

The Economic Club of New York

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Her Excellency, Corazon C. Aquino  
President of the Republic of the Philippines

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Introduction

Moderator

Ladies and gentlemen, while dinner is being served we are going to try and introduce the dais in order to save some time. (NAMES NOT TRANSCRIBED)

Joseph Seghezzi(?)

President, Philippine American Chamber

If you would all take your seats please, thank you. Thank you very much. On behalf of the Philippine American Chamber of Commerce we are pleased to be joined by The Economic Club of New York at this very important function. This is the 8<sup>th</sup> President of the Philippines that the Chamber has the honor of hosting in New York. At this time I would like to give a special word of thanks to Mr. George Peabody and Ms. Jane Carroll for their excellent work, their inputs for tonight's function. (Applause) It has been said recently that the Philippine American Chamber of Commerce was pro the previous administration. As a Chamber we hold no political position. Our purpose is to further investment, trade and friendly relationships between the United States and the Republic of the Philippines. Whether we like it or not, in the context of political process, President Corazon Aquino is a revolutionary. An internal revolutionary, but similar to a George Washington or a Simon Bolivar. She overthrew an entrenched government (Applause) she overthrew an entrenched government, starting originally without popular support, a political base

or adequate funds. She ignited the hearts and the spirits of the Philippina people. She had no right to win, she had no right to try, she had everything to lose and nothing to gain. Why did she do it? Revenge—no. It is quite clear from her attitudes and policies that this was not her motive. She did it, I believe, because it had to be done and no one else but Corazon Aquino could have changed the system. As it is done with people power and under democratic process of the vote of the election, we can say to ourselves, great job Cory, we can wave yellow ribbons, we can say that a free democracy now rules the Philippines and go back to Gramm-Rudman, the falling dollar, the World Series and the National Football League and figure the Philippines is no longer a problem. Well we were wrong. There is one hell of a problem. The economy needs to be brought back on its feet, the Treasury is empty, the people are under-employed. So we sit here tonight and feel very proud to be near this very heroic person, but let us not forget the nation, the Philippina people, desperately need our investments, our loans, and yes our prayers. Ladies and gentlemen, we proudly present, her Excellency, the President of the Republic of the Philippines, Corazon C. Aquino.

Her Excellency, Corazon C. Aquino

President of the Republic of the Philippines

Good evening, dear friends of the Filipino people. Since I have come to America to talk to the private sector as well as to your government, it is not only a pleasure to be here tonight but a need as well. I suspect there are two thoughts, uppermost in your minds tonight; curiosity about

the unlikely looking revolutionary you see before you, and concern how a People Power Revolution can be a good basis for business. You may feel that while what happened in our revolution was true to American ideals, we remain a political risk. One woman's people power could be another man's mob. You watched in suspense and sympathy the birth of a new Philippines. But you wonder now how it will grow up. So though you share our hopes, yet as experienced observers of risk, you know how unstable post-dictatorship governments can be. So tonight you are looking for reassurance from me. Your hearts are with us, but your minds are still uncertain. Well, I think I can reassure you. But I want to do more than that. I want to describe a new vision of the Philippines rising like a Phoenix from the dust and ruins of a 14-year old tyranny. It is a vision of a Philippine strong in faith, united behind its political leadership and thus able to fashion a dynamic economy.

Once the second wealthiest Asian country after Japan, we have since plummeted off the charts. We call our economic malaise Crony Capitalism. You would call it State Capitalism. Neither phrase captures its essence. It was plain theft, plain, but incredible. (Applause) Only a tiny fraction of the \$26 billion Mr. Marcos borrowed actually ended up in productive, local investment. You have heard of capital flight, my predecessor broke the sound barrier with a cargo plane. (Applause)

When we went to the polls and then to the streets, to oust a discredit regime, we were fighting for many of the same economic goals that business America has embraced in recent years. The same

objectives that have marked the Reagan revolution here, getting government off the backs of people and out of the pockets of business are behind what we hope will prove to be a second or economic revolution. (Applause)

Now I don't want to overdo the parallel, our revolution was rooted in the religious, political and cultural context of the Philippines. Although religion is a strong force in your national life, I doubt you would call your revolution a miracle. We believe ours was, for there is no other explanation for unarmed people standing against tanks and guns. Nor do I expect you to understand the depth of our nationalism. A lot of what is now happening in our country is about recovering our self respect. It would be hard for a proud and independent nation like yours which has never suffered tyranny to imagine the sense of degradation we Filipinos have felt in recent years. This faith in ourselves, which was reborn along EDSA is essential to our economic recovery. Don't let it make you nervous. You only have to look at Japan, Korea, Singapore and Indonesia to see that a strong nationalism was the inspiration to success.

What you now see in us is a nation experiencing a rebirth of pride and freedom. To a puzzled outside world we may appear at times to be a trifle intoxicated with freedom. The changeover seems confused. But in fact, we enjoy more stability than we had when our country presented the monolithic facade of a dictatorship to the world. Behind that facade an armed insurgency grew from a mere 500 to over 16,000 and its 14-year old dictatorship fell to a three-month siege of peaceful people power. Now government in the Philippines has recovered legitimately and can

pursue a credible twin track policy towards the communist; the olive branch of negotiations and the insurance of military reform.

The Filipinos believe in their government and are committed irrevocably to democracy. Over the past 14-years we learned a hard lesson; nothing is worth trading our freedom. It is this underlying stability that should reassure you. Do not be misled by the froth and antics of a handful of malcontents in Manila. We are moving forward steadily and on course. We have restored integrity to the Supreme Court and honor to the armed forces. The draft of a new constitution is about to be completed. A plebiscite is next and national elections after that. All in the next six months.

Like you, we too, are cutting back on the role of government. We too, are putting faith in the private sector. But the costs of doing so are high. Two-thirds of our nation live beneath the poverty line. The remaining one-third requires government to set up the basic conditions for entrepreneurship and industry. For ours, unlike yours, is not a land of virgin promise, amber waves of grain, and fruited plains, but a country emptied of hope and stripped of its riches. But, we still have our respect for one another. Our people is our greatest asset and our new economic order will be built on basic human values and rights. There will be no trading of freedom for prosperity.

This common path we are treading as two proud and independent nations, give us a basis of

friendship that we have rarely had before. Mutual respect. And it is on this basis that my message to you is made tonight. Invest in the Philippines. Not because we need your money, although we clearly do, not because our people are poor, although they are, invest in the Philippines because it is to our mutual advantage. (Applause)

Ours is an English speaking, educated cost-efficient labor force. Others took away our price advantage, now we are getting it back. Our wealth risk on a renewable natural resources are agricultural abundance, despite the past neglect of the sector, and on a high level of human skills, that have shown a remarkable capacity to innovate, copy, and move quickly into new markets and products.

The escape from the oppressive labor laws of the dictator have resulted quite naturally in more strikes than in the previous seven months. But these were settled more quickly. Why? Because the political consensus that underlies good labor relations has been restored. Filipinos believe in their country again. So what we now have in the Philippines is a committed workforce and a free one. One which understands that it must deliver a competitive cost advantage over its international competitors. The astounding victory during our February revolution, where we stood against tanks with our children around us, tells us that the country can now politically afford a liberal decentralized economy. At every level, this confidence factor is telling in our favor. Our international reserves have nearly doubled the past six months. The peso has stabilized against the dollar. The foreign exchange black market has virtually vanished, and there

is a positive GNP growth rate for the next year. The IMF expects “a substantial recovery of 6 to 7%”. That will be a dramatic turnaround, but my economic ministers will tell you that, that is just the beginning.

Another business opportunity is to be found in our idle or underutilized productive capacity. As the government gets out of business, there is some \$7 billion of idle and underused assets to dispose of. I invite you to join us. We have fair and clear guidelines about foreign investment. I am keen to encourage joint ventures because this seems to me the way to insure the long-term acceptance of foreign investors.

We have sectors like public utilities, where like any independent country; we wish to preserve full Filipino control. But there also remain pioneer and export oriented sectors where we give an equally warm welcome to 100% foreign ownership.

In conclusion, allow me to restate briefly and clearly what are our three main areas of concern. First, outright assistance. We badly need what you call in business, startup costs. And we badly need funds to modernize our agricultural industry and provide jobs that will in turn energize our own local markets. I realize only too well, in view of your new tax laws how constrained your budget is. Can you, however, match our miracle with one of your own and help us get started.

(Applause)

Second, trade. All of the economists tell us, we must export. But export requires two things; money to produce and markets to sell in. Yet, almost everywhere we look the markets are closed to us.

Third, debt. As a sovereign nation we will honor all of our legitimate obligations. However, given the many national needs that we have to fill, it wrenches my soul to think of using 50% of our foreign trade income to service interest payments. The money remains on our back. That monkey is the only thing we ever saw from the \$26 billion. (Laughter and Applause)

Our own economists and financiers have proposed an idea that is worth considering. We will put the debt to work by allowing investors to buy discounted Philippine paper and use it at full value for peso equity in the Philippines. Earlier I used the image of the Phoenix, the mythical bird that dies only to rise again, more brilliantly from its own ashes. Out there on EDSA when my people placed their bodies against the tanks, when a single curse, a single act of violence, would have pushed us beyond recall and forgiveness into calamity, our nation experienced a kind of death and rebirth. We died to our fears and were reborn to courage. And thereby recovered our freedom. We face our future with confidence because we are moving towards it with courage. This quality is not unknown to American enterprise. Nor is the attraction of a great challenge with a surety of success that courage gives. I invite you to join us in meeting the challenge of Philippine recovery and progress. Thank you and goodnight. (Applause)

Joseph Seghezzi: Well we heard about a miracle from the miracle worker. (Laughter) The message, Mrs. President, that I get is a challenge to us in this room and the challenge to American business in all of the cities around this country, to participate with you and I think it is a challenge that you put to us, and I think it is up to us as friends of the Philippines, a country that shares our ideals, a country that has been reborn through the courage of one woman. We will do our best and God bless you and the Philippines.

Moderator: Mrs. President, you are one great lady. You have won the hearts and the minds of the people of this great country. I now listening to you this evening understand how it was that you earned that \$200 million honorarium in Washington. I hope that our investors in this room will match it. (Applause) It has been a great privilege to have you here. I hope you have enjoyed the evening, we certainly have. Now as in keeping with our custom, we will let our speaker go free, I have peeked at her schedule and I know she needs the time to prepare for another hard day in Boston tomorrow. So I will ask all of you, please, in the interest of security, which is very important, will you please remain in place while President Aquino leaves the ballroom along with her party. And for all of us, thank you and good evening. (Applause)

END OF MEETING