

# Proclamation No. 2045, s. 1981

Signed on [January 17, 1981](#)

**Malacañan Palace**

**Manila**

## **PROCLAMATION NO. 2045**

### **PROCLAIMING THE TERMINATION OF THE STATE OF MARTIAL LAW THROUGHOUT THE PHILIPPINES**

WHEREAS, by virtue of the powers granted under Article VII, Section 10, Paragraph 2 of the 1935 Constitution, the President of the Philippines promulgated Proclamations Nos. 1081 on September 21, 1972 and 1104 on January 17, 1973 placing the entire Philippines under Martial Law in order to protect the integrity of the Republic from lawless elements then conspiring to seize political and state power by means of anarchy, rebellion and secession;

WHEREAS, the ultimate objective of Proclamations Nos. 1081 and 1104, beyond repelling the threat to the government, was to remove the causes of popular grievance which had accumulated through decades of neglect and oppression and given rise to discontent, chaos and violence, and thereby reestablish democracy, restore individual rights, and promote the welfare of the Filipino people;

WHEREAS, on submission of the government itself, the constitutional validity of Proclamations Nos. 1081 and 1104 and acts done pursuant to them have been litigated before the Supreme Court which subsequently affirmed their validity, thereby strengthening the tradition that ours is a government of laws and not of men and that even the government is subject to law;

WHEREAS, anarchy has been successfully checked;

WHEREAS, the leftist-rightist rebellion has been substantially contained, its ranks reduced to disorganized bands alienated from the people;

WHEREAS, the secessionist movement has been effectively overcome with the signing of the Tripoli Agreement on December 23, 1976, the signing of cease-fire agreements in Tripoli on December 23, 1976 and in Zamboanga City on January 29, 1977, and the establishment of autonomous governments in Region IX and Region XII, and on account of all these manifestations of goodwill and concord more than 37,000 former secessionist rebels have reciprocated the sincerity of the martial law regime by supporting the reforms of the New Society and participating constructively in political, social, economic, cultural and spiritual development;

WHEREAS, in pursuit of its long-range goal of recovering the substance of democracy, restoring individual rights and promoting the welfare of the Filipino people, the government has successfully waged a Democratic Revolution founded upon a series of reforms, as follows:

1. Land reform, which has liberated 523,153 farmers from the shackles of tenancy and transformed land ownership from a system of exploitation to a self-reliant and creative act, so that the income of the Filipino farmer has increased twofold in some areas, threefold in others, a condition altogether different from the times when land reform legislation repeatedly failed because Congress was controlled by landowners, giving rise to the Hukbalahap uprising.

The land reform decree in one sweep eradicated the centuries-old condition of the typical Filipino farmer which virtually imprisoned him in indebtedness handed down from one generation to another and converted him from a mendicant to a self-assured and dignified individual. Part of this new life granted to the farmer was the capability granted to him for self-reliance, liberating him from the tentacles of usurious landlords by limiting payments for the land allotted him by the latter to a part of the harvest. The New Society also extended the newly liberated farmer credit without collateral and gave him irrigation, farm-to-market roads, the assistance of technologists, subsidized fertilizer and pesticides, a guaranteed and established minimum level of price for rice and other cereals under the National Grains Authority (now the National Food Authority), a policy responsive to changes in the economic situation.

2. Political reform, including a reorganization of the government, which has retrieved from the ancient past the Filipino concept of the barangay as the basic unit of community development and political action; set up the Tanodbayan and the Sandiganbayan as the people's instrument against corruption in government reorganized the prosecution service, and, through the Batasang Pambansa, is now in the process of reorganizing the judiciary; elevated the quality of the civil service through professionalization, training and better incentives to excellence in the form of increased salaries and improved working conditions.

Reflecting the spirit of reform was the passage of the new Constitution by a convention that opened in 1970, its ratification at barangay assemblies on January 17, 1973, its weathering of close scrutiny by the Supreme Court which declared in its decision of *Javellana vs. The Executive Secretary* (50 SCRA 141) that "there is no further judicial obstacle to the new Constitution being considered in force and effect," and its further formal ratification on July 27, 1973, by free and secret ballot in a plebiscite conducted under the control and supervision of the Commission on Elections.

The Constitution, although passed and ratified after the promulgation of martial law, contained principles of government which were conceived and approved by the constitutional convention before Proclamation No. 1081 was issued. Among these basic tenets which preceded the declaration of martial law was the parliamentary system into whose full implementation the government is now moving.

The new Constitution authenticated several expressions of popular will which followed its ratification, including referenda and plebiscites (July 27, 1973; February 27, 1975; October 16, 1976; December 17, 1977) conducted to determine whether the people wanted the incumbent President to continue in his position, and whether or not the incumbent President should, in accordance with Amendment No. 3 of the Constitution, also exercise the powers of the Prime Minister after the organization of the Interim Batasang Pambansa (National Assembly) and successive elections, starting with the election of members of the interim Batasang Pambansa on April 7, 1978, followed by the election of the members of the Sangguniang Pampook of the autonomous regions of Mindanao, Region IX and Region XII, and finally the elections of local officials on January 30, 1980.

A sustained program of action against corruption, started even before the Tanodbayan and the Sandiganbayan were organized, has enabled the national leadership to rid the government of undesirable elements. The present administration is the first one in which an anti-graft campaign has been successful; cases have been filed and officials punished. In the military 8,884 — more than 9,000 including members of the Integrated National Police — have been punished for abuses they had committed. The Tanodbayan, in its zeal to perform its responsibility, even initiates investigations of officials and employees on the basis of mere anonymous complaints.

Under the martial law government legitimate political dissent received full protection, although constant vigilance has been exercised to protect the government and society from the inroads of subversion and violence. The care and attention given by the government to distinguish between legitimate political dissent and subversion or violence has promoted greater citizen awareness of the contribution they are expected to make to the peace, security and stability of the nation.

A widely accepted innovation in democratic government has been the election of representatives of the youth, labor and agricultural sectors in the Batasang Pambansa and in the Sanggunian, a system which permits three important segments of society to participate directly in legislation.

3. Labor reform, which produced a new Labor Code, introduced tripartite conferences of labor, management and government as a means of promoting industrial peace, and enabled the government to maintain the unemployment rate at 4.5 per cent, considerably lower than that of many other countries, including highly developed ones.

4. Economic reform, which has enabled the nation to maintain the momentum of growth at an average of 6 to 7 per cent from 1970 to 1980, a period wracked by repeated crises mostly generated by external factors, in contrast to the comparatively placid and prosperous decade of the '60s when the growth rate was below 5 per cent; converted the Philippines from a rice-deficient country (its last importation, in 1974, was \$500 million) to a rice-exporting country; enabled the nation to diversify its exports, from the four traditional items (consisting of sugar, coconut products, wood products and mineral ores which together comprised 80 per cent of our exports before 1966 and now constitute only 45 per cent) to a broad new range of products, including electronic items, semi-processed food and raw materials, garments, and cottage industry products; developed an accelerated energy program whose scope and robustness have been acknowledged by most member-countries of the United Nations as well as by recognized experts and scientists; undertaken a vigorous electrification program which has increased the number of rural households with access to electricity from 76,000 in 1972 to more than a million in 1980; in sum, produced these economic indicators —

a) The Gross National Product increased from P55,526,000 in 1972 to P192,911,000 in 1979 at constant prices or P269,781,000 at current prices;

b) The budget has increased from P5 billion in 1972 to P55 billion in 1981, governmental capital expenditures from a mere P0.9 billion in 1972 to P14.9 billion in 1979;

c) Collections of government from taxes have increased from P5.1 billion in 1972 to P36.6 billion in 1980;

- d) Per capita income has more than trebled from US\$214 in 1972 to US\$755 in 1979 — in 1972 the percentage of Filipino families with a family income of P1999 and below was 24.3 per cent while in 1979 it was reduced to 11.2 per cent, and those with family incomes of P30,000 or over increased from 5.0 per cent in 1972 to 12.8 per cent in 1979;
- e) Total exports increased from US\$1.106 billion in 1972 to US\$5.935 billion in 1980;
- f) Showing the stability of our currency, notwithstanding the fluctuations of the dollar, the rate of exchange of the peso to the US dollar has barely moved from the 1972 rate of 6.6710 to the 1979 rate of 7.3775;
- g) Savings and time deposits increased from P5.402 billion in 1972 to P49.116 billion as of September 1980;
- h) Effective minimum wage increased from P4.75 daily in 1972 to P23.30 – P24.70 in 1980;
- i) Gross domestic investment increased from P11,573 million in 1972 to P78,198 million in 1980, while gross national savings increased from P11,679 million in 1972 to P62,395 million in 1980;
- j) The debt service ratio has been reduced from 20 per cent of foreign exchange earnings in 1972 to 18.7 per cent of foreign exchange earnings in 1980;
- k) The international reserves were increased from US\$282 million in 1972 to US\$3.1 billion in 1980;
- l) The inflation rate has been contained at less than 15 per cent, which is very much below the inflation rates of most countries, which range from 20 per cent to 25 per cent;

The economy gained incalculable benefits from the roadbuilding program, which has built 65,972 kilometers of highways from 1969 to 1980, compared to the 84,722 kilometers built between 1900 and 1965, as well as from the accelerated program of irrigation, which has produced irrigation systems for more than 1,300,000 hectares as of 1980, in contrast to the systems built from 1900 to 1972, which could serve no more than 600 thousand hectares.

Under the New Society, foreign loans have been rationalized. Short-term loans, which comprised 90 per cent of foreign borrowings under the previous administration, were converted to long-term loans. These foreign loans are not made to support ordinary or current expenditures, instead are utilized exclusively for capital expenditures aimed at productive enterprise. They are therefore self-amortizing and self-regenerating.

Before the administration of the incumbent President, the credit standing of the Philippines was notoriously low, so much so that the World Bank was not willing to lend more than \$40 million a year. During the present administration, the Philippines has become so dependable as a borrower that the World Bank has been willing to lend \$500 million at any single time, indicating the competence and stability of the Philippine government, which has never been delinquent in its payments. In the previous administration the government could hardly borrow any amount in view of its inefficient handling of borrowed funds, lack of coordinated economic planning, and the hazy

policies of leadership. Aggravating the situation were government threats of confiscation of private enterprise.

We have increased the direct taxes. Before 1965, only 1.5 million tax payers filed income tax returns; in 1980, 5 million tax payers filed returns. The corporate tax was also increased by 5 per cent to 40 per cent. Indirect taxes have been reduced comparatively and even suspended when the situation required. Incentives to new industry are of this class. The indirect taxes are so structured that higher taxes are imposed on luxury goods, these being the items desired by the rich or are normally available to them. The government protects the welfare of the poor by imposing very low taxes on essential items. This is evident in food items and in crude oil products — low taxes are imposed on diesel and industrial fuel, higher taxes on gasoline.

The taxes have been altogether moderate. In other countries, taxes collected constitute from 17% to 25% of the gross national product. In the Philippines, taxes are only 14 per cent of the GNP.

Also in line with our commitment to promote the welfare of the poor, we have deliberately controlled the prices of 15 essential items. We have set up the Kadiwa Centers of the Human Settlements ministry and the National Grains Authority to bring down prices even more. A massive food production and supply system has been established under a new corporation, the National Food Authority, to which the NGA has been converted with a capitalization of P5 billion.

Underlying the economy is the basic policy to uphold private enterprise. We have never confiscated or nationalized private enterprise, and there is absolutely no intention to take this socialist course. The previous administration threatened to do so, that is why investments before the present administration were discouraged from entering the Philippines. The situation created by the threat of the past administration to confiscate or nationalize private enterprise was corrected with the organization of the National Economic and Development Authority and the Board of Investments.

Martial law provided the opportunity to install the requisite institutions for coping with the energy crisis now and in the future, starting with the formulation of a comprehensive, long-term program which has been singled out by the World Bank as a suggested model for Third World countries. The program includes the mobilization and recruitment of the critical manpower to undertake the various activities of energy exploration and development which made possible commercial oil production for the first time in 1979 and made the Philippines the second largest developer of geothermal energy by 1980; fuel processing and refining, planning and construction of the energy delivery logistics, power generation and transmission infrastructure, as well as research and development and diffusion of alternative energy forms and technologists to cover fossil fuels, biomass, energy farms, wind, wave, tidal and solar power, all the way to more energy-efficient devices, machines and appliances that should spawn rural energy systems.

The ultimate objective of our economic policy is a balanced agro-industrial economy. This is why we are shifting slowly to the 11 principal industries which are needed for the fulfillment of this objectives. We can therefore hope that in time we shall cease completely to import factories and heavy machinery and will instead engineer and fabricate them. We are even now in the process of gradually manufacturing automobile, heavy truck and diesel engines.

These 11 basic industries are in the process of being set up; copper smelter, phosphate fertilizer, aluminum smelter, heavy equipment industries, integrated steel mills, petrochemical complex,

diesel engine manufacturing, cement industry expansion, coconut industry rationalization, alcogas, and integrated pulp and paper.

5. The program for peace and order, which has eliminated the private armies of the Old Society, immobilized such lawless elements as the Light-a-Fire Movement, the April 6 Movement, and the Partido Nagkaisang Sosyalistang Demokrata ng Pilipinas, or SOCDEM; organized self-defense units in barangays to protect them, on a self-reliant basis, from criminal elements; and developed the PC-Integrated National Police as an effective professionalized force capable of maintaining peace and order, with the possible support of the Armed Forces of the Philippines in case this becomes necessary because of actual combat.

The vigorous and unrelenting quality of the peace and order campaign enabled the government to identify 250 criminal syndicates and apprehend or neutralize their members; to seize or collect 650,000 firearms of all classes, makes and varieties, including artillery, machine guns, assault rifles, tanks, armored cars, and the latest models of sophisticated armaments; to arrest and bring to trial more than 2,000 ordinary criminals long wanted under unserved warrants.

Both factions of a subversive organization were similarly dealt a heavy blow, one faction surrendering en masse to the President before and after the proclamation of martial law, and the entire leadership of the other faction being arrested and detained to face trial.

Following negotiations led by the First Lady, Minister Imelda R. Marcos, with the President of Libya, Col. Khaddafi, and the Quadrapartite Committee of the Islamic Conference, a settlement of the secessionist movement in the South was finally reached with the Moro National Liberation Front (MNLF), represented by its Chairman, Nur Misuari, who signed with our own representatives the Tripoli Agreement in Libya on December 23, 1976. The agreement provided for the organization of autonomous regions where Muslims reside, and for a ceasefire agreement, of which two were in fact signed, one in Tripoli also on December 23, 1976 and another in Zamboanga City on January 20, 1977, between Admiral Romeo Espaldon of the Southern Command of the Armed Forces of the Philippines and Dr. Tham Manjoorsa, authorized representative of the MNLF. A subsequent plebiscite led to the creation of two autonomous regions, Regions IX and XII, in Mindanao, where elections were held to choose the members of their respective regional assemblies or Sangguniang Pampook and members of their respective Executive Councils or Lupong Tagapagpaganap were appointed from those recommended by the said regional assemblies.

6. Educational reform, which has succeeded in reorienting the curriculum to the requirements of economic development, placing emphasis on vocational and technological skills in high school and science and engineering in college; provided a suitable atmosphere for the promotion of science and research, as shown in the studies and experiments conducted by the International Rice Research Institute, the new Institute of Plant Breeding, the recently organized Institute of Microbiology which seeks to employ the new science of recombinant DNA, and the Southeast Asia Fisheries Development Council (SEAFDEC), which has done intensive work for the full development of the country's fisheries potential, including the launching of "blue farming" or farming of the seas.

Greater support has also been given for the Science High School, and scholarships are being set up for science and engineering to promote the involvement of more talented Filipinos in these fields.

7. Reform in the social services, which has produced remarkable advances in nutrition, health and family planning. With respect to nutrition, we have developed in the space of less than three years a program on both the barangay and the national levels which has become a model for many countries, as the United Nations itself has acknowledge. At the core of this program is the day care center provided for in the Presidential Decree 1567 issued in 1978, which calls for the setting up of a day care center in every barangay with at least 100 residents. As of last year, 4,000 such day care centers have been established.

In the field of social security and social insurance, administered for the benefit of the public servant and his family, substantial improvements have been made through Presidential Decree No. 1146, as amended, which expands, increases and liberalizes social security and insurance benefits of government employees at a time when global economic conditions and realities have eroded the purchasing power of pensions.

The pith of the government's effort to provide social services is, however, the human settlements program which we commenced a few years ago and is now an acknowledged model for similar efforts in other countries. Into the human settlements program we have introduced the principle, the first country to do so, that livelihood is essential to its success, and that housing units, through the most visible evidence of progress in the skyline in both town and country, are merely a part of the whole human settlements program. With livelihood as the core of this program, we are able to assure that the acquisition of a housing unit by a family is truly meaningful. To carry out this objective, we set up the source of livelihood in a human settlement or teach skills that would provide income, and in this way enable the government to recover funds spent for housing and infrastructure and utilize these as self-regenerating funds for other human settlements.

Much of the success of the human settlements program will depend on our full and continuing compliance with the rational land use policy that we have adopted. This policy contemplates Manila as the starting point from which would then proceed the building of satellite cities in the outlying areas to prevent urban sprawl and all its attendant evils. The same policy commands us to maintain agricultural areas and desist from converting agricultural flat lands to housing and industrial sites. We are therefore now pushing for the establishment of housing and industrial sites on 18° slopes towards hillsides so as to make more rational use of the limited land space.

Another important element of the rational land use policy is the limitation and eventual stoppage of the exportation of raw logs and conversion to the processing of wood products. As a consequence, we have successfully kept 45 per cent of our land area of 30 million hectares as forests throughout the country. At the same time, we are even now slowly shifting from extensive to intensive agriculture and blue farming, or farming of the oceans.

Fundamental to all this is the recognition that we are principally a private enterprise society which knows the value of private initiative but which at the same time has an egalitarian base, inasmuch as the New Society is basically a revolution of the poor. By adhering to this concept, we should be able to prevent the misuse of wealth, such as by brutalizing and degrading those who don't have it.

The importance of the private sector, therefore, cannot be over-emphasized. The private sector is the cutting edge, the most active element, of change. The initiative of the private sector will thus be called upon in such crucial undertakings as zonification and the land use rationalization approved by the government.

WHEREAS, all these benefits and advances to which every man is entitled have been gained because of the order and discipline fostered by martial law, which was instituted with the full awareness that anarchy, such as existed at the time Proclamation No. 1081 was promulgated, is harmful to human rights, that it sweeps away human rights with its violence and lawlessness, making it impossible to provide the individual the tools and opportunities for his advancement and dignity or guarantees for his safety and comfort, so that the removal of anarchy becomes a condition to the protection and progress of every man;

WHEREAS, such progress wrought by reforms under conditions of peace and public order are merely a reflection of the profound transformation in the spirit of the Filipino, who as a consequence of the support and the challenge of the New Society has acquired the community spirit, a sense of belonging and a sense of pride in his community, his nation, his history and traditions, a sense of national identity that fills him with the resolve to stand his ground against any intruder;

WHEREAS, the Philippines has broadened its outlook and reached for larger horizons, in keeping with its new stature as a truly sovereign nation, discarding the parochialism of the past in favor of a world view that encompasses every nation that would reciprocate its goodwill, including socialist countries, and performing an important role in the organization of the Association of Southeast Asian nations, in the process gaining unwonted prestige in the international community, recently enhanced by its membership in the Security Council of the United Nations;

WHEREAS, the self-respect and patriotism reawakened by the New Society have been most evident in the country's complete political independence which the national leadership vividly and unequivocally demonstrated when it obtained the formal recognition by the United States of the sovereignty of the Republic of the Philippines over all military bases, including Subic Naval Base and Clark Air Base;

WHEREAS, as an essential part of the reforms accomplished by the New Society under martial law the Filipino people have given expression to their political will through free and voluntary participation in plebiscites, referenda and elections, achieved an unprecedented growth of the economy, a just and compassionate sharing of wealth, an orderly growth of human settlements and communities, a dignified and sovereign participation in international relations, and a flowering of Filipino art and culture;

WHEREAS, the Filipino people, having subdued threats to the stability of government, public order and security, are aware that the time has come to consolidate the gains attained by the nation under a state of martial law by assuming their normal political roles and shaping the national destiny within the framework of civil government and popular democracy;

WHEREAS, the experience gained by the nation under martial law in subduing threats to the stability of the government, public order and security, has enabled the Filipino people to rediscover their confidence in their ability to command the resources of national unity, patriotism, discipline and sense of common destiny;

WHEREAS, the government and the people are at the same time also aware that the public safety continues to require a degree of capability to deal adequately with elements who persist in

endeavoring to overthrow the government by violent means and exploiting every opportunity to disrupt the peaceful and productive labors of the government;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President/Prime Minister of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby revoke Proclamation No. 1081 (Proclaiming a State of Martial Law in the Philippines) and Proclamation No. 1104 (Declaring the Continuation of Martial Law) and proclaim the termination of the state of martial law throughout the Philippines; Provided, That the call to the Armed Forces of the Philippines to prevent or suppress lawless violence, insurrection, rebellion and subversion shall continue to be in force and effect; and Provided, That in the two autonomous regions in Mindanao, upon the request of the residents therein, the suspension of the privilege of the writ of habeas corpus shall continue; and in all other places the suspension of the privilege of the writ shall also continue with respect to persons at present detained as well as others who may hereafter be similarly detained for the crimes of insurrection or rebellion, subversion, conspiracy or proposal to commit such crimes, and for all other crimes and offenses committed by them in furtherance or on the occasion thereof, or incident thereto, or in connection therewith.

General Order No. 8 is also hereby revoked and the military tribunals created pursuant thereto are hereby dissolved upon final determination of cases pending therein which may not be transferred to the civil courts without irreparable prejudice to the state in view of the rules on double jeopardy, or other circumstances which render further prosecution of the cases difficult, if not impossible.

Pursuant to Article XVII, Section 3, Paragraph 2 of the Constitution, all proclamations, orders, decrees, instructions, and acts promulgated, issued or done by the incumbent President constitute part of the law of the land, and shall remain valid, legal, binding, and effective even after lifting of martial law, unless modified, revoked, or superseded by subsequent proclamations, orders, decrees, instructions, or other acts of the incumbent President, or unless expressly and explicitly modified or repealed by the regular National Assembly.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

DONE in the City of Manila, this 17th day of January, in the year of Our Lord, Nineteen Hundred and Eighty-One.

(Sgd.) **Ferdinand E. Marcos**

*Published in the Official Gazette, Vol. 77 No. 4 Page 441 on January 26, 1981.*

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