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COUNTRY: Philippines

SUBJECT: Philippine Industrialization

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"INDUSTRIALIZATION - - Many Filipino leaders have either been lulling the public into a false sense of security or they do not know what they are talking about when they claim that industrialization is already with us, or that it can be achieved overnight.

"They totally disregard the fact that technical men are nowhere available; that the country is basically agricultural, that emphasis should be on developing its soil.

"Without attempting to belittle the so-called dollar saving industries which have sprouted profusely, it must be realized that most of them were established on a false economic premise, that is, they rely too much on the import control law for protection against foreign competition rather than on their efficiency.

"Without such a protection, it is to be doubted greatly whether they could face foreign competitors on an equal basis. That's why there is a strong lobby in Congress against the abolition of import control.

"Of course, it may be rightly claimed by local industrialists that they are providing employment to many. But the advantages that accrue to the economy by such employment cannot readily offset the disadvantage which the public has to shoulder in higher prices when purchasing some essential commodities.

"While local industrialists should be given time to master industrial techniques employed abroad, mastery of mass production methods will not in itself solve the basic problem as long as these industrialists continue to import the great bulk of their raw materials."

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"What will happen if the required imported raw materials are no longer procurable?

"Will our industrialists close shop or will they attempt to use locally available substitute materials?

"And even if they learn the industrial know-how of the United States and Japan, is the Philippine market large enough to absorb all they can produce? Mass production is a corollary of a mass market.

"Our views must not be taken as against industrialization. Rather, we are for rationalization of the term. We sincerely believe that if the country is to be economically self sufficient, we should concentrate first on what we can do and not on what we cannot do.

"Industrialization will come in due time, but it would be sheer waste of time and money to neglect the offer of our counteous resources while searching for an elusive shadow. Many say that if the Philippines could only raise enough rice and produce many other essential commodities that find ready markets abroad, this country would no longer have any need for import controls."

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