

# A Great Economic Opportunity For The Government



HE most enlightening part of the recent policy disagreements among the country's top economists is the confirmation of the oft-expressed verdict that the nation needs dollar-saving activities. Too much dollar reserves are slipping out of the country. Over-importation, inadequate production, and under-exportation are sapping the nation of much — needed economic vitality. There is, as economists point out, an unbalanced trade, a disequilibrium in the synthesis of importation and exportation.

In layman language, the nation must conserve dollars. It must ope-

rate dollar-saving devices, every kind of them.

It will interest tax-payers to know just what steps are being taken by the government to reduce public expenses for government vehicles and equipment alone and conserve dollars in this regard. Practically every government entity operates vehicles and uses various equipment. The Armed Forces, the ACCFA, the NARRA and many other government offices use vehicles and varied equipment. How is it possible to lengthen the life of government vehicles and equipment, prevent greatly the importation of new ones, and yet increase locally the number of government vehicles and equipment in operation?

## AFP Base Shop

A big step in the right direction was the activation of the Armed Forces of the Philippines Base Shop on March 1, 1954. The AFP Base Shop has great potentialities as a dollar-saver. Situated on a 16-hectare lot near Camp Murphy along Santolan road, it boasts of 15 modern buildings costing some 3-1/2 million pesos of Mutual Defense Assistance Pact funds. Furthermore it has facilities, tools and equipment worth 6-1/2 million pesos. These tools, facilities and equipment are from MDAP, Japanese reparations, inactivated technical service shops, and AFP procurement. The total investment on the Shop is therefore around P10 million.

Under the command of Colonel Francisco H. Licuanan, Jr., the AFP Base Shop is to be considered the

most modern, biggest and most well-equipped shop of its kind in the whole country. It has the most qualified personnel who have studied abroad the latest trends in their respective lines. There are many modern equipment, tools, and facilities that can be found only in the Shop locally.

#### Working Units

To know what the Shop can do, one need only consider its eight working units: (1) the Headquarters and Headquarters Company which attends to administrative matters; (2) the Service Department which maintains and services everything from minor installations to steel boilers and electric sub-stations of the Shop; (3) the Armament Shop which provides 4th and 5th echelon maintenance support on all common types of AFP arms; (4) the Heavy Equipment Shop which repairs and rebuilds engineer equipment, assemblies, sub-assemblies and accessories; (5) the Manufacturing Shop which attends to jobs ranging from major repair and rebuilding of vehicle bodies to manufacturing of storage batteries; (6) the Miscellaneous Shop which does major repair of signal, quartermaster, medical and dental equip-

assemblies; and (8) the 1st Ordnance Classification and Reclamation Team which gathers reparable items of equipment from the Salvage Yard.

#### Nature

It must be known that the AFP Base Shop is not to be confined to work in and for the Armed Forces. As mentioned above, it repairs and rebuilds AFP vehicles and other equipment ranging from arms to medical, dental and engineering equipment. But it is capable beyond those.

Realizing the tremendous capabilities of the Shop, President Magsaysay issued recently an executive order authorizing the Shop to do business with government and semi-government agencies like the National Rural Rehabilitation Administration, the Social Welfare Administration, the Department of Education, the Manila Railroad Company, the Department of Public Works and the Municipality of San Juan.

In fact, the NARRA has already ordered several 6x6 vehicles from the Shop at a cost of only more than P6,000 each. This kind of vehicle would cost the NARRA more than P11,000 each outside. Furthermore, experi-

*Nation which needs every dollar-saving agency it can create has moved in the right direction in establishing one such agency in the Armed Forces of the Philippines*

ment; (7) the Automotive Shop which undertakes major repair and rebuilding of vehicles, both military and commercial, and major vehicle

ence shows that the vehicles and equipment produced by the Shop are very durable, as attested for one by the recent maneuvers of the 3rd In-



The AFP Base Shop is located in the northeastern sector of Camp Murphy, Quezon City, on a 160,000 square meter lot. Fifteen buildings with a total floor area of about 20,000 square meters shown above compose the compound at a cost of approximately three and a half million pesos including facilities and grounds.

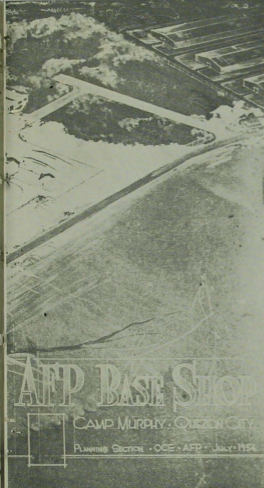
fantry Division which employed during the war games Shop-built vehicles and equipment.

#### **Economic Role**

Clearly the AFP Base Shop has a very vital economic role. By supplying government agencies with vehicles, equipment and other tools and facilities, much economy and conservation of dollars and pesos can be effected. By repairing and overhauling as well as reinforcing equipment

of government agencies the Shop can prevent equipment breakdown and again save enormous taxpayers' money and dollars.

Significantly the Shop is made-to-order for a major part in the implementation of the socio-economic programs of the government, especially President Ramon Magsaysay's program of an artesian well for every barrio. The government has estimated that to provide each of the more



than 18,500 barrios in the country a well, ten years and some P1,073,000,-000.00 will be spent. If the Shop undertakes the production of deep-well drillers, the wells project will be completed in only five years and at a much cheaper price. Many other equipment, like tractors and bulldozers, can be supplied by the Shop, in the same manner that it can hasten many other economic projects.

To have a balanced Shop to accomplish its mission of rebuilding all types of AFP equipment the AFP Base Shop is divided into five Main Shops namely the Automotive Shop, the Heavy Equipment Shop, the Armament Shop, the Miscellaneous Shop and the Manufacturing Shop. Photo above shows some of the shops.



*Other sections of the Automotive Shop are the Electrical and Carburetor Section.*

#### **Attention Needed**

In President Magsaysay's own words, the AFP Base Shop is one of the units of the AFP which is the least known, least heard of and least talked about in spite of its great work and usefulness. The President said the Shop is saving thousands of pesos for the government. Defense Secretary Eulogio Balao and JUSMAG Chief Major General Wayne Smith agreed that the Shop is truly a dollar-saving agency.

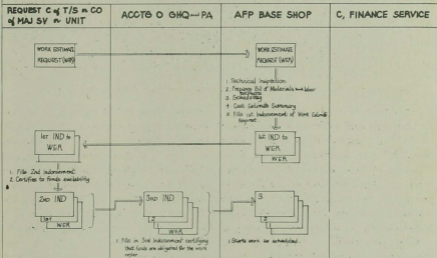
The Shop does not enjoy the necessary attention as well as needed support. The fact is to be bewailed, because, given by the government from 30 to 35% working capital, the Shop is capable of producing profits of

several million pesos a year. At present the Shop is operating with only a 5% working capital, or with the P500,000 that Congress had appropriated for it. Yet it is a fact that by merely doubling the previous appropriation initially, the government will be making a very sound investment because the Shop is a money-producing proposition.

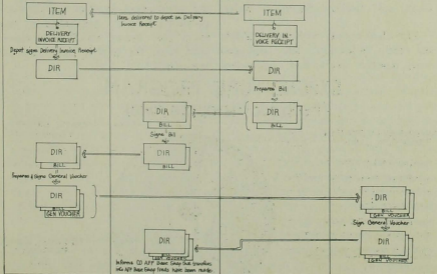
#### **Opportunity**

The Base Shop is now two years old. It could have done more than what it has accomplished in those two years had there been more support for it. As it operates in its third year, the Shop presents to the government, more than before, an opportunity for one of the soundest

## WORK ESTIMATE REQUEST FLOW



## BILLING and COLLECTION





Automotive Shop rebuilds all types of general purpose vehicles and staff cars.

investments it could ever make.

The men and officers who compose the Shop organization, said Brig. Gen. Alfonso Arellano, are the fore-runners of that group of technicians who will lead our industrial development — the industrialization of our national economy. The United States government, in a gesture of magnanimity and concern, threw in some 10 million pesos of MDAP funds which were used to underwrite the Shop, said Defense Secretary Balao.

The Shop stands with its 15 plants on the 16-hectare lot, equipped with modern tools and equipment

costing some 6-1/2 million pesos, and manned by personnel who are the most qualified ever in the country. It is not in peak operation because sufficient working capital is needed to turn around the wheels of its huge machines. It is still waiting, like our untapped natural resources, to be exploited. The opportunity for fully utilizing the Shop in the economic development of the country is as ever open to the government. Will the government avail of the rare opportunity — or, nonchalantly, lose every year money which could otherwise boost the impoverished national economy?

## EXPENDITURE PROGRAM (P500,000.00 REVOLVING FUND)

