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April 27, 1970  
Malacanang

11:40 PM

In the breakfast this morning I convinced the senators and congress leaders to agree to:

1. a flat rate of 10% for all exports were the \$5 million provided that the export incentives bill will be approved.
2. The proceeds will be spent as follows:
  - 50% for the payment of foreign and domestic obligations
  - 25% for the counterpart fund for loans from the ADB, IBRD and other foreign sources
  - 25% for expenses for unfinished productive enterprises

3. Only Sen. Jose Diokno is presently opposing the removal of Sec. 5 of the Senate Bill which unwords the Charter of the Central Bank, removes the open-market operations of the Central Bank, and stops further loans in excess of the present level of our indebtedness. But this will mean that we will not be able to pay our debts.

I offered a compromise that <sup>additional</sup> indebtedness will not exceed 15% of the last three years of income.

Agreed the convention of the governors and city mayors. I appealed to them: <sup>1-</sup> To hold in the forefront of change so that we will not allow the radicals to pre-empt our rights as leaders chosen by our people.

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2. That our times are crucial and each and everyone of us will determine the future of our country in the next century.

3. That we must now establish centers of activity other than Metropolitan Manila. That the reason Manila is the center of authority is because the President holds office in Manila, but I will now hold office in regional office.

4. That local development is dependant more upon the initiatives of the local leaders than on the experts of the national government. Cigar rolling factories in Cagayan were an example. That ~~the~~ they must now help develop cooperatives of agricultural producers to tie up with consumer cooperatives so that there will be local markets in the provinces. Right now the only market is in Manila.

5. That island provinces should look into the development of ~~refrigerated~~ refrigerated warehouses. That this could be utilized also by other island provinces. Sen. Juan Sumo of Laguna immediately asked that I reverse the decision of GAO that the savings of the province cannot be used for cooperatives. That I will proclaim land reform for the entire Philippines before the end of my term but that we have no funds for credit to the tenants and the small land owners should be landed into farm cooperatives, as it is true that larger farms are more efficient.

## Electrification

### Vocational and agricultural schools

Take issue openly with the enemies of liberal democracy - those especially who would use violence.

We will tolerate debate. But we should not forfeit our right of reply. For we have more valid arguments. History is on our side.