



## APPENDIX 5.15

### CONFIDENTIAL MEMO FOR FERDINAND MARCOS FROM ARTURO TANCO ON RICE CRISIS, 16 JULY 1973

In his 1968 state-of-the-nation address, Ferdinand Marcos claimed that the Philippines had achieved rice self-sufficiency. This claim would be reiterated in 1976, about three years after the Masagana 99 program was launched, e.g., via Marcos's Letter of Instruction No. 405, s. 1976. In between happened one of the country's worst rice crises, which, as the following document shows (corroborated by Smith 1989, 69-71), was due largely to numerous natural disasters. In the following, it is implied by Tanco that the president had not been completely honest to the public about the gravity of the rice shortage. Indeed, in a speech titled "The IRRI: A Force for Modernization," delivered on 21 April 1972, Marcos claimed that "except for the last 2 years when our rice fields were decimated by typhoons and tungro, we have maintained a respectable level of rice production."

#### *References*

Marcos, Ferdinand. 1972, April 21. "The IRRI: A Force for Modernization." <http://www.officialgazette.gov.ph/1972/04/21/messages-of-president-marcos-the-irri-a-force-for-modernization-april-21-1972>.

Smith, Kenneth. 1989. "Palay, Policy and Public Administration: The 'Masagana 99' Program Revisited." *Philippine Journal of Public Administration* 33 (1): 69-96.

#### *Source*

Presidential Commission on Good Government Files (through Meynardo Mendoza and the National Historical Commission of the Philippines), Roll No. 24, File Nos. 1001-03.

**MEMO FOR THE PRESIDENT**

1973-07-16

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**FROM: The Secretary of Agriculture and Natural Resources****PRIVATE & CONFIDENTIAL****RE: RICE CRISIS****GRAVITY OF THE SITUATION**

As predicted in our previous memoranda\*, I would like to call Your Excellency's attention to stark realities of the present rice crisis:

1. The total of present rice stock, committed imports, and palagad harvests only amount to a total supply of twenty-six (26) days for the whole country from 16th July.
2. Because of the timing of imported rice arrivals and distribution inefficiencies, the 26-day supply will not be continuous. There will be days when there will be no rice at all, beginning 31st August. Annex "A" shows this.
3. The bumper corn crop, deducting supply attributable to pure corn eaters, will only add another 36 days to the country's cereal supply -- whether eaten as corn or as a mixture of rice and corn.
4. Although BOI Chairman Vicente T. Paterno and I sometime ago succeeded in having the flour millers stock wheat to full bin capacity, the maximum milling capability in the country will only give us 2,700 tons per day or about 25% of daily rice consumption of about 10,000 to 11,000 metric tons per day. This will give us another 24 days of bread or noodle supply.
5. As His Excellency knows, seven weeks ago, the First Lady, through Secretary Drilon, launched the Green Revolution into root crops and "saging na saba." This should literally start bearing fruit beginning next week. The net effect on cereal supply, however, is unquantifiable as of now. This will clearly help prevent actual physical starvation when combined with rice, corn and wheat supply but we cannot give the exact dimensions at the moment.
6. Masagana 99 plantings will not help alleviate this current crisis. It takes a minimum of 110 days to grow rice, and since we launched it only last 21st May and rains have come only recently in many parts of the country, we expect the bulk of harvesting to begin in mid-October at the earliest. This means that we have to tide ourselves over at least 90 days from today.
7. In sum, we only have a total quantifiable cereal supply (rice, corn, wheat) of about 85 days compared to 90 days before Masagana 99 starts coming in. This, however, assumes a perfect distribution

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\*Please see attached memos dated  
30 October 1972, 5 February 1973  
and 4 May 1973.

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system. His Excellency will readily see that the situation is very tight indeed.

**WHAT WE ARE DOING**

Following His Excellency's instructions and authorizations, we are doing the following:

1. Jess Tanchanco is working feverishly to straighten out the rice distribution system.
2. I have worked out a schedule of corn procurement which, beginning 20th July will give us 43,000 cavans per day of corn until end-July and 75,000 cavans per day beginning August. The net effect of this will be to supply the corn eating population continuously while buying another 33 days for the rice-eating population, as mentioned above. Based on the powers delegated to me by Your Excellency, I am mobilizing the whole government toward corn procurement.
3. I am asking Chairman Paterno to ensure maximum flour-milling output so as to supply 2,700 tons per day of 243,000 metric tons from July 16th until October 16th. This will give us another 24 days of cereal supply.
4. I presume that Jess Tanchanco is pursuing, in consultation with Your Excellency, every possibility of additional rice imports.
5. We are relentlessly pursuing the Masagana 99 program so as to ensure rice availability by mid-October.

**THE IMPERATIVES OF THE SITUATION**

Given the imminent danger of cereal shortages, and in the light of the forthcoming Referendum, the situation is critical indeed.

It will not be solved by continous pronouncements that we have "enough rice." This is becoming counter-productive, especially in areas where there is no rice.

Neither will it be solved by action against "hoarders" or by an improvement in the distribution system. No amount of marketing efficiency or anti-hoarding actions will suffice in the light of an actual supply shortage. The stark reality is that we do not have enough rice, and that we have barely enough rice, corn, wheat and root-crops to pull us through the critical 90-day period.

What we need now, above all else, is for His Excellency to use this crisis as an instrument to weld the people together so as to be able to confront this crisis squarely.

I am suggesting, Mr. President, that we can turn this crisis into an opportunity for the people to realize that your leadership is indispensable

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to national survival at this particular time. They have no one else to turn to.

What is needed now is the highest order of statesmanship. By telling the people the truth -- that we contracted enough rice, but world shortages have caused Thailand and the U.S. to cut exports -- we not only emphasize the danger but at the same time provide them with the leadership that they so desperately need now.

If His Excellency concurs with this analysis and this recommendation, I recommend:

1. a concerted media campaign to emphasize to the people the causes of the shortage (floods and worldwide drought); and,
2. preparation of a Presidential statement to be made at the proper time.

  
ARTURO R. TANCO, JR.