



APPENDIX 5.16

CONFIDENTIAL CABLE FROM THE US EMBASSY IN MANILA, “MARCOS DELIVERS MAJOR ECONOMIC POLICY SPEECH WITH MINOR RESULTS,” 22 NOVEMBER 1976

Part of Marcos's mystique is his oratorical prowess, which seems to have more resonance among his (online) admirers than his writing skills. YouTube videos of him addressing audiences in straight English may partly account for that. However, this cable shows that Marcos was not always the electrifying speaker his loyalists project him to be. At one point, according to Ambassador William H. Sullivan, “[even] an obvious effort by cabinet members present to stimulate applause fell so flat, Marcos felt obliged to make a joke of it.” Moreover, this cable shows a growing perception that Marcos does not have particularly novel economic policies despite his Third Worldism/New Society rhetoric.

Margaret P. Grafeld Declassified
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Action EB-07
Info Oct-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 DODE-00 PM-04 H-02 L-03 PA-01 PRS-01 OES-06
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INFO AMEMBASSY SINGAPORE

AMEMBASSY JAKARTA

AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

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E.O. 11652: NA

TAGS: ECON, RP

SUBJECT: MARCOS DELIVERS MAJOR ECONOMIC POLICY SPEECH WITH
MINOR RESULTS

1. SUMMARY. PRESIDENT MARCOS DELIVERED WHAT WAS BILLED AS A "MAJOR ECONOMIC POLICY SPEECH" TO A BORED AND UNRESPONSIVE AUDIENCE AT THE CLOSING CEREMONIES OF THE ANNUAL CONVENTION OF MANUFACTURERS AND PRODUCERS ORGANIZED BY THE PHILIPPINE CHAMBER OF INDUSTRIES. HE REHASHED THE CURRENT PHILIPPINE DEVOTION TO THIRD WORLD RHETORIC AND THEN CALLED FOR AN INCREASE OF NON-TRADITIONAL MANUFACTURED EXPORTS VS. UNPROCESSED RAW MATERIALS. HE WAS LOQUACIOUS, BUT NOT PARTICULARLY DIRECT, IN RESPONDING TO A PETITION PRESENTED TO HIM BY THE CONVENTION DETAILING REAL NITTY-GRITTY PROBLEMS THE BUSINESSMEN FACE IN INCREASING EXPORTS. THE THREE HOUR MARATHON (FIVE HOURS FOR THOSE WHO CAME ON TIME) WAS A FINE EXERCISE
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Figure 1. A copy of the declassified cable.

Source: US Department of State. 1976 22 November. "Marcos Delivers Major Economic Policy Speech with Minor Results." Document number 1976MANILA18203, film number D760433-0792. <https://aad.archives.gov/aad/createpdf?rid=277138&dt=2082&dl=1345>.

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Subject: Marcos delivers major economic policy speech with minor results

1. Summary. President Marcos delivered what was billed as a “major economic policy speech” to a bored and unresponsive audience at the closing ceremonies of the annual convention of manufacturers and producers organized by the Philippine Chamber of Industries. He rehashed the current Philippine devotion to third world rhetoric and then called for an increase of non-traditional manufactured exports vs. unprocessed raw materials. He was loquacious, but not particularly direct, in responding to a petition presented to him by the convention detailing real nitty-gritty problems the business-men face in increasing exports. The three hour marathon (five hours for thos [sic] who came on time) was a fine exercise in theatre, but did not change Philippine economic policy one iota, and did not improve the dialogue between the government and private sector. But then, no one was hurt either, and they will meet again next year. End summary.

2. President Marcos struck a flat and unresponsive chord when delivering what was billed beforehand as a “major economic policy speech” at the November 19 closing ceremonies of the 23rd annual convention of manufacturers and producers. Sponsored by the Philippine Chamber of Industries. His audience was strictly the private sector, representing small, medium, and large scale industry.

3. No new directions were forged, or solutions to existing problems offered. Of some significance was Marcos’ flat statement that the Philippines cannot attack its trade deficit by curtailing imports. He accepted as inevitable an oil price increase in December and added that increased capitl [sic] goods and raw materials imports will be needed to achieve projected economic growth levels. Marcos stressed that the Philippines continuing trade deficit can only be solved by increasing non-traditional exports, especially in manufactures, and processed and semi-processed raw materials. He said that while traditional exports will remain important, they represent 81 percent of first half 1976 exports, the Philippines cannot continue to depend on raw material exports because commodity prices are volatile and stacked against the

third world by the developed world. After a heavy lunch, this statement of accepted truths left the audience nodding.

4. Indeed, how words were met by thundering silence as Marcos reiterated again the Philippine commitment to the Group of 77, the Manilla [sic] declaration, UNCTAD IV resolutions [sic], a new world economic order, and the non-aligned nations. Even an obvious effort by cabinet members present to stimulate applause fell so flat, Marcos felt obliged to make a joke of it.

5. What the delegates had really come to hear was Marcos' response to the convention's petition [sic] to government for concrete measures on nuts and bolts issues that would facilitate exports. Their grievances include disincentives to exports created by tax and tariff systems, particularly import taxes on raw materials for manufacture of exports, central bank marginal deposit requirements [sic], travel restrictions [sic], ineffectiveness of department of trade promotion activities, and general bureaucratic foot-dragging in processing any documentation dealing with imports and exports.

6. Marcos went down the list of businessmen's grievances in true majestic fashion stating, "I hereby direct secretary Quiason (Trade) to give me a report on such and such," and, "I hereby direct secretary Sicat (NEDA) to make a study of such and such", etc. etc. He then invited the PCI board to bring the businessmen's problems to him on a regular basis rather than waiting for an annual convention.

7. The only pronouncement to strike a responsive chord in the audience was Marcos' comments on the Bureau of Customs in the above context. Comments like, "the Bureau of Customs is a sticky thing, I always get indigestion [sic] when I think of it," and "nothing impresses me in the Bureau of Customs," drew appreciative laughter. And his statement, "I will not rest until I clean up the Bureau of Customs" was the only line in the entire monologue [sic] to draw applause. Significantly, this was the one proclamation of the entire speech that was picked up and headlined in the local press the next day. (a measure of the dearth of real substance in the speech.)

8. There are three other Marcos passing comments that are worthy of note. He announced that the [sic] Philippines had asked for renegotiations of the contracts with U.S. sugar firms which cover exports [sic] of 1:35 [sic] million tons of sugar (reported Septel). He didn't elaborate. He related potential future oil price increases to projected production costs of \$16/barrel in the U.S. north slope fields, and the north sea. He said, "it will be the developed countries

themselves that permit oil price increases.” OPEC was not mentioned at all. And, in discussing the government’s future role in export development, he said that the private sector can expect to see the Philippine international trading corporation, the state trading house first established to trade with communist countries, play an increasing role in export promotion and management and cited the recent RP/Brazilian agreement on copper as an example.

9. Comment. It has often been said that the new society gains a great measure of its stability from the support of the business sector. In this exercise, emboffs present received the impression Marcos was a bit too cavalier, and didn’t focus on the businessman’s real problems to the extent the PCI board and membership would have looked. The pronouncement that the speech was to present a major policy initiative was inaccurate. The membership left the hall resigned to business as usual. It was very evident Marcos did not win any new converts to his third world policy. End comment.

Sullivan

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