11.30 PM

2163

June 28, 1972

Wednesday

MALACAÑAN PALACE
MANILA

The domestic sugar situation is deteriorating as there is no supply so the prices are high. The PCC (Price Control Council) cannot seem to do anything.

So I went there with Tony Roxas Chua and Peding Montelibano who has said in the hearings of the PCC that if they do not increase prices then they (the PCC) can look for their own sugar, rather arrogantly everyone says.

Dr. Zahedi, the Asian IMF director has come to say goodbye as he retires from the IMF with the hope that he will be appointed as an Asian consultant.

He congratulates us for having not devalued but floated the peso anticipating the dollar and the pound.

The EEC has decided not to float their currencies.

And he believes the U.S. economy will improve this year although the prices are still up.

The Filipinos are adept in the recovery from calamity.

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June 28th (Cont'd)

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The U.S wants the surplus countries to participate with the deficit countries like the U.S to ~~p~~ settle the imbalance of trade. The surplus countries want a settlement of monetary policy first — the devaluation of the dollar. The U.S. wants a settlement of trade policy first so the surplus countries like Japan and Germany can sell less and buy more (with less surplus) Japan now has a reserve of $10 billion and Germany $7-8 billion.

Who will break the vicious cycle?

The U.S. has about $70 billion outside the U.S. with only $10 billion in gold to back them up.

The IMF has recommended SDR (Special Drawing Rights) for this amount for the U.S to repay over 15-20 years.

But this amount of $70 billion is in the hands of Americans through multinational corporations which has lent the money out through the money centers.

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June 28th (Cont'd)

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Reviewed the Reparations Program.

Met the congressmen.

Studied the needed political and economic reforms.

Land Reform must be supported by more taxes on inheritance & income.

But industrialization must be pushed