

Rice and Fall

By Benito Mencias

PLANTING rice is never fun, but during the next three years you'll just have to pretend that it is.

Manuel Lim, you'll recall, got the thing boiling under his hat. The price of rice was rising, up to ₱1.40 per ganta for the better varieties, and many families were having trouble getting the pot filled. This happened a bare two months after the Nacionalistas had won the elections partly on the promise of cheaper grain. Long lines of housewives were forming at the NARIC offices to buy rice at official prices. Outside, the hand of the profiteer was clearly to be seen, but people were saying that the situation was like this because there just wasn't enough rice to go around. Well, said the secretary of education, if this was the reason, then the obvious solution was to produce more.

Forthwith he unfolded a three-year production plan before the Cabinet and quickly got approval. The schools, Lim explained, were to be mobilized for the production effort. By the end of the third year, if program execution goes as smoothly as expected, at least 300,000 hectares of idle land shall have been put under cultivation and enough rice placed on the market at prices everybody can afford.

That put you and your pupils and your counterparts all over the Philippines in the middle of a rice production program that is perhaps the most ambitious in Philippine history. The program swung into motion February 1. This means that you have started tilling or at least have located idle land in the community where rice can be grown. The terms are strictly according to statute: you get 30 per cent of the produce, the owner of the land gets the rest.

But how do you get the rice to the pot while waiting for the harvest?

This question got Malacañang in wild-eyed confusion.

The obvious solution was to import rice. But this would mean the expenditure of dollars and would be quite inconsistent with the austerity policy which had been inaugurated precisely to shore up the weakening dollar reserve. At this point, the secretary of commerce, Pedro Hernaez, asked a question: Why not barter copra for rice? As copra was sold for dollars, such a deal should prove attractive to rice suppliers overseas. Hernaez persuaded the NAMARCO board, of which he was chairman, to get into such a barter deal. A Hongkong supplier, Nam Chiao Hong, was mentioned in the planning. The board thought the plan was splendid in principle but insisted on getting Cabinet approval. One member bluntly told Hernaez that more than one barter deal had in the past been held suspect in Congress and that he would hate to see NAMARCO criticized in this one. As it turned out, this judgment was right.

Hernaez, nothing daunted, got the endorsement of President Garcia and the Cabinet. Preparations were made for the transaction, which envisioned the procurement of 150,000 metric tons of rice — enough, it was said, to cover the production deficit. Then the newspapers picked up a wire story from Hongkong quoting the Philippine consul, Eduardo Rosal, that (1) Nam Chiao Hong was a very small outfit and (2) the Philippine consulate knew nothing officially about the deal. The tempest in a ricepot began.

The House of Representatives was unmoved by these developments, but the senators crossed party lines to demand an investigation. Several embarrassing questions were asked.

As the Philippine consul in Hongkong officially knew nothing about the plan, obviously the transaction was being arranged through private parties. Who, then, would make the profits?

Why, in the first place, should Philippine copra be bartered for rice when copra could be sold for dollars? Wouldn't it be simpler to sell copra for dollars and then buy rice, at the most advantageous terms, with the proceeds? Why engage in a deal that would add nothing to the dollar reserve?

The memory of the Senate was still fresh with a copra barter transaction, consummated a few months prior to the elections, which was reported to have netted a few big enterprisers a lovely sum of money. The Senate "blue ribbon" committee had investigated this deal and didn't like its odor.

In the beginning, the minority leader in the Senate, Ambrosio Padilla, led the fight against the transaction, but the play was soon taken away from him by a Nacionalista senator, Mariano Jesus Cuenco, who was so sore he almost called Hernaez names.

Cuenco's pressure proved so great that the President back-tracked and disauthorized the deal. Earlier, Nam Chiao Hong indicated he had lost interest in the transaction because the Philippine government wouldn't act quickly enough. Mr. Garcia made some statements, however, which gave the story a new twist.

At a news conference in Malacañang, a reporter asked whether there was awareness of the possibility that the rice would come from Communist China — Hongkong was such a small place it couldn't possibly produce 150,000 metric tons of rice. Yes, said the President, this was being looked into. If it turned out that the source was Red China, the plan would be dropped.

You should have heard the snickers in my neighborhood. Strictly, rice is not a war material, and it doesn't really matter where it comes from, so long as it is edible. But copra is — it is turned into oil and used in this form to run or lubricate machines or in the production of weapons such as high explosives and accessories for aircraft. If Philippine copra got into mainland China, it would be tantamount to strengthening the war machine of a potential enemy.

This introduced another question: Was the Philippines ready to change its policy prohibiting trade with communist countries? Emmanuel Pelaez, chairman of the Senate committee on defense and security,

asked this question from the floor. "If so," said Pelaez, "the government should say so categorically."

But feeling in favor of the deal had developed in the meanwhile. Rice was in short supply and prices were rising, thanks to speculators who were taking advantage of the government's indecision. The daily press thought that rice should be put on the market regardless of its source.

As a result, the President authorized the departure of a three-man team, representing NARIC, NAMARCO and the Department of Commerce, to look into the situation in Hongkong. The team, he said, would ascertain the source, quality and quantity of the rice and report its findings to Hernaez. Should the report prove satisfactory, negotiations would be started in Manila.

But Ben Estrella, general manager of NAMARCO, had another story. He said the NAMARCO representative in the team, Pablo Tapia, had been authorized to conclude arrangements for immediate shipments if the conditions were right.

The Cabinet wasn't putting all its eggs in one basket. As the copra-for-rice barter plan blew hot and cold, it approved the importation of \$35,100,000 worth of surplus farm goods from the United States to cover expected shortages. The products were rice (100,000 metric tons), yellow corn (15,000 metric tons), white corn (15,000 metric tons), cotton (38,500 bales), skimmed milk (30 million pounds), inedible tallow (16 million pounds) and wheat grain (34,000 long tons). As procurement was to be done under U.S. Public Law 480, payment would be made in pesos over a 25-year period.

For obvious reasons there wasn't a word of protest against the plan this time. When President Magsaysay



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proposed this plan two years ago, the organized landed gentry raised a hue and cry such as you'd never heard before. Some members of Congress — and you'll remember them if you think hard enough — took up the cry. Really, they said, this idea of dumping U.S. surplus goods in the Philippines was simply fantastic. Did they want to wreck the market, remove all incentives to production and drive the farmer to the poorhouse? And to think that all this was cooked up by an administration pledged to protect the interests of the small man!

The fact that rice shortages were recurrent and that the Philippines didn't have to pay in dollars but in pesos was conveniently ignored.

This leads us to a story that has been told in whispers these many years in the inner councils of government. The substance of it is that the organized landed gentry seek to keep the situation the way it is. A rice surplus is no good. It would reduce prices and profits.

Things wouldn't be so bad if the producers were the merchandisers, too. The trouble is that there's a whole army of middlemen between the producer and the end-user. And it is standard practice among the big middlemen to keep the grain locked up the warehouse until the price is right.

If you think this is fantastic, you might check on a few things. Why, for example, should prices rise, like they did during the past four weeks, on the eve of a harvest? Wouldn't you say this is an attempt to clear the bodegas of old stock at the highest possible prices? How come the propagation of the *margate* and *masagana* systems is making such little

headway? Why is there no appreciable rise in production despite the fact that new irrigation systems are being established? NARIC abets the profiteers by announcing expected shortages in hysterical tones, thus creating a state of near panic, instead of acting quietly to cover deficits. The result has been a rush to stores to keep larders well stocked.

Magsaysay and his predecessors had an oblique approach to these questions — keep on building irrigation dams, talking about *margate* and *masagana*, encouraging the use of fertilizer, making the new deal for the small farmer real. It is a long-range approach. The objective is to build public opinion in favor of a production surplus.

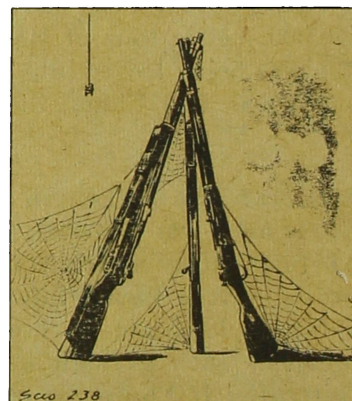
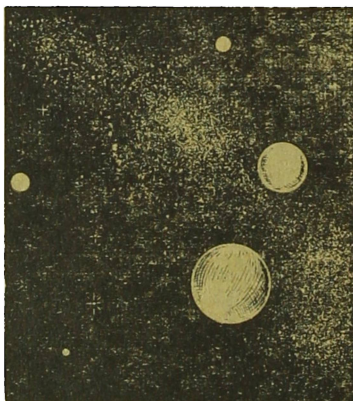
And here is where you come in. Lim's plan is to recruit every schoolchild and student into the rice production campaign. But schooling is a full-time job, and Lim would be the first to admit, I would suppose, that the drive would be able to hit no more than a small part of the target.

I suspect that Lim's real purpose is to create a state of mind among the youth. This kind of a situation an agricultural country like the Philippines being unable to produce its staple food in adequate quantities is strange indeed. It should not be allowed to last. The process of destroying the pattern begins in the mind of the schoolchild.

As a classroom teacher with about 30 kids under your wing, you are Lim's agent in the field. In many ways you are more important than Lim. It is you who will make the campaign in your area succeed or fail.

DID YOU KNOW . . .

By Scio



(First panel) Only half-century ago, the earth's galaxy, the Milky Way, was thought by most astronomers to be the whole universe. Actually the Milky Way, despite its population of more than 100 billion stars, is but a drop in the fathomless ocean of space. (Second panel) Elephants make a dreadful din while feeding in the forests. Branches crack like pistols, and trees crash to earth. Yet, on scenting danger, the herd can move away almost in silence, hardly disturbing the foliage. (Third panel) If the Free World disarmament plan were accepted by the USSR, nuclear tests would stop on the first day, the first reduction in armed forces could start as early as the 2nd month, "Open Skies" air inspection could start in the 3rd month and the mothballing of the first batches of weapons under international supervision could start by the 7th month.