	83,862	16	8,085	883	42,022,565

EXPORTS

Destination	Vessels				Ballast			Value in Pesos	
	Steam	Sail	Junk	Tonnage	Crew	Vessels	Tonnage		Crew
England	87	61		134,250	5,215				7,087,350
France	25	4		43,170	1,320				426,000
Germany	16			16,120	675				203,400
Austria									97,060
Spain	3	1		2,363	306				162,400
United States		25		17,840	480				3,470,490
Holland									12,300
British Indies	57	14		69,420	2,530				313,700
Dutch Indies	161	126	818	211,800	17,310	8	3,190	110	5,840,300
French Indochina	41	58	112	53,180	2,970				1,973,000
Philippines	41	7		20,320	1,380				410,500
China	156	32	54	210,560	7,010				3,572,400
Siam	72	59	43	5,340	4,833	6	2,570		2,484,000
Burma	15	16		21,084	845	57	23,800	840	466,450
Borneo	51	61	134	46,150	4,860				873,934
Malaya	124	163	905	182,410	17,070	5	2,210	72	6,933,000
Celebes	7	9	48	7,640	810				784,020
Mauritius Island		20		16,970	350				66,700
Australia	2	25		9,350	395				152,000
Japan	3			2,730	110				74,200
Others	47	38	429	53,270	6,370	6	2,310	102	874,100
Total	911	719	2,537	1,171,844	76,530	82	34,080	1,219	36,307,122

PRINCIPAL EXPORTS FROM THE PORTS OF MANILA, CEBU AND ILOILO IN 1871

Products	Measure	United States via the Atlantic	England	California	Europe	Australia	Singapore	China, Japan, Moluccas and Habana	Total in 1871	Total in 1870
Abaca	<i>Picos</i>	285,112	143,498	22,500	640	6,716	2,992	2,294	463,752	488,560
Abaca cordage	"		220	484	87	114	2,640	8,389	11,994	11,307
Sugar	"	545,929	555,907	99,844	57,476	139,787		491	1,251,416	1,251,416
Sapanwood	"	10,520	5,301	320	660		1,631	58,050	76,482	176,924
Coffee	"	1,451	31,434	3,700	10,653		1,415	4,717	53,370	34,120
Leather	"	777	1,053				325	971	3,126	3,859
Offal	"	5,833						1,908	7,741	4,303
Mastic	"		9,506				309		9,815	11,028
Mother-of-pearl	"	2,037	503					45	2,585	3,022
Sigay (<i>ciprea moneta</i>)	"		1,577						1,577	3,887
Shells	<i>Cates</i>		100					902	1,002	1,043
Cigars	Thousand	1,453	10,080	378	13	2,930	35,089	26,849	76,792	77,526
Leaf Tobacco	<i>Quintal</i>		27,773		25,775				53,548	136,680
Indigo	"	3,390	1,715				186		5,291	5,626
Liquid indigo	"						416	19,328	19,744	14,226
Rice	<i>Cavan</i>			1,805	6,370		130	28,522	36,807	28,560

VII DOMESTIC TRADE

The Sub-commission on Tariff said in 1871: "The Board and the Sub-commission on Tariff have made a study of the proposed system and tariff for the collection of port duties."

"The observation of the circumstances that affect the movement of trade which is subject to taxation reveals difficulties which should be explained because the Board on Tariffs sees other and easier ways of collecting the paltry total yield of the port duties."

"With the exception of some bad roads cutting through narrow zones that cannot even be called municipal roads for the transport of goods—at best, they are only useful paths for work animals—the trade routes in this country are exclusively aquatic. Large quantities of produce can only be transported cheaply by boat; and as they are raised in places near the seashore and the banks of navigable rivers, the people make use of their admirable aptitude for seafaring. Thus, without any other stimulus but necessity and demand, the coasting trade has grown, which doubtless has no rival in any European country of comparable population and resources."

Here are the incomplete figures furnished by the Office of the General Register of Ships established at Manila:

Class of Ships	Number	Tonnage	Crew
Frigates	7	3,994	245
Corvettes	20	7,005	700
Luggers	2	522	36
Brigs	21	3,900	590
Steamboat	12	1,597	189
Schooners	253	10,865	3,931
Pilot's boats	105	3,715	1,282
Pontoons	271	11,202	4,060
Coasting vessels	832	15,162	9,085
Launches	35	1,211	9,085
Cascos	2,059	42,836	9,624
<i>Barangays, paraos, tenders, barotos, caracuas, bilos, and sloops</i>	2,382	7,550	14,112
	6,199 ²⁵	109,559	44,284

²⁵ These figures must be very incomplete with regard to the smaller vessels, from the pilot's boats to the *barangay* and *paraos*. Sometimes there are in Manila Bay as many as 200 pilot-boats and pontoons, and counting some four times more those outside on the same days, the total would be 1,000. The coasting vessels and the launches can also be tripled without exaggerating the true figure. As to the *cascos*, *barangays*, *paraos* and barges of large dimensions, perhaps those found in Tondo and Tambobong of the Province of Manila exceed the figures in the foregoing table. (Author.)

The Board continues: "Mostly innumerable small crafts are engaged in conveying goods for domestic consumption as well as for export and in loading the big ships of the coasting trade."

"To put shackles on this very spontaneous activity inherent to the nature of this society which has been encouraged by the administration is more prejudicial than charging turnpike fees and bridge tolls on all the roads and footpaths in Spain. One who has not observed actual conditions in the provinces will only have an approximate idea of the needs that stimulate navigation. There are whole provinces, like Mindoro, Leyte, Samar, Misamis, Surigao and many others, whose towns lack any other means of communication."

"Those coasting vessels, with the exception of some one hundred at most, are under the command of more or less skillful native skippers. However, they are inexplicably stupid or bashful when it comes down to statements and giving explanations at government offices as required by customs rules or statistics which are enforced strictly by despotic officials and their subordinates. Moreover, the offices and anchoring grounds are far apart, and nearly always the filing of the request for the clearing of a ship means a day lost, which is annoying and a great sacrifice."

"One of the objects of the government is to gather statistical data and in this instance, it tries to collect data on the coasting trade. Now then, this is as difficult as the movement of goods and people between the streets and houses of a big European city. Let us emphasize this proposition. Manila gets her supplies by water and the statistics of the coasting trade will mention some shipments, but they would not include the bigger cargoes of millions of *cascos*, launches, barges, *paraos*, *guilalos*, etc. that glide along the coasts of Batangas, Bataan, Cavite, Bulacan, Pampanga, Morong, and Laguna. The statistics of the coasting trade will always be incorrect, not only by 10% but higher which will demolish every basis for a rational conjecture."

In 1864, when the Ministry of Colonies ordered the preparation of the statistics of the coasting trade, the Philippine government replied:

"The people of the Philippines live in thousands of towns, *visitias* and *barrios* that are generally located on the banks of rivers and along the seashore. They use water transportation almost exclusively for trips to distant and nearby points. The inspection and registration of their innumerable small crafts, which are easy to make, are impossible, as the central government has been informed by the local offices. Your Excellency knows that the offices established at Manila do not have enough personnel to keep a record of their movement between the havens and anchoring grounds in Manila Bay. They engage in the traffic of foodstuffs and merchandise of every kind."

* * * * *

Remarks: We believe that the statistics of the coasting trade and all the commercial movement in the whole Archipelago, as well as the list of all kinds of crafts can be prepared without difficulty of great expense under the following bases:

1. Establish a registry office in every town under the municipal government or *tribunal*, as it is called there. Here will be registered all

the crafts built and used in the locality, together with their class, conditions, measurement and tonnage.

2. There should be established likewise in every place where the craft goes or passes a kind of lodge or station which will note down the craft's registry number, destination and place of departure, its tonnage, class, weight or size, value of cargo, size of the crew, names of the pilot or skipper and owner, etc.
3. Model printed forms will be supplied all registration offices.
4. No fees of any kind will be collected for the notation or inscription.
5. No formalities of any kind will be required for equipping, fitting out and prepare a ship, vessel or barge for sailing.

These bases will naturally be in conformity with the Regulation of Industrial and Commercial Taxation in regard to shipbuilders, shipowners and maritime carriers and with the entries corresponding to the inscriptions of these industrialists and merchants verified by those registries which will make it difficult to commit any kind of fraud in the payment of the tax.

VIII

AGRICULTURAL SETTLEMENTS IN THE PHILIPPINES

Various projects of the settlement of uninhabited islands of the Philippines have been studied. The first was that of the *Compañía de Filipinas*, authorized by the royal cedula of 10 March 1785, which had a capital of 10,700,194 pesos. The others were the *Austrian-Spanish* and *Indo-Spanish-English* which remained mere projects. The *Compañía de Filipinas* existed for a few years, but it was dissolved for reasons that we need not relate.

From the political and national point of view, we believe that companies of that kind are dangerous, because they were bound to acquire predominance and to exert moral and material influence wherever they would be established, becoming all the more powerful because of the backward condition of the natives, whose virgin mind, let us say, is easy to influence in ways contrary to the integrity of the nation, if the companies are foreign, or to partisanship, if they are purely national.

In this connection, we recall the irrefutable argument, in our opinion, given by Mr. Sanjurjo in his dissenting vote against the leasing of Philippine tobacco.

"That the lease," said Mr. Sanjurjo, "endangers the interests of the nation is not less evident; an enterprise that would have the monopoly of buying and exporting tobacco would also be the only one raising it, because, aside from the limited amount absorbed by the domestic market, the tobacco producers, unable to find another buyer, would have to adjust themselves precisely to the requirements of that enterprise with regard to the quantity, kind and other conditions of the tobacco; that is, they would become its own farm workers; and the raising of tobacco would spread all over the territory of the Philippines and all people there could be employees of the company and its influence would be decisive; and facing Spain and standing between her and her subjects there would be another power with as many vassals as there are inhabitants in the Islands."

This is self-evident. All the big English companies established in the East Indies became the ruling power over those colonies.

The system of military-agricultural colonization proposed for Cuba is useless and would not work in the Philippines. In Cuba the presence of Spanish troops is necessary for the security of that Antillean island. In the Philippines, the army has always been composed of native troops. On the other hand, it is more difficult to recruit men for the army than for farming.

Many Spaniards emigrate in search of land, but they find neither fortune nor advantages nor hospitality. On the contrary, they encounter hostile natives and abusive foreign authorities, as we have seen recently in the unfortunate incidents in Saida. The Philippines would be the desirable place for such emigrants where they will find fortune, hospitality, respect and all kinds of consideration if they do not abuse the natives.

If our government would take the initiative, as Portugal has already done, if it would send to the Philippines the Peninsular Spaniards who are looking for a better life in foreign lands than what they enjoy in their own towns, providing them with free passage and the expenses of settling, at the same time looking after their needs and insuring their personal security, there would be brought to the Archipelago the spirit of unity, and the moral and material influence of the metropolis over the Filipinos will be firmly maintained.

In Portugal the regulated emigration is governed by the following conditions:

1. Passage allowance and travel expenses for those who wish to settle in Portuguese possessions.
2. Those who receive this advance allowance will not be permitted to leave the place of immigration without reimbursing it.

For the Spanish immigration in the Philippines, we would propose the following bases:

1. Expand the operations of the *Banco Espanol Filipino* by increasing its capital through the issue of a larger number of shares than what it has at present.
2. Establish branches of the bank in the provincial capitals and sub-branches in the towns.
3. The bank, its branches and sub-branches will be agricultural banks and savings banks at the same time.
4. They will take charge of (1) the collection of taxes on real property, farming and livestock; (2) the sale of professional, industrial and commercial patents; (3) the issue of personal *cedulas*; (4) the sale of all kinds of stamped effects.
5. In order to simplify accounting and to guarantee state funds, they can also be authorized to perform the functions of the general treasury of the Islands.
6. For all these operations the bank will collect a certain percentage of the revenues collected.
7. The bank and its branches will be under the direct supervision of the government.
8. The post of director will be filled by appointment by the executive power and all the other positions will be filled through competition and guarantee by the board of the bank.
9. From its own funds two million pesos will be set aside for the passage and allowances of the Peninsular Spanish immigrants who will sign a contract with the bank without government intervention.
10. The rate of loan interest will be fixed by the general meeting of share-holders or by the government; but it must not exceed 10%, including the commission.
11. The interest rate on savings account must not be lower than 6%.
12. The *Banco Español Filipino* can extend its business to other matters with prior government authorization.

The reason for the foregoing bases can be understood by knowing the mortgaging practice and the unlimited usury prevalent all over the Islands.

The *Banco Espanol Filipino* at present has so very few business operations that it is hardly known and many people in Manila do not know that it exists. Its bank notes are more valued than gold and are very much sought for trips abroad, but they are difficult to find at times. Having capital not only from its shares but also from the deposits of private individuals, it could be the leader in the commercial life of the country and a powerful ally of industry, farming, livestock raising and urban construction and in every productive enterprise with the loans that it can give at a moderate rate of interest.

Over there, a 10% interest is still moderate. Today loans on urban property are given at 15 to 20% interest. With very great difficulty can one find loans at 10% interest, with one percent commission. On rural property the usurious rate rises from 20 to 100 percent, and many times the mortgaged properties are acquired by the money lender for less than half, if not a third, of their value. Only the administrations of the property of charitable organizations, of the archbishopric of Manila and some religious corporations lend money at 6% rate of interest, with one or two percent commission; but such loans cannot be obtained except through very strong recommendations that at times cost from two to four percent.

On the other hand, the deposits that private individuals make in foreign firms are numerous and yield not more than 7 to 7 1/2% nor do they offer the guarantees that the *Banco Español Filipino* does. When the firm Russell Sturgis became bankrupt, the deposits of private citizens exceeded 1,000,000 pesos.

With regard to the immigration of Peninsular Spaniards, the inconveniences of the climate will surely not be cited against our proposition. For the temperature of the Philippines see Chapter I of this Appendix.

IX

WEIGHTS, MEASURES AND CURRENCIES USED IN THE PHILIPPINES

CURRENCIES

1 peso—2 *escudos*—4 columnar pesetas—5 pesetas, new coinage—8 reales fuertes of silver—160 *cuartos* of copper—100 cents—20 reales vellon.

In market places commonly used are *cuartos*, reales fuertes, pesetas and pesos; in commercial and official circles, pesos, reales fuertes, pesetas, cents of peso and cents of peseta. The official unit today is peseta and cent of peseta; formerly it was *escudo* and thousandth of *escudo*.

Oncas of 16 pesos and half *onza* of 8 pesos still circulate, but they are very scarce. The *centenes* or 5 peso-piece, are from Spain.

The Mint at Manila coins only gold money of 4 pesos, 2 and one and silver money of one peso and one *escudo*, though in very limited amount, like the coins of one peseta and half peseta. Copper coins of one and two *cuartos* are brought from Spain.

We propose that the Mint be closed inasmuch as it is not doing anything useful to the government. This proposal at the same time will save expenses and contrate authority in the metropolis.

WEIGHTS FOR PRECIOUS METALS

1 tael—10 mas—100 condin—754.75 grains of the Castillian mark—37.68 grams.

ORDINARY WEIGHTS

1 *quintal* of castille—4 *arrobas*—46 kilograms and 9 grams: 1 *arroba*—25 Castillian pounds—11 kilograms and 502 grams: 1 pound—2 marks—16 ounces—460 grams: 1 adarme—1 gram and 80 cents—16 grains: 1 gram—9 grains.

1 *pico*—10 *chinantes*—100 cates—1 tael and 6 tenths—137 pounds and 5 tenths—62 kilograms and 262 grams: 1 tael—22 adarmes—39 grams and 60 centimes.

The *pico* is a fixed measure. In Manila it is equivalent to 137 pounds and 5 tenths. In the Chinese ports and Singapore the English have adopted the following equivalents:

1 *pico*—133 $\frac{1}{3}$ English pounds; 1 *pico* at Manila is equivalent to 140 English pounds, and 1 English *pico* is 131 $\frac{4}{10}$ Castilian pounds.

LIQUID MEASURES

1 *ganta*—8 chupas—3 liters.

Tinaja is a variable measure whose capacity is specified by the number of *gantas*, and in some provinces, like Laguna, one *tinaja* of coconut oil is 16 *gantas*; in other provinces the equivalent varies until 24 *gantas*.

DRY MEASURES

1 *cavan*—25 *gantas*—200 *chupas*—800 *apatanes*—75 liters—1 Castilian *fanega* with 35,132 one hundred thousandth.

Beginning 1 January 1862 the legal unit for all the provinces is the *cavan* which is exactly 75 liters, or a cube of 422 millimeters in its exterior edges and whose capacity is of 5,990 cubic inches and 96 hundredths. (The *cavan* in 1859 was equivalent to 80 liters and 919 hundred thousandths.) One *cavan* of rice weighs 128 Spanish pounds if it is unhusked, and 137 pounds if husked, or 59 kilograms in the first case and 63 in the second.

LINEAR MEASURES

1 *braza*—2 *varas* of Burgos=1,617 meter: 1 *vara*=3 feet=36 inches=576 lines=835 millimeters: 1 foot=12 inches=192 lines=278 millimeters: 1 inch=16 lines=23 $\frac{1}{6}$ millimeters: 1 meter=1 *vara*, 6 inches and 2 lines=3 feet and 6 inches and 2 lines=42 inches and 2 lines=674 lines.

ITINERARY MEASURES

1 league=666 $\frac{2}{3}$ Burgos *varas*=20,000 feet=3 marine miles— $\frac{3}{4}$ geographic or German mile=3.45 British miles=5,555 meters.

SURFACE MEASURES

1 *quiñon*=10 *balitas*=100 *loanes*=10,000 square fathoms=40,000 Burgos square *varas*=27,949 square meters and 486 thousandths=2 hectares and 79 $\frac{1}{2}$ hundredths. The royal fathom is 2 *varas* and $\frac{3}{4}$.

These are the legal measures. But those commonly used by land-owners in their private contract with their tenants are the *cavan* of seed, if the land is planted to grains, and if it is of another kind, like tobacco, sugar cane, coffee, abaca, coconut, oranges, etc., the measure is the number of plants.

A *cavan* of palay seed occupies 2.5 *balitas* of land, if the official measure is followed, and two *balitas*, if it is the arbitrary measure. In the case of tobacco and sugar cane, the plants must be at least from two to three and half distant, if it is coffee, the distance should be from three to four *varas*, less if they are abaca and coconut, and more if it is oranges.

In the contracts with cleaners of forests the *braza* that is used is arbitrary—it consists of the length from the extended right arm and left leg of a man of ordinary stature. This *braza* is sometimes more than two meters; in general it does not exceed two, and one *loan* is 100 square *brazas*, 1 *balita* is 1,000 and 1 *quiñon* is 10,000.

This is the measure we have used in our assumptions, which exceeds by one fourth the legal measure. Some also followed this in determining the area of land for one *cavan* of seed. It would be advisable to adopt

the metric unit everywhere, for urban areas as well as for rustic lands, grazing lands, and forests in the following manner:

1 square league=5,555 square meters: 1 square kilometer=25 *quiñones*
 =100 hectares: 1 *quiñon*= 4 hectares=10 *balitas*: 1 hectare=2½
balitas=25 *loanes*=1 *balita*=10 *loanes*: 1 *loan*=100 *brazas* of 2 square
 meters=400 square meters.

The units would be the square kilometer, the *quiñon*, hectares, *balita*,
loan and each 100 square meters for the measure of lots for buildings,
 farm lands, forest lands and grazing lands.

1 square kilometer=1,000,000 square meters: 1 *quiñon*=40,000 square
 meters: 1 *balita*=4,000 square meters: 1 hectare=10,000 square meters:
 1 *loan*=400 square meters.

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