

COTTAGE INDUSTRIES: an economic necessity

INDUSTRY WEEK — October 1-7, 1977

by: **ARTURO F. GAERLAN**
Regional Director
NACIDA-XI

I STAND UP FOR THE SMALL COTTAGE INDUSTRY MAN FOR HE IS THE TRUE REVOLUTIONIST... IN THE CHRONICLES OF NATIONS, IT IS THE SKILLED WORKERS AND THE ENTREPRENEURS WHO HAVE DICTATED THE PACE OF DEVELOPMENT, WHO HAVE ALTERED THE COURSE OF NATIONAL DESTINIES. IN THE PHILIPPINE SETTING, THE SKILLED WORKER AND THE PURPOSEFUL ENTREPRENEUR LOOM AS THE NEW HEROES OF DEVELOPMENT.

President **FERDINAND E. MARCOS**

Fourth Dollar Earner

The strong performance of cottage industry products in the export markets of the world has been a positive factor in buoying up our balance of payments position over the years. From 1971 to 1975, cottage products have firmly demonstrated their stability by consistently being the sixth highest Philippine exports chalking up an average annual increase of 54 per cent. This remarkable feat in the highly competitive export market was further improved when cottage products jumped to fourth place as the Philippines' leading exports earning for our country P1.6 Billion in 1976, thus, bringing economic benefits to 79,000 NACIDA-registered producers with their dependents and workers of about four millions who rely on cottage industries for their economic livelihood. Among the leading cottage products as exports are embroidery, woodcrafts, needlecrafts, fibercrafts, bamboo/rattancrafts, shellcrafts and matweaving, in that order.

Need for New Export Markets

In contrast, our industries of the traditional products like sugar, copra and logs, to mention a few, which dominated our economy for many decades have encountered declining prices in the world market in recent years. During the past ten years, the growth of the export sector, except cottage industries, has been characterized as erratic or sluggish. This unfavorable economic condition was brought about by our lopsided dependence on the export of traditional products which over the years make up, according to Department of Trade studies, 85 per cent of the total Philippine exports, the non-traditional products, including cottage products, the other 15 per cent. This is not desirable because when these traditional export products are pulled down by falling prices in the world market or when demand for them slackens, as it actually happened in recent years, our economy can be adversely affected to the detriment of a big sector of the population whose livelihood will be upset. Another reason for the low growth of our economy is the concentration on the United States and Japan, which together, absorbed 67 per cent of our total exports in 1975. This heavy dependence on these two countries as our

dermine our economic stability if these countries are hit by economic recession or any economic calamity, as it did in recent years. Obviously, there is a need to promote non-traditional Philippine exports in other countries like the Communist states, our Asean neighbors, the Middle East, etc. in addition to U.S.A. and Japan as our principal trading partners.

Presidential Decree No. 817

The National Cottage Industries Development Authority (NACIDA) offers a program of incentives designed to further promote exports of cottage products. Republic Act No. 3470, the basic law governing the conduct of cottage industries passed by Congress in 1962 defined 'cottage industry' as "an economic activity in a small scale carried on mainly in the homes or in other places for profit and mainly done with the help of the members of the family with capitalization not exceeding P15,000.00 at the time of registration" was amended by P.D. No. 817 in 1975 which improved the concept and structure of cottage industry as "an economic activity carried on in the homes or in other places for profit, with a capitalization of not exceeding P100,000.00 at the time of registration." The phrases "in a small scale" and "mainly done with the help of the members of the family" were dropped to attune the industries with the present economic realities. Realistically, capitalization was increased from P15,000.00 to P100,000.00. Also, the realities of the export trade demands the abandonment of the old concept of cottage industry as a family-based 'home industry' employing manual labor with the members of the family as workers, if we are to successfully penetrate the highly competitive export market. To meet export orders which come in big volumes, cottage industries must mechanize if necessary, apply technology and introduce new product designs. The cottage industries sector must adapt to the ever changing needs and demands of the fickle buyers and be able to adjust to new situations. And NACIDA too must follow the winds of change to succeed in its development efforts.

Tax Incentives

A substantial incentive and benefit granted by the NACIDA law to its registered firms

and producers is tax exemptions, except specific and income taxes, for a period of five years. Sales of cottage products are exempted from the payment of the percentage tax to the extent of P400,000.00 each year for five years. Other exemptions include fixed and privilege tax on business, customs duties, compensating and special import tax, etc.

Protection to Filipino Business

The NACIDA law also places cottage industries exclusively in the hands of Filipino citizens and businessmen to protect them against ruinous alien competition or control. In the case of corporations, partnership, cooperative or association registered with NACIDA, at least 75 per cent of its capital shall be owned by Filipino citizens and three-fourths of its stockholders and all members of the board of directors shall be Filipino citizens.

Letter of Instruction No. 83

Another bonanza given by President Ferdinand E. Marcos, the greatest benefactor and promoter of cottage industries, is LOI No. 83 issued in 1973 which enjoins all government offices and agencies to purchase their supplies

and equipment from the NACIDA-registered producers thru NACIDA. In effect, the government, both national and local, becomes one biggest domestic buyer or market of cottage products and equipment to the great benefit and advantage of NACIDA members. NACIDA is authorized to draw up a price list of cottage products and all government offices are mandated to adopt it. In other words, NACIDA producers can sell their products to government agencies at authorized NACIDA prices without the usual public bidding. The purpose of LOI No. 83 is to spread the economic benefits of government expenditures to the many small producers who need most government assistance and support.

Letter of Instruction No. 122

Still another form of Presidential support for cottage

industries is LOI No. 122 issued in 1973. This directive authorizes the Cottage Industry Development Enterprise (CIDE), a sister office of NACIDA, to import, procure, accumulate and stockpile critical raw materials for resale to NACIDA-registered producers at nominal cost to ensure their continuous production or operations, and at the same time stabilize the supply and prices of these critical materials. These raw materials are considered critical because they are imported or if locally obtainable, they are in short supply in the market, or seasonal. Stockpiling of critical raw materials for NACIDA members by a government agency discourages hoarding by unscrupulous merchants.

Marketing Assistance

NACIDA maintains a string of display centers or Empo- (Continued on page B)

EXPORT EARNINGS of PHILIPPINE COTTAGE PRODUCTS (in Philippine Pesos)

YEAR	EXPORT EARNINGS	PERCENTAGE OF INCREASE
1976	P1,639,799,430	51%
1975	1,080,890,409	39%
1974	776,966,460	53%
1973	507,154,494	95%
1972	260,094,758	50%
1971	172,767,594	33%
1970	128,992,904	63%
1969	79,069,604	35%
1968	58,146,737	41%
1967	41,176,319	21%
1966	33,841,737	13%
1965	29,879,218	10%
1964	27,092,296	30%
1963	19,850,883	19%
1962	16,717,217	

LEADING EXPORTS OF THE PHILIPPINES 1976

	Unit	Quantity	Pesos	Dollars
TOTAL			P19,004,713,580	\$2,573,675,684
1 Centrifugal sugar	NK.	1,455,997,541	3,148,113,332	426,522,014
2 Coconut oil crude	NK.	854,020,332	2,177,425,112	294,839,145
3 Copper concentrate	NK.	942,181,494	1,963,804,429	265,879,063
4 COTTAGE PRODUCTS			1,639,799,430	222,020,549
5 Copra	NK.	822,736,192	1,106,357,723	149,722,068
6 Logs	Bd. Ft.	988,470,527	997,722,527	135,221,984
7 Bananas & plantains	NK.	796,177,635	558,540,165	75,618,281
8 Lumber	Bd. Ft.	209,085,191	503,156,117	68,194,669
9 Copra oil cake or meal	NK.	497,631,659	402,722,244	54,522,597
10 Nickel & nickel alloys unwrought	NK.	11,030,000	401,363,413	54,334,512
11 Gold from copper ores & concentrates	T. oz.	395,290	361,483,042	48,920,660
12 Pineapples in syrup	NK.	138,336,079	345,223,237	46,739,287
13 Plywood ordinary	Sq. ft.	110,562,725	318,599,092	43,164,560
14 Desiccated coconut	NK.	81,003,175	276,768,066	37,493,681
15 Coffee not roasted raw or green	NK.	12,978,104	182,062,280	24,675,294
Other exports			4,621,573,371	625,807,320

Source: Foreign Trade, National Census & Statistics Office

As a matter of fact...



DAVAO MUSLIMS NEED A LEADER

COTABATO CITY — We just learned that the long standing problem of Davao Muslims, and that is, the need for a leader, has become a chronic problem more specially when at least three of their local leaders became "Sultan" in different arrangements.

We have on records that before the coming of the Americans, and the eventual establishment of the Philippine Commonwealth, one Sultan Komarra Manuel, once the mayor (president) of the municipality of Lupon, Davao Oriental, was the only recognized leader of Davao Muslims. He was powerful as he was influential, but since he was so good, very honest and a true friend, the Sultan gave away hectares of lands to Christian settlers, until the Sultan was little by little lost in the pages of history and in the memories of those to whom he helped.

But the name Manuel was recently recollected. His son, Sultan Mangorron Batara Manuel, crowned by a Maranao Sultan Bato Ali of Marawi City, came out as the recognized Sultan of those in Davao Oriental. However, the present Sultan is said to be aging, and is not financially well off, making his position as Sultan not too effective.

And the Davao Muslims, particularly those in Davao del Norte, this time chose another Sultan in the person of one Sultan Rasam Maug who was crowned by then Congressman Rasid Lucman, the recognized Paramount Sultan of the 19 Royal Houses of Mindanao and Sulu.

Davao City, not contented with the existing fad that is, making a sultan, chose one named Sultan Bago, a man who is claimed to be the direct grandson of

Davao's famous Muslim leader Datu Bago. The Sultan, we also learned, was crowned or was chosen through Davao City Mayor Luis Santos.

On top of this, an organization was born, and one Mr. Sabello, said to be a Mandaya, claims to hold the position of a Rajah Muda, a position only given to a general in the army of a reigning Sultan. Said Mr. Sabello, we also learned, speaks for the entire Davao Muslims, and is said to be very close to Davao City media, hence, said Mr. Sabello gets attention whenever he speaks for the Davao Muslims.

Finally, this boils down to one thing, Davao Muslim leadership is getting nowhere. We got information only the other day that Sultan Rasam Maug issued a "decree" banning the establishment of local madraza (Arabic school), an act unbecoming of a Sultan. The then Mayor Brown of Basilan tried to ban the operation of madraza in Basilan but failed. Is Sultan Maug picking up where Mayor Brown failed?

The crowning of a Sultan as it is done in Davao is similar to the one obtaining in the Lanao Provinces. It seems that anyone can become a Sultan in Davao, resulting to what is happening now, confusion. And how can a Sultan issue a decree under our present Constitution? Is the Sultan empowered to do that today?

If a Sultan is allowed to be crowned today, it is only because the Philippine Government is tolerating it, and in recognition of the Philippine Muslim "adat". The power of the Sultan, if any, is only confined to tradition (Adat), with no political power or military power.

Tree planting in Surigao Sur

By RAFFY CAMMAYO

TANDAG, Surigao del Sur — A total of 7,000 seedlings were planted in Tandag Communal Forest and in Inawan Watershed by government officials, employees and students as part of the 5th anniversary celebration of the New Society.

District Forester Ernesto Tremor, Jr. of the Bureau of Forest Development said the mass tree planting was conducted in coordination with the Provincial Council for Forest Eco-system Management (PCFEM).

Tremor said each of the participating agency was given an area to be reforested by its respective personnel.

Species planted were albizzia falcata, ornamental and fruit trees. The seedlings were given free by the BFD and the Bureau of Plant Industry nurseries.

Meanwhile, Governor Murillo, chairman of the PCFEM, disclosed that individuals from government and private sectors have actively responded to the tree planting program of the province as shown by the heavy turn out of registrants.

He further said with the active participation of the people, the province of Surigao del Sur will still remain as the "Pacific timberland of the Philippines".

Draw up Digos town plan

DIGOS, Davao del Sur — Formulation of the town plan and housing and zoning (TPHZ) program of Digos, a new thrust in urban development, will be finished by October, this year.

Drawing up the documents was being undertaken by the local government in coordination with the National Coordinating Council for Town Planning, Housing and Zoning (NCCTPHZ).

This was bathered from Mary Ann Avila, a NCCTPHZ technaide assigned here.

Avila said formulation of the Digos TPHZ program is now being speeded up to meet the deadline for the completion of the planning documents set by the NCCTPHZ.

She said the NCCTPHZ requires all towns concerned to finish the formulation of their respective TPHZ programs by October 1977.

Avila said after the formulation of the TPHZ program, it would still be the subject of a public hearing to be conducted by the Sangguniang Bayan before the local legislative body will finally adopt it as its project.

Digos is one of the 172 priority areas all over the country covered by the TPHZ program. The program, dubbed as Pamayanang Pilipino sa Bagong Lipunan, seeks to provide direction to towns of the country in urban planning for socio-economic and cultural purposes.

The NCCTPHZ was created through Letter of Instruction No. 511 and is headed by the First Lady, Mrs. Imelda R. Marcos.

**SA IKAUNLAD
NG BAYAN,
DISIPLINA ANG
KAILANGAN**

MEDICAL REVIEW

THERAPEUTIC

Metolazone: A New Antidiuretic Agent

By EDNA SANTOS, M.D.

The acute effects of a new quinoxaline — Sulfonamide diuretic were investigated delineate its site or sites of action in the nephron and the mechanism of its diuretic effect.

not significantly alter glomerular filtration rate or effective renal plasma flow.

The drug has been found to be beneficial for the relief of edema and hypertension.

The tradename is Zaroxolyn. — EST.

Metalazone is a mildly to moderately potent saluretic agent and that its diuretic effect is largely the result of an inhibition of sodium transport at the cortical diluting site. However, evidence for a proximal action was also obtained. The drug may suppress potassium secretion, especially at low level of sodium excretion. Finally metalazone does not exhibit any carbonic anhydrase inhibitory activity in vivo, and in the human subject does

Rush Sale

112 HECTARES COCONUT PLANTATION along beach, Governor Generoso, Davao Oriental.

Call up Tel. No. 7-93-47; 7-57-16; DCTS-41-43

Hi-Art Merchandising

Complete Photographic Supplies

Now offers enlargement of your color photo from 8 x 10 up to 20 x 24 within 24 to 48 hours.

COLOR PROCESSING WITH BIG DISCOUNT!
Anda St., Davao City * Tel. 7-30-94

**Republic of the Philippines
National Irrigation Administration
TAGO RIVER IRRIGATION PROJECT
Tago, Surigao del Sur**

—oOo—

September 28, 1977

NOTICE OF BID

NOTICE IS HEREBY SERVED that sealed Bids on forms furnished by the Office of the Project Manager, NIA-TAGO RIVER IRRIGATION PROJECT, Tago, Surigao del Sur, will be received from bonafide bidders by the TRIP-BIDDING COMMITTEE for the following:

- a) Bid No. CPB-T-0062 Electrical Supplies & Materials
- b) Bid No. CPB-T-0063 Electrical tools & Equipment
- c) Bid No. CPB-T-0064 Electrical Supplies & Materials
- d) Bid No. CPB-T-0065 Electrical Supplies & Materials
- e) Bid No. CPB-T-0069 Construction Materials (G.I. Sheets and others)

BIDS will be served and received by Mr. Sergio D. Calupas, Acting Property Officer or his authorized representative until October 10, 1977 at 9:30 A.M.-Mindanao Irrigation Study Office, Bolton St., Davao City, and said bids will be opened in the presence of attending bidders.

For particulars relative to the bids and other requisites may be obtained from NIA-MIS Office by any prospective bidder upon request. The Office reserves the right to reject any or all bids, which may not be advantageous to the government.

(SGD.) RAMON M. DAVOCOL
Project Manager

NOTED:
(SGD.) ANDRES C. DATU
Regional Auditor

(M. Daily Mirror Oct. 1, 2, 4, 1977)

House of Fabulous Jewels and Quality Watches

SALAZAR'S JEWELRY STORE

- SELLS:
- * Jewelry
 - * Watches
 - * Watch Spare Parts
 - * Watch tools
 - * College Rings
 - * Made to order Jewelry
 - * Repair of all kinds of jewelry & watches
 - * Electroplating yellow & white gold

We have skilled CRAFTSMAN with complete equipment for repairs of Rolex & Omega watches. Articles sold and works guaranteed

119 San Pedro St., Davao City Tel. 7-41-98

SKIN CLINIC

Carlos R. Pacheco, M.D.

- SKIN DISEASES & ALLERGY
- PIMPLES & SKIN BLEMISHES
- FALLING HAIR
- VENERELOGY
- LEPROSY

Clinic Address:
SKIN CLINIC PHARMACY
165 Bonifacio St.
Davao City
Tel. No. 7-69-12

Clinic Days:
Monday to Friday
9 A.M. - 12 Noon
2 P.M. - 5 P.M.
Saturday: 9 A.M. - 12 Noon