

REPUBLIC OF THE PHILIPPINES
Department of Education and Culture
MANILA

July 31, 1975

DEPARTMENT MEMORANDUM
NO. 110, S. 1975

COUNCIL MEMBERS LIST
CERAMICAL CONTEST

To: Bureau Directors
Regional Directors
Coordinator, State Colleges,
and Universities

1. In connection with the nationwide 1975-76 Sponsored Ceramical Contest during Ceram Age Industry Week (December 1-7), which was discussed with the Regional Directors of this Department last July 30, the following are enclosed for immediate dissemination to the field:

- (1) Rules and regulations governing the contest
- (2) Memorandum of the NACTOC Administrator to RDCIA Regional Directors and Field Offices.

2. The attached explanation of the Field is enjoined to ensure wide participation of secondary and college students.

(Sgd) JUAN L. MARILO
Secretary of Education and Culture

Incls.:
As stated

August 6, 1975

MEMORANDUM to:

All Regional Directors, OICs and Heads
of Special Units

SUBJECT: Cottage Industry Week Oratorical
Contest Nationwide

All directors, OICs and heads of special units are to immediately commence official activities towards the holding of the oratorical contest, as one of the main events for the Cottage Industry Week this October.

All such activities are to be geared to the cooperating efforts of the Department of Education and Culture (DEC) as thrashed out in the DEC-MACIDA directors' meeting July 30th. In line with accord, all MACIDA personnel are asked to be guided by the following items of concurrence:

1. Logistics for the contest at local levels (provincial and regional), outside of the TEVs and salaries of participating DEC people, shall be the responsibility of MACIDA.

2. Work areas, for purposes of the contest, shall follow the official regionalization pattern of the DEC. Region to region correspondence and liaison points/persons are given in the attachment hereof.

3. A secretariat of three (3) to monitor the joint activity of the DEC and MACIDA is organized under the Chairperson of the head of the Oratorical Contest Committee with one (1) Technical member each from the DEC and MACIDA.

4. Qualifications for the contest shall be according to the official Rules and Regulations issued for the activity.

5. The joint DDC-NACIDA activity shall be in accord with the holding of provincial level contests not later than September 12; regional level contests not later than September 19; and inter-regional level contests not later than September 26, 1975.

6. Each contest at any level shall be a joint activity of both the cooperating agencies and the accreditation of winners certified to the national level by both DDC and NACIDA ~~sub-offices~~.

7. The inter-regional contests shall be officially held at:

- a) For Luzon - Legaspi City
- b) For Visayas - Cebu City
- c) For Mindanao - Davao City
- d) Greater Manila, Rizal and Mindoro - Pasig, Rizal

8. The national level contest shall be held in Manila on October 3, 1975. Site will be determined at a later date.

9. Proper documentation of contest entries must be made by the joint activity, ensuring that such are properly forwarded to the NACIDA Oratorical Contest Committee in accordance with agreed schedules.

10. Selection procedure for the election of the Board of Judges at any level shall be the joint responsibility of the heads of both agencies at the concerned level.

Should any question arise which are not otherwise defined in the contest rules and regulations, as well as other contest materials disseminated, directors and OICs shall contact the Chairperson, NACIDA Oratorical Contest Committee.

Please be guided accordingly.

For /s/ George G. Misa
LUDLO R. REYES
Administrator

REGION TO REGION LIAISON

(Work areas follow the EDC regionalization pattern)

<u>EDC Regional Areas</u>	<u>NACIAM Area Liaison</u>
<u>Regions 1 and 2</u> Dr. Telesforo Requiriti (San Fernando, La Union) Dr. Jesus Sanchez (Tuguegarao, Cagayan)	<u>North Luzon Regional Institute</u> Director Augustus Visler (San Fernando, La Union)
<u>Region 3</u> Mrs. Felicitas Bernardino (San Fernando, Pampanga)	 OIC Mariano J. Pinpin (San Fernando, Pampanga)
<u>Region 4</u> Dr. Pablo Mateo (Cebu City)	<u>Tagalog Regional Institute,</u> <u>Mindoro Regional Institute,</u> <u>Rizal, Greater Manila</u> Director Bernardino Oliva (Iloilo City) Director Angel Lagrada (Culapan, Mindoro Gr.) Mr. Angelos Luciano (Pasig, Rizal) Mr. Elpidio S. Cordeiro (Greater Manila)
<u>Region 5</u> Mr. Napoleon Dignadice (Laguna City)	<u>Bicol Regional Institute</u> OIC Jose R. Castillo, Jr. (Laguna City)
<u>Region 6</u> Dr. Antonio Tanchuan (Iloilo City)	<u>Western Visayas Regional Institute</u> Director Jose M. Arduan (Iloilo City)
<u>Region 7</u> Mr. Aurelio Piro (Cebu City)	<u>Central Visayas Regional Institute</u> OIC Eleanor Sardonio (Cebu City)

Region 8

Mr. Pedro Espora
(Tacloban City)

Region 9

Mr. Noel Allan
(Zamboanga City)

Region 10

Mr. Esteban Sarmiento
(Cagayan de Oro City)

Region 11

Mr. Pedro San Vicente
(Davao City)

Region 12

(Cotabato City)

Eastern Visayas Regional Inst.

OIC Francisco L. Jimenez
(Tacloban City)

Western Mindanao Regional Inst.

OIC Jose Villanueva
(Zamboanga City)

Northern Mindanao Regional Inst.

Director Leoncio Pangcoaga
(Cagayan de Oro City)

Southern Mindanao Regional Inst.

Director Arturo Gaerlan
(Davao City)

Director Arturo Gaerlan
(Davao City)

THE NATIONAL COTTAGE INDUSTRIES DEVELOPMENT AUTHORITY (NACIDA) announces the holding of a National Oratorical Contest in connection with the 1975 Cottage Industries Week (October 1-7) celebration.

The contest rules are:

1. The contest is open to all bonafide students in the high school and college levels of both public and private schools. College students should be in the undergraduate courses and should not be more than 30 years old.
2. Theme is "75th Involvement in Cottage Industries".
3. Piece should not deviate from the theme.
4. Piece should be in English and delivery should not exceed ten (10) minutes.
5. Contests will be conducted in the provincial level on 12 September 1975; in the regional level on 18 September 1975; and in the inter-regional level on 24 September 1975.
6. The national contest will be held on October 3, 1975 in a place to be designated later.
7. Winners of the inter-regional contest may be accompanied by one of parent to the site of the national contest.
8. Cash prizes for the winners in the national contests are as follows.

	<u>High School Level</u>	<u>College Level</u>
First Prize	21,500.00	12,000.00
Second Prize	1,000.00	1,500.00
Third Prize	500.00	1,000.00
Honorable Mention	250.00	400.00

9. Decision of the Board of Judges is final.
10. Copies of the pieces delivered in the national contest must be submitted to the NACIDA Executive Committee in Oratorical Contest immediately after the contest and shall remain the property of the NACIDA.

(SGD) GEORGE C. RIVERA
Deputy Administrator

For details all interested parties are advised to contact the following:

1. Schools where students are enrolled
2. Provincial/City Superintendent of Schools
3. Regional Directors of the Department of Education and Culture and
4. Regional Directors/Officers-in-Charge of the NCEDA at the following places:

<u>NCEDA</u>	<u>Department of Education & Culture</u>
Northern Luzon Regional Inst. San Fernando, La Union	Region 1 - San Fernando, La Union
Central Luzon Regional Inst. San Fernando, Pampanga	Region 2 - Tuguegarao, Cagayan
Pagoloj Regional Institute Lipa City	Region 3 - San Fernando, Pampanga
Rical Regional Institute Laguna City	Region 4 - Quezon City
Mindoro Regional Institute Calapan, Or. Mindoro	Region 5 - Laguna City
Central Visayas Regional Inst. Cebu City	Region 6 - Iloilo City
Western Visayas Regional Inst. Iloilo City	Region 7 - Cebu City
Eastern Visayas Regional Inst. Tacloban City	Region 8 - Tacloban City
Northern Mindanao Regional Inst. Cagayan de Oro City	Region 9 - Zamboanga City
Southern Mindanao Regional Inst. Davao City	Region 10 - Cagayan de Oro City
Western Mindanao Regional Inst. Zamboanga City	Region 11 - Davao City
Rical & Greater Manila Area Central Office, Sta. Mesa, Manila	Region 12 - Cebu City

THE NACIDA PRIMER

What is the NACIDA?

The NACIDA stands for the National Cottage Industries Development Authority.

What is the National Cottage Industries Development Authority?

It is a government agency created by law to take charge of the country's cottage industries.

What are the main functions of NACIDA?

Its main functions are: to revive, organize, encourage and promote the establishment and development of cottage industries; help the cottage industry producers in their problems regarding financial, marketing and production aspects.

What is cottage industry?

A cottage industry, as used in the NACIDA law, refers to an economic activity carried on a small scale and usually done in the home or other places, for profit.

What does a producer get from NACIDA in terms of benefits or help?

A producer, once registered with the agency, can avail himself of the financial, technical, and marketing assistances. He can also enjoy certain tax exemptions.

How does NACIDA help financially?

NACIDA grants loans in small amounts under the character loan scheme. It also grants loans not exceeding P500 under the supervised credit assistance. However, this kind of loan was limited only in 3 areas, namely - the Northern Luzon Area, Western Visayas Area, and the Mindanao Area.

What is this supervised credit assistance?

This is a kind of loan given by NACIDA to qualified producers wherein the industry is considered viable; the loan requires no collaterals and with 1% interest only.

What other loans are granted by NACIDA?

Another loan granted by NACIDA is the marketing loan. Under this scheme, if NACIDA gets big order of products from a buyer, it assigns the order to a producer. Should the producer concerned needs additional capital to produce such ordered products, he may apply for a loan, which is equivalent to 50% of the total value of the goods, but not exceeding P2,000.

What about bigger loans needed by producers?

If the producers needs a bigger loan, NACIDA endorses him to the Philippine National Bank or the Development Bank of the Philippines. These financing institutions have tie-up loan programs with the NACIDA. The producer can borrow a much bigger amount from these banks.

How does NASIDA promote cottage products abroad?

NASIDA promotes cottage products abroad through participation in international trade fairs, exhibitions and other similar activities. It accepts orders from foreigners abroad which it gives to its registered producers.

What is the technical assistance given by NASIDA?

NASIDA gives technical advice and pointers to producers for improving their products. It has a training division that conducts training courses on different handicraft making. It maintains and operates a Technological and Development Center where trainees undergo development of skills and learn management operations of cottage industries.

Are school projects, such as being done by industrial areas and P.E. students qualified to be registered with NASIDA?

Yes; the law provides that such activities are considered cottage industries, whether as part of the curriculum or as extra-curricular activity.

How does NASIDA help in the socio-economic program of the Government?

NASIDA helps in the socio-economic program of the government by training people, especially the out-of-school youth and the unemployed, in gaining skills in cottage industries; by cooperating with civic organizations, schools, religious groups, and other agencies in the training program. It is undertaking training projects for rehabilitation programs in Sagang Polay, Camons, San Pedro, Katsabangan, and the Jolo Task Force, which are being undertaken by the government. As a matter of fact, the NASIDA is included among the government agencies engaged in development activities.

HOW COTTAGE INDUSTRIES INCLUDE
FROM TO WITH QUOTE OF EXPORTS

THERE is an outstanding joke that forecast cottage or home industry in the Philippines is the production of babies. With a birth rate of about 3.5 per cent, one of the highest in the world, it would seem that the most favorite Filipino pastime, especially after dark, is love-making. With unemployment growing at a faster rate yearly than the available jobs and employment opportunities, this forecast home industry - producing babies - is, however, becoming no longer a joke. Today, apart from a serious family-planning educational campaign to curb the population growth, idle hands are being trained and harnessed for the production of goods, as a result of which thousands of homes all over the country today are miniature factories or industrial establishments turning out all kinds of products and goods, both for the home consumption or exports.

Since the establishment of the National Cottage Industries Development Authority (NACIDA) in 1962, the pace in cottage and small-scale industries development has been so rapid that as of June 1975, there were a total of 67,298 registered cottage industries with a total capitalization of P163,103,575 and employing an estimated total 1,004,934 contractual workers. On the basis of an average Filipino family consisting of five, almost six million Filipinos are directly or indirectly involved in the operation of these cottage industries. The spectacular growth can better be appreciated by the fact that while exports of the Philippine handicrafts totaled only P17-million in 1962, it had risen to P732.5 million by last year.

In point of production, cottage industries now rank sixth as dollar earner, or exporter of finished products (first, log and lumber; second, pepper concentrates; third, centrifugal sugar; fourth, copra; fifth, crude coconut oil), with exports for the fiscal year 1974-75 valued at P732,527,792, or US\$105,768,497; following cottage products were plywood, gold, desiccated coconut, bananas, copra oil cake, pineapples in syrup, abaca fibers, inedible molasses and portland cement.

Topping the list of Finished Home-Industry products exported last year was woodcraft, valued at P178,691,633. Next was embroidery, worth P100,376,236. Fibercraft (P84.4 million); needlecraft, (P63.4 million); shellcraft, (P52.4 million). Other exports included ceramics, home-made metalcraft products, toycraft, cigars, loom woven fabrics, and many others.

Immediately after World War II, when the economy of the country was completely dislocated, the government was gravely concerned with the rehabilitation of Philippine agriculture, industry and trade. A large sector of the population was on relief under the United Nations Relief and Rehabilitation Administration (UNRRA); later Philippine Relief and Trade Rehabilitation Administration (PRATHA) took over, dispensing basic needs for food, clothing and building materials owing to the nationwide destruction as a result of the war. There was a complete mobilization of all available resources for rehabilitation.

The devastation was occasion for harnessing idle manpower to productive ventures. Thus, it was conceived that instead of continued idles or handouts, the people would be taught basic skills and made to produce something for which they were to be paid regardless of quality. People learned to acquire skill and dexterity in producing products and get paid for them. Thus, the Home Industries Division was conceived to develop, skill and provide employment to people engaged in cottage industries. In the intervening years, this Division grew into the Home Industries Department, Price Stabilization Corporation (PRISCO), which later on, during 1952 to 1954, had in its staff seven (?) designers and consultants from the United Nations and former agencies now under US-AID. Local understudies worked with the foreign designers, and the bulk of the present day exports of cottage products at that time. However, there were so many government agencies handling segmented aspects of cottage and small-scale industries development that there was no coordination in the nation's effort to encourage home and small-scale industries.

Thus, the National Cottage Industries Development Authority (NACIDA) was created under Republic Act No. 3470 which was approved

on June 17, 1962. The NASIDA became the central government agency vested by law with the authority and responsibility for the overall planning, promotion and development of cottage and small-scale industries in the country. Its main goal was to provide employment opportunities to people, especially in the rural areas, for increased income in order to narrow the gap between the urban and rural standards of living.

In the organizational set-up of NASIDA, the country is divided into eleven (11) regions. Under each region, there are provincial and district offices who serve as the implementing arm of the central government agency which performs multifarious jobs of surveys, registration of industries, providing technical and advisory services, as well as extending financial and marketing assistance. At present, there is a total force of 811 employees, consisting of supervisors, technologists, instructors, engineers, chemists and other workers.

In addition, other government agencies are called upon to collaborate in matters relevant to the operations of cottage and small-scale industries by performing specific undertakings. Thus, industrial surveys are handled by provincial sub-committees on small industries; raw material researches are made by the National Institute of Science and Technology (NIST); product research, tool and equipment research, design and industrial consultation and extension services are handled by the National Science Development Board (NSDB); industrial art training is assigned to the Bureau of Vocational Education, Department of Education; domestic market research and promotion is a job of the Bureau of Commerce; foreign market research is under the auspices of the Bureau of Foreign Trade, Department of Trade; industrial and management training is undertaken by the Institute of Small-Scale Industries, University of the Philippines; financing is handled by the Development Bank of the Philippines, Philippine National Bank, Social Security System, and Rural Banks; while production and marketing are under the UN Special Fund and National Export Corporation (NEXCOR), and the NASIDA itself.

Program and Activities

Specifically, the program for cottage and small-scale industries is aimed at increasing the overall income of the masses by bridging the gap between the poor and the rich and creating a strong, independent, entrepreneurial middle class. It links the gap between the small and large industries as well as between production and marketing. It provides priority criteria for the development of export-oriented import substitutes and labor-intensive industries. To be able to intensify the exploitation of overseas and domestic markets, standardization and inspection, research and industrial designs, modernization, technical and advisory services, and financial support have been strengthened.

Under the budgetary plan, NASIRA has four main objectives: 1) Research and Development; 2) Market Promotion; 3) Regulatory and Consultative Services; and 4) Administration.

In its five-year development program a production center is to be established in each province on a staggered plan. The activities of each center consist of conducting an economic survey, training and production. Cooperatives or associations are to be encouraged or organized to present a united front among the producers in production and marketing, as well as in solving their problems and difficulties.

The training program of the NASIRA may be basic or upgraded. In the first category, where tie-ups and agreements are executed with government agencies as well as with civic and religious organizations, machinery, tools and equipments are necessary to impart skills to the trainees. In the upgraded training, modern machinery and equipment are needed to keep up with the advances in science and technology required by a competitive world market. The program of this project is found in the present Technological and Entrepreneur Center at Pasang, Marikina, Rizal. Similar centers are present at Techolan, Leyte and in the Mindanao area.

The program has also established Common Facility Services through which the country to afford the poor cottage industry entrepreneurs cannot, on their own, purchase machinery and tools

and equipment needed in their production. Such Common Facility Services may be on ceramics, woodworking, matrycraft, bamboo craft, rattan/craft, fishing and food preservation, etc.

REVENUES FOR MARKETS.

To provide a constant and ready market for local home-industry products, the NACIDA has established a sale and display center in the Greater Manila Area and in its regional branches, as well as trade assistance centers in areas determined by the Department of Trade. Likewise, it has participated in domestic and foreign trade fairs and expositions, one reason why West Germany occupies the third rank among the countries of the world, next to the United States and Japan, in volume of purchase of Philippine-made cottage products.

The NACIDA has likewise established floor prices for many handicraft items in order to prevent business competition, promote export trade, and give ample protection to cottage producers to enable them to realize more reasonable margins of profits and in order to pay reasonable wages to those who are employed in the cottage industries.

As a result of the preferential trade agreements with developed countries, exporters of products of Philippine cottage industries were permitted to enter into developed countries free of custom duties. In the year 1973, a total of P507-million worth of cottage products were exported while about the same amount was realized from domestic sales, including the P100-million appropriation for the purchase of janitorial items and supplies by various government agencies and offices.

The NACIDA was the first government agency to extend financial assistance to cottage producers by means of loans in kind, without collaterals, for the purchase of machinery and raw materials needed by the small-scale producers.

The agency has also imposed a ban on the exportation of raw materials as long as local demands for them have not been satisfied. But it needs the aid of agencies in order to effectively implement the provisions of the ban.

In order to further encourage small-scale industries, however, a number of policies must be approved and implemented. For instance:

1. The administration of NACIDA advocates the increase of capitalization of cottage industries from ₦15,000 to ₦200,000. The reduction provided in Republic Act No. 5326 is unrealistic. With the enactment of the floating rate policy of the peso in relation to the dollar, the reduction in capitalization is impractical and shortsighted.

2. The NACIDA likewise proposes to give more incentives for exports, including tax credit, freed income taxes and other preferences.

3. It also proposes the revision of tax exemptions for the importation of machinery, tools and equipment used exclusively and directly in the industry.

4. It further proposes the increase in the expansion of the present tax exemptions on sales and privilege taxes from ₦200,000 to ₦300,000.

5. It proposes the construction of permanent improvements from capital outlay of ₦2.5 million in 1975 to which should be added ₦9-million for major repairs.

6. The effective implementation of the tie-up between representatives of the ILO and the World Bank, relative to the establishment of common facility services in ceramics and food preservation, etc. is recommended. The ready response of out-of-school youths to undergo training in skills created as demanded by many rural communities is very encouraging.

7. The agency proposes the dispersal of industries to the rural areas. The proposal to disperse cottage industries to the rural areas is tailored to conditions existing in this sector of our country. For, indeed, the rural areas are the places more propitious for such industrial dispersal. First, because abundant raw material resources necessary for the operation of cottage industries are located there as well as potential power which is idle two thirds of the year and which could be harnessed through short run-off streams. Appropriate skilled

employees in cottage industries.

During the period from July 1963 to June 1974, the NACIET trained a total of 99,326 workers in 2,835 projects, the bulk of which were needlecraft, fibercraft, embroidery, food preservation, loom weaving and bamboo craft. Of the 2,835 projects, 379 were in Eastern Visayas, 377 in General Trason, 358 in Manila and suburbs, 315 in Mindoro, 241 in Central Visayas, 240 in the Tagalog Area, 228 in Western Visayas, 223 in Northern Mindanao, 218 in Southern Mindanao, 134 in Northern Luzon, 121 in Sicol and 2 in Western Mindanao.