

MALACAÑANG
MANILA

Thursday 3rd -
Jan. 15, 1970

The newspapers headlined (especially Manila Times) the resignation of Dolan from the Sugar Quota Adm. and Sugar Institute. I have asked him to stay but today I had had to designate Jose Anson the Asst. Sugar Quota Adm. to replace him.

This may precipitate a break with the Frontlibanos and the Lopezos who, I am sure, are behind it.

I hope to see Alfredo Frontelibano resigns from the RCA so I can appoint Bong Tance.

I write this on the evening of the 15th because last night after the birthday party of Hilda yosuel, we slept at the Veterans Memorial Hospital so that Hilda may be operated on at 6:00 AM.

Frank is talking about the sugar bloc blackmailing me into supporting Laurel for Speaker with the editorials of the Chronicle, the resignation of Dolan, the expected resignation of Frontelibano and other signs. What they do not know is that Jimmy Lopez when I saw him on the 13th at the Memorial Hospital insisted on the appointment of Frontelibano as Secretary of Finance on the ground that there was need for a new face in the Finance Dept. I am sure this is because Danding Romualdez has refused to be their tool. Anyway I told him that if Danding Romualdez should be changed

this would be an admission of the failure of the monetary policies which I am not ready to do because I approved of them. Although the state of our balance of payments was never revealed to me until June 1909 I believe it was impossible to do anything as any retrenchment and curtailment of imports and government expenditure would have caused a skyrocketing of prices during the ^{political} campaign. This would have been a disaster.

But as soon as my reelection was assured, I ordered all the necessary steps to be taken like the curtailment of imports and the cutting of government expenditures; all public works releases have been suspended, all casuals terminated, loans and guarantees by the government financing institutions stopped. Prices went up and I had to call the retailers, dealers and exporters to maintain the old level of prices. We sent a mission to the U.S and Europe to obtain new loans and restructure our short-term loans.

Tring Roxas bungled the mission according to Frau Lopez, Finance, the President of the German National Bank. Tring Roxas panicked everybody in Germany into believing that the Philippines was in chaos and they came to the Philippines to see for themselves. To their surprise they discover us still operating as a democracy -
Curse upon these theoretical economists!