

# [ LETTER OF INSTRUCTION NO. 27, October 14, 1972 ]

TO: The Secretary of National Defense

Pursuant to Proclamation No. 1081, dated September 21, 1972, declaring a state of Martial Law, and in my capacity as Commander-in-Chief of all the Armed Forces of the Philippines, and considering -

1. That steel sheets and tinplates are critically essential for infrastructure projects, housing and many other activities, and the manufacture of foods and other products which are necessary for the daily existence of our people;
2. That the Iligan Integrated Steel Mills, Inc. was designed and intended to supply the bulk of the country's demands for steel sheets and tinplates, and yet it has stopped to operate since August 1971;
3. That the Elizalde Steel Company and the Elizalde Rolling Mills, Inc. while operating and producing steel products, are unable to meet the requirements of the steel market due to the limited capacity of their mills;
4. That the foregoing situation, if allowed to continue, will gravely disrupt the much-needed supply of steel products to the detriment of the public and the economy;
5. That the operations of the Iligan Integrated Steel Mills, Inc. and the Elizalde Rolling Mills, Inc. ought to be coordinated and geared towards the objectives envisioned in the Government's long-range economic program and reforms presently being launched;
6. That the acts of the Management of the Iligan Integrated Steel Mills, Inc. even after the submission of the case between the Government and IISMI to the Supreme Court and the Courts of Justice indicated that the IISMI disposed of property by fraudulent means, and that the funds or money earned was not properly accounted for, and neither were they applied for payment of obligations due the Government and the government-owned corporations;
7. That the ELIROL, on the other hand, when informed of the plan of the Government to take over the IISMI and the ELIROL, voluntarily offered to turn over the ELIROL and allow the Government to operate its mills;

IN VIEW OF THE FOREGOING, and in order to promote the general welfare and the defense of the State, you are hereby ordered forthwith to take over or Cause the take over of the management, control and operation of the Iligan Integrated Steel Mills, Inc., and the Elizalde Rolling Mills, Inc., for the duration of the present national emergency or until otherwise ordered by me or by my duly designated representative.

In the case of the Iligan Integrated Steel Mills, Inc., you are further directed to take all steps, means and measures necessary and essential for the resumption of the operations of the entire steel plant.

Done in the City of Manila, this 14th day of October, in the year of Our Lord, nineteen hundred and seventy-two.

**(Sgd.) FERDINAND E. MARCOS**  
President