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DEVELOPMENT CORPORATION POLICY

J. M. Elizalde of the large oldtime Ynchausti farm, industrial and commercial interests and of polo fame, is the new head of the National Development Corporation and its subsidiary, the Cebu Portland Cement Company. Under a stiff tariff, Cebu cement has made money. There is a surplus, if the present company finds use for it, that might either found or aid other industrial ventures. There is wide concurrence in the view that the Elizalde appointment was wise. Honesty, energy and ability are proved attributes of the young appointee, who of course serves without salary. He is intensively preparing himself to do first rate in the job if he can. He asserts a realization that the commonwealth period will be a trial—almost a trial-by-fire, as it were—of Philippine industrial fitness.

His policy will necessarily be guided year to year by the tariff policy the legislature pursues. Part of the Murphy administration, it will have vision yet prudence. There is a natural disposition, in some quarters, to ask too much of it. There is insufficient realization of the research that must precede the doing of anything. Here is not one industry, but a whole field of them. Bearing on every one of them are the industries of other countries, who import manufactures into this market—and other markets throughout the world.

Then there are industries outside the Philippines that are the markets for our surplus raw products, and some of our semi-manufactures. American soap and margarine industries buy our surplus coconut oil and copra, for example. Expressing coconut oil here is a well established industry. The suggestion of so-called coconut *centrals* is a misguided one. Yet Elizalde believes coconuts should be looked to for other possibilities. This means, especially, more use in domestic manufactures: that they may be used more here, to reduce imports of manufactures. An interview with him for purposes of this comment, revealed his general viewpoint; namely this, industries to supply domestic demands, not industries to compete abroad—no industry to compete with the United States.

Cotton offers suggestions. They are under study. Cotton products are the islands' largest import. But such products are of many varieties, not all enjoying, by any means, market enough here to make manufacture practical. For a few cotton fabrics the market is large enough to warrant local manufacture; here, should the tariff be encouraging, would be possibilities. This and all that might follow would be of slow growth, if eventually successful. Similarly with the growing of cotton, if the Philippines had factory use for it. It is not believed exportation could be thought of in competition with America, Egypt, Persia and India; but that, possibly, some cotton for local use could be grown on diversified farms. So small would be the need that in total world production it would not count.

For such grand projects as the better industrialization of the Philippines and more domestic use of raw materials, the aphorism holds that Rome was not built in a day. The position of him who is responsible for effecting progress, who knows, and knowing must go slow while others entirely unfamiliar with the ground urge him to make haste, is one to watch with real interest; and particularly, to watch without envy.

THE FARMER'S OUTLOOK

Because they sell so much of their larger crops to the United States, the welfare of most of our farmers is affected by the process taxes in America on sugar, 1 centavo a lb., and on coconut oil, 6 centavos a lb. Sugar farmers are also affected by the quota of 1,015,000 short tons of sugar a year that is the maximum they can market in the United States. Making it up to them for growing less sugar, America returns the process tax to them. It is given out that when agreement is reached concerning its distribution, ₱20,000,000 more or less will be distributed. Sugar sales already made cut into the 1935 quota, but from the 1934-1935 crop for which the main milling season is opening, about 700,000 short tons may be sold in the United States.

Other sugar money to the tune of millions will return to the islands and spell buying power, when the sugar in bond against next year's quota is sold. Given a moderate rise of the price, Philippine sugar will be pegged at a point it can well stand. Constant return of the process tax proceeds will maintain planters' buying capacity. This money may also be used for experimentation, which should raise yields per hectare and lower crop costs. There is salvation, rather than hardship, for the industry in the new federal legislation effecting its control as to the American market. It still has the bounty of the tariff, Cuba's is the only non-flag sugar with which it competes. All was done, of course, primarily in behalf of beets. This starts indeed with the high tariff of 14 years ago, 2-1/2 cents a lb. It is American beet sugar, that had to have this tariff, that made our cane provinces rich.

Independently of that, however, the Philippines are a good American market; and they are a good Japanese market, and Japan in turn is a good American market. We are in the era of the subsidized consumer; the technique may be awkward, the experience being novel, but we are in such an era just the same. The United States therefore doesn't mind, as a matter of business as well as fairness, sweetening the buying power of our farmers a bit. And it is all right with us, too.

Leave sugar and go to copra. Competing oils seem to be somewhere in the lurch. Notwithstanding heavy shipments ahead of the 6-centavo tax, demand continues and prices have