

9.30 PM

80-  
Jan. 28, 1971  
Thursday

MALACAÑAN PALACE

MANILA

That about 25 of the leading businessmen of the country in a *reunión* hosted by Andy Soriano at his Forbes Park home this afternoon at 4.00 - 6.00 PM.

I informed them that the communists or subversives were slowly sapping the vitality of our country; that the communists are presently in no position to start a rebellion or a revolution but in two years or three there would probably be no need for a revolution, the communists would merely take over — or the military.

But my democratic revolution offers an alternative or option. So I asked that it be supported to avert a communist take-over.

Bert Villanueva said they were all for my objectives but what were the specifics.

Jess Cabarrus repeated his idea of more money in circulation to put more men under employment. That too was in accord with him. He had said that we have only P4 billion in circulation. Yet we have a capacity to produce exports worth Pone billion. So we should have twenty or thirty billion pesos in circulation. Specially since we must get more people employed

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in a short time.

Ramon del Rosario complained that the atmosphere of investment must be hospitable. But there is no rule as to what is a reasonable profit. "Profit has become a bad word" of course he was referring to the roll back in the prices of regular gasoline and kerosene which just about wiped out his Filoil.

Tom Roxas Chua recommended that the Singapore Investment Incentives Law be duplicated in the Philippines.

Sen. Pres. Gil Puyat felt that there should be more meetings and conferences with the private sector. He felt that the recommended taxes are regressive <sup>and could be passed to the consumer.</sup> (Development tax, or foreign exchange tax, affluent consumption tax and higher inheritance tax). David Symp answered that that would be alright if the ones who paid were the ultimate consumer.

Don Manuel Elizalde started the exchange of views after my opening statement to the effect that it was not my intention to go after any particular businessman or corporation.

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Truj. Rojas told me in confidence that some investors had postponed their decisions to invest until May because of the fact that the consultative group of the U.S., Japan and Australia with some observers would be set up in Paris on April 26th.

David Syrij further suggested that the best way to attract investment would be to create a market - Asean because our own Philippine market is too small.

We had talked about this in the past and Truj. Paterno told them of the arrangements we are trying to make with the other Asian countries.

We expect some violence and trouble in the next several days because of a jeepney strike and the Jan. 30th anniversary of the 1970 Mandala Incident.

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Atty. Supino Pajaro has announced a strike of the Pasang-Mezda jeepney drivers beginning tomorrow evening at 6:30 PM because only regular gasoline and kerosene were kept at their old levels. He claims it is nation-wide and that he has wired everyone of their affiliates at Cotabato City, Iloilo, Bacolod etc; and that they are prepared to hold a strike longer than the first one.

A second fire in the Dept of Justice has burned some more records of cases under investigation.

I have directed that the German loan of about \$14 million include not only parts like the Free Trade Zone, San Fernando & Union but also the conversion of Zamboanga Airport into an International Airport as the flow of plane traffic seems to be Tokyo, Hongkong and Bangkok, Manila, Zamboanga (if DC-8's can land there) Bali, Australia, New Zealand, Fiji Islands, Honolulu and San Francisco, Los Angeles.