

Written 10:30 AM  
Feb. 13th

MALACAÑAN PALACE  
MANILA

131  
Feb. 13, 1941  
Saturday  
on Feb. 12th Occurrences

I attach the subjects of the veranda conference with Ray Goodwin of the World Bank who felt as usual that there should be more taxes, and continued fiscal restraint.

I also attach the report of Sec. Romulo on the directive I issued to him during the cabinet on the Japanese copper smelters and buyers note to our copper producers to reduce their production by 20% because the new mines in such areas like Zambia are flooding the Japanese market with copper ore (the Philippine copper producers should be given priority as they have always accommodated Japanese requests before this); I have also ordered Romulo to see how we can join the Japanese cartel in buying crude oil at better prices for our refineries.

Also attached is the report of Ambassador Dolan on the sugar situation which is turning worse because of the demand for sugar quotas of the Latin American countries, Florida and Texas.

132

Addendum for Feb. 12<sup>th</sup> 1970  
(Cont)

MALACAÑAN PALACE  
MANILA

I attach the petition of the Solicitor General to the Supreme Court for the remand of the electric rates case of Maralco back to the Public Service Commission because the government was not given an opportunity to present evidence against the rates which were hurriedly approved by Com. Medina before his retirement on July 2<sup>nd</sup>, 1970. Even before the Auditor General had finished its audit of the books of Maralco to determine the value of investment and the rate of profit — and even before the government could present its expert witnesses (all these a denial of the right to due process of the people of the Philippines) the petition is very well written and is a complete review of "my own personal" means of the problem of "fair rate determination" and the rejection of the "standing or reproduction" theory of <sup>the</sup> rate base as embodied in the dissenting opinion of Justice Brandeis in the Missouri and Southeastern Bell Tel Co vs. Public Service Commission and ultimately adopted in the Supreme Court Case of the U.S. — Federal Power Commission vs. Hope Natural Gas.

133

Feb. 13, 1971

MALACAÑAN PALACE  
MANILA

Saturday

Imelda has discovered a new world. And she seems happy, deliriously so. For we are now unquestioning partners again, against all our enemies. So now I concentrate on government and can devote myself and my life to the Republic.

We talked about our lives seriously this morning in bed. Casually but candidly. And we are both walking on air.

This morning I deviated to the rice and corn situation. The price of corn has doubled if not trebled because it just does not exist in the market. The typhoons laid the fields to waste.

And rice production was also reduced by the calamities (2 typhoons) so even in Greater Manila, I.R. 8 and Ilocos if any are selling at ₱2.11 a ganta. The traders are buying from the millers at ₱2.4 a cavan and the millers are holding out.

So I called the RCA manager, Pedro Montelibano and the Sec of Agriculture, Sec. Dumy Taues and Tony Roxas, Chie of the Federation of Filipinos.

134 -  
Feb. 13, 1971 (Cont)

MALACAÑAN PALACE  
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With Tony were most of the traders of the Hoqyas and Pindavaos whom we convinced to keep prices at present levels.

PCA will issue a press release clearly stating that there is no rice shortage but recommending the forceful implementation of the price control commission price level of  $\text{P}1.85$  a ganta of Inacan and IR 5, the commandeering of hoarded, concealed and surplus stocks as well as stocks held to create an artificial shortage, of producers, millers and traders.

PCA also recommends that if these measures are not enough, we accept a loan or borrow from Japan, 300,000 tons payable in 30 years with 10 years grace at  $3\frac{1}{2}\%$  in rice or in cash.

These will stop the speculation. But there will be a hue and cry about my having failed in the rice-sufficiency program.

I attach my papers, samples of my work of the day.

135

Feb. 13, 1971 (Cont)

MALACAÑAN PALACE  
MANILA

Saw the Israeli film on the demonstration of their Gabriel weapons system <sup>surface to surface</sup> a missile with an optical and radar guidance system with a range from five kilometers to twenty kilometers.

Three systems are recommended, each system costing \$3,244,000.

I have asked the Navy (FOIC Papa) to submit a recommendation

But what we really need is not a missile system for the Navy but airfields for our jet fighters in Zamboanga, Davao, Cagayan de Oro and Iloilo and Legaspi in Luzon. Our fighters are now armed with missiles.

I am playing golf with Ambassador Urabe tomorrow on the copper, oil and rice matters.

Office of the President of the Philippines

*Handwritten notes:*  
Call up *Mr. Searos*  
who *is a*  
to look into *the*  
immediately *photo*  
this up  
should relay  
for

Central Bank *was* requirements on *to* export to Indonesia

by *retracor*  
Exports should be sent to Indonesia to a bonded warehouse and held in trust by PNB which will receive the dollars. *Reliance of PNB* can arrange for domestic letters of credit -

~~Exports as~~  
Cement -  
Plywood -  
Sheet -  
Structural Steel -