

aged unscrupulous manufacturers to sell "colorum" cigarettes rampantly at low prices. There is good news, however, concerning the interest of the Government in curbing "colorum" cigarettes, which not only cause the Government to lose about ₱30,000,000 annually, but also make it difficult for honest manufacturers to compete.

Secretary of Finance Jaime Hernandez, Collector of Internal Revenue Antonio Araneta, and National Economic Coordinator Alfredo Montelibano have all taken an interest in this matter, which they believe to be of national importance.

## Rice

By CHARLES O. HOUSTON, JR.

Director, Graduate Studies, The University of Manila

THE worn-out cliché with regard to the repetitive nature of history seems once again renewed in studying the governmental reports reviewing 1954 and predicting the future for 1955. Following the custom of his predecessors since 1935, Secretary of Commerce and Industry Oscar Ledesma, in his review of the past year, stated:

"With an improvement in the supply of rice and as money in circulation remains steady at a level higher than in 1953, there is practically a certainty that the local retail business will continue fair for some time, barring unforeseen circumstances."

These "unforeseen circumstances" have plagued such predictions for the past twenty years, and this writer sees no reason why they should not, indeed, alter the rosy predictions for 1955 as they have so often for past years. Indeed, the Secretary hedges on his confidence by stating further:

"Drought has rendered the immediate outlook for our basic cereal food crop rather discouraging, and despite remedial measures in

the form of emergency importation [which seems to have become the normal operational program of the NARIC] and added vigor in agricultural expansion, production for the crop-year 1954-1955 is expected to fall short of the last two crop-year yields and go far below the consumption level."

Yet, optimism still rules: "However, if the present government program for increased rice production is pushed through, which is being done in earnest with the country-wide construction of irrigation wells going on, the country may find itself in the not distant future producing far beyond its needs in this cereal." I do not think it out of place to register strong skepticism with regard to such prophecy.

In interviews with retailers, this observer failed to meet a single person who *believed* that money in circulation was at a higher level than in the preceding year. Certainly the supply of rice has improved only to a slight degree and has affected the price patterns at consumption levels very little. How it is possible to schedule the cost of living index as below that of the preceding period, in the face of a continuing similar price pattern for such an important staple as rice, is a question that casts some doubt on the validity of governmental reports on this matter.

Agriculture Secretary Salvador Araneta stated, contrary to fact, that "the bad weather, floods, and drought had failed to slacken the pace of food production..." and that "rice led all other food crops in output with a production of more than 72,000,000 cavans..." What was not stated was that this was almost the identical production for the previous year. He stated further that no less than 8 new varieties of rice had been discovered which were expected "to produce as much as 80 cavans per hectare under normal conditions."<sup>1</sup> Since normal conditions

<sup>1</sup> Reported in *The Manila Daily Bulletin*, Vol. 161, No. 3 (Jan. 4, 1955), p. 7-P.

# INSULAR LUMBER COMPANY

FABRICA, OCC. NEGROS

MEMBER — PHILIPPINE LUMBER PRODUCERS' ASSOCIATION, INC.



## SPECIALISTS IN KILN-DRIED LUMBER

and

## MANUFACTURERS OF BOXES OF ALL DESCRIPTIONS

MANILA DISTRIBUTORS:  
Norton & Harrison Company  
814 Echague  
Manila

Philippine Lumber Manufacturing  
Company  
14-30 Soler St.  
Manila

Insular Saw Mill, Inc.  
340 Canonigo, Paco  
Manila

MANILA OFFICE: 603 FILIPINAS BUILDING



**The United States  
subscription rate to  
the *Journal* sent by  
ordinary mail for one  
year, is \$5.00.**

**For \$13.00 a year  
the Journal Office will  
send monthly any se-  
lected page-clipping by  
air-mail in addition to  
sending the whole  
issue, as usual, by or-  
dinary mail.**



are extremely hard to define in the Philippines, and since this claim has been repeatedly made during the past twenty years, an observer can only counsel caution and patience, awaiting proof. One factor that is constantly ignored in any analysis of the "rice problem" in the Philippines, is the fact that as organized and carried on at present, rice-producing methods will continue to find difficulty in meeting demand in view of the current practice of planting rice at any time of the year as long as water is available. It is extremely difficult to secure from *palagad* planting as high a level of production as from the first planting, and what has happened in many areas is that second planting has become a first planting practice. Farmers, if water is available, in the face of heavy demand and heavy pressure from the Government for more production, "force" their rice,—planting ahead of the normal time when rice is "accustomed" to go into the ground. I believe in the wisdom of the peasant farmer, and many have told the writer that rice cannot be expected to produce in normal areas anywhere near as heavily as scientists are able to secure in the laboratory and in experimental plots. I know of no study, at the moment, which has been carried on with regard to this matter, and it would be interesting if this could be subjected to definite measurement and analysis.

The NARIC and other interested bodies began a new program to "wrest control of the rice industry from the hands of aliens," by making plans to deputize Filipino rice-mill operators and members of farm cooperative marketing associations as buyers of *palay* for the NARIC with an initial capital of ₱2000 for each operator. Secondly, they planned to create new financing procedures to enable small millers (inefficient or not) to secure new equipment and capital and gradually take over the "monopoly" of the aliens and form a new monopoly for a new class. Thirdly, the NARIC plans an extension of its services throughout the Islands (a step that was supposed to have been accomplished fifteen years ago) in order to assist in this program. The same false figures were presented with regard to this supposed "alien monopoly" as has been the custom for twenty years, despite quite clear figures to the contrary.

The Director of the NARIC stated, quite erroneously, that the buying program of the Corporation "has resulted in a cut of as much as ₱2 per cavan in the price of rice." (February 11.) As a matter of fact, during that very week, most varieties registered an increase of as much as 50¢ a sack. He stated: "Current prices for macan, second class, in Manila have dropped from ₱18 and ₱18.50 to about ₱16 and ₱16.50..." Actually, the price range was from ₱16.00-₱16.50 to ₱16.50-₱17.00, closing the week at the latter figure. The drop indicated was for the *new* crop, which always enters the market *below* the figure for the old crop.

THE so-called "Margate system" for planting rice attracted much attention during the month. It is actually a system that has been used in India and Japan for many years. Many planters were skeptical of its benefits (which, however, are quite real), and later in the month a similar system under the name "masagana" came into prominence as a means by which production could be enormously increased. A report stated that by the use of this system two farmers in Tarlac were able to secure some 132 cavans from one hectare, both being assisted by a field man from the Bureau of Agricultural Extension. Advertisements were placed in metropolitan newspapers encouraging farmers to adopt the "Margate" system and plans were being readied for a large public information program to achieve this end.

THE only other development of importance was the reaction to the required "Premix" or "rice-enrichment"

program which had been provided for in Republic Act No. 832 (August 14, 1952), the provisions of which were to become effective in Manila, Dagupan, Pasay City, Quezon City, and the Province of Rizal, the 1st of February. According to this law, which theoretically went into effect in Tarlac, Bataan, and Pangasinan in 1953, all millers in areas of the applicability of the law are required to install the necessary machinery which will mix with ordinary rice the "Premix Rice" on the basis of one part Premix for 200 parts polished rice. If this will result in an increase in price, many consumers said, they were heartily opposed to the plan; if the cost is to be borne by the Government (which should certainly be the case) they had few objections, many only saying that they objected to the taste. Whether this last objection is valid is another matter, but certainly the law is dictatorial in the extreme and places another burden upon those engaged in the rice trade.

**JANUARY** is generally a weak month in the rice market. The opening of the year saw a reduced volume of arrivals in the Manila market (because of bad weather), and most varieties suffered losses,—some as a result of this factor, and wagwag as the result of the publication of new ceiling prices. NARIC distribution remained heavy and since production centers held large stocks of the new harvest, there was little desire to move them. Old crop wagwag, apostol, and macan were absent from the market, and prices were unavailable as a result.

The second week of the month was marked again by reduced shipments to the Manila market since the expanded buying by the NARIC affected adversely palay purchases by millers (both Filipino and "alien"). Since only a small quantity of macan arrived, it registered an increase of as much as 50%, with other varieties standing generally steadily. Some evidence was on hand to indicate that private buyers were willing to buy higher than the NARIC (in order to retain their stability). If this becomes more than a minor trend, macan prices may be expected to rise during February. Because the ceiling prices for old crop wagwag were established below prevailing prices, this variety may be expected to disappear from the normal market to be sold on a "black" market, although available stocks were being sold at below or within the ceiling price. New crop wagwag appeared in wholesalers' hands at the end of the second week.

During the third week, prices remained steady, despite the large quantities in hands of dealers. Macan registered an increase in the Manila market, reflecting an increase in price for palay in production and distribution centers in Central Luzon which in turn had been brought about by heavy NARIC purchases and the extension of ACCFA loans to FACOMAS.

The fourth week saw the disappearance of many varieties and a lowering of prices in new arrivals. Demand was low in the face of a plentiful supply in producing centers near Manila, with many Manila residents driving to the country to make their own purchases in quantity. Laguna, particularly seemed to enjoy a good harvest, in areas in which FOA irrigation and fertilizer facilities are to be found and they may be easily found as large signs along the highway seem to outnumber threshing *patios*.

**PRICES**

	Jan. 3-8	Jan. 10-15	Jan. 17-22	Jan. 24-29
<b>Wagwag:</b> 1st class...	unq	unq	unq	23.00-22.50
2nd class...	₱27.00-27.50	unq	unq	New 22.50-21.50
<b>Cota</b> 1st class...	₱24.00	23.50-24.00	23.50-24.00	24.00-?
2nd class...	₱23.50	23.00-23.50	23.00-23.50	23.50-?
<b>New</b> .....	unq	22.50-23.50	22.50-23.00	
<b>Blonelon:</b> 1st class...	unq	19.00-19.50	unq	New 19.50
2nd class...	unq	18.50-19.00	unq	New 18.50-19.00
<b>Cota</b> 1st class...	₱19.50	unq	19.00-19.50	19.50-?
2nd class...	₱19.00	unq	18.50-19.00	19.00-?
<b>New</b> .....	unq		19.00-19.50	
<b>Macan:</b> old 1st class...	unq	unq	unq	unq
Cotabato.....	₱18.50-?	unq	unq	unq
<b>New Crop:</b> 1st.	₱17.00	16.50-17.50	17.30-17.80	17.50 18.00
2nd.		16.00-17.00	16.80-17.40	17.00 17.50

# PACIFIC MERCHANDISING CORPORATION

449 Dasmariñas

Manila

- AMERICAN RADIATOR & STANDARD SANITARY CORPORATION
- AMERICAN VALVE COMPANY
- AMES BALDWIN WYOMING COMPANY
- BADGER METER MANUFACTURING CO.
- BADGER FIRE EXTINGUISHER CO.
- BALL BROS. MASON JARS
- BOMMER SPRING HINGE COMPANY
- CAPEWELL MANUFACTURING CO.
- CARBORUNDUM COMPANY
- COLUMBUS COATED FABRICS CORP.
- COLUMBIAN VISE & MFG. CO.
- CORBIN LOCK COMPANY
- DICK BROTHERS MANUFACTURING CO.
- EKCO PRODUCTS CO.
- GREAT NECK SAW CO.
- JACOBS MANUFACTURING CO.
- KEENEY MANUFACTURING COMPANY
- MALLEABLE IRON FITTINGS CO.
- NORTH WAYNE TOOL COMPANY
- PABCO PRODUCTS, INC.
- "Pabco" Products
- R. E. DIETZ COMPANY
- RADIUS AKTIEBOLAGET
- SLOAN VALVE COMPANY
- SOLARINE COMPANY
- TEMPLETON KENLY JACK CO.
- UNION CARBIDE & CARBON CORP.
- National Carbon Division
- "Eveready" flashlights & batteries
- Linde Air Products Division
- "Union" Carbide
- "Oxweld" Welding Rods, Supplies and Generators
- "Prest-o-Weld" Welding and Cutting Apparatus
- UNITED STATES STEEL EXPORT CORP.

**STEEL PRODUCTS**  
**HOUSE FURNISHINGS**  
**GENERAL HARDWARE**  
**PLUMBING**