

Philippines

186. Memorandum of Conversation¹

Washington, April 2, 1969.

PARTICIPANTS

President Marcos of the Philippines

Dr. Kissinger, Assistant to the President for National Security Affairs

Lindsey Grant, NSC Staff Member

U.S.-Philippine Relations

President Marcos introduced the question of U.S.-Philippine relations with the observation that the Philippines must be seen "not as a puppet, but as a friend." He said that it had caused him troubles when President Johnson had referred to him as his "right arm in Asia."

President Marcos said that, if the U.S. has problems in Asia, it should "tell its friends first" as to how it planned to meet them, rather than imposing solutions on Asia. Asked for an example, President Marcos cited the recent matter of Prince Sihanouk's overtures through the Philippine Ambassador for better relations with the U.S. Marcos had relayed the information through our Ambassador,² but had received no further response from the U.S. He had solicited U.S. views as to how to persuade Japan to take a more responsible military role in Asia, but had run into a blank wall.

Dr. Kissinger assured President Marcos of President Nixon's high regard, cited the need to be in continuing communication, and emphasized that if President Marcos ever has suggestions to pass to President Nixon, we shall look into them with care and answer them. He promised to look into the Sihanouk question and be back in touch.

Toward the close of the meeting, President Marcos reverted to the bilateral relation issue and reiterated that he wished to remain close to

¹ Source: National Archives, RG 59, Central Files 1967-69, POL PHIL-US. Secret; Exdis. Presumably drafted by Grant and approved by John P. Walsh (S/S). The meeting was held at the Shoreham Hotel. Philippine President Ferdinand E. Marcos was in Washington for the funeral of former President Eisenhower.

² Telegram 644 from Manila, January 20, reported Marcos' conversation with U.S. Ambassador G. Mennen Williams, and noted that the "President stated that he had been invited to make a visit to Cambodia and that the Cambodians wanted him to help improve relations with U.S." (National Archives, RG 59, Central Files 1967-69, POL 15-1 PHIL)

the U.S. but to “adopt a stance of independence.” He did not wish to be “in opposition, or disagreeable.” Dr. Kissinger agreed that we do not want satellites, and we want the Philippines to show themselves independent. We do, however, judge our friends in large degree by their actions. If the Philippines agrees with us on actions to be taken in the area, we do not much care about the superficial factors. President Marcos underlined that we agree on the need to oppose Communism, the common goal of security in the area, and the need to take effective measures to attain those ends. He said that the Philippines can help us with other Asians in pursuing those goals. He wanted U.S. military bases to remain in the Philippines both for their economic benefit and because there should be a U.S. presence in Asia.

In parting, President Marcos raised the Laurel–Langley agreement.³ He warned that the Philippines may strike very tough bargaining positions in the negotiations over the follow-on to Laurel–Langley. He asked for understanding, and said that some Philippine industries, such as sugar, will collapse if the preferential arrangements are not extended. The effect on the Philippine economy would be catastrophic. Dr. Kissinger remarked that President Nixon had instructed him to look into the matter, and he would do so.

Vietnam

President Marcos suggested that the Philippines could be more effective if it withdrew PHILCAG, which was proving very expensive, and concentrated on helping the GVN to develop an effective constabulary force. He observed that the Philippines has much relevant experience. The training programs could perhaps be conducted in the Philippines.

Dr. Kissinger mentioned that President Nixon has been interested in an improved constabulary operation for weeks. It should probably not be either incorporated in the military or run by AID. He wished to look into President Marcos’ suggestion.

President Marcos wondered whether General Valeriano, now resident in the States, might be a good person to take over the development of a constabulary.

Dr. Kissinger asked the President’s thoughts on possibilities for a settlement. President Marcos supported the idea that the South Vietnamese should work out their internal arrangements, and that the U.S. might be able to work out a satisfactory military withdrawal as the first

³ The Laurel–Langley agreement granted the Philippines preferential U.S. tariff treatment for sugar and other key exports. It was negotiated by Senator José Laurel as head of a Philippine economic mission sent to the United States in 1955 by President Magsaysay.

topic for the talks. He believed that Hanoi, which had thought that time was on its side, was beginning to have doubts. During the subsequent discussion, President Marcos asked whether the U.S. would be willing to withdraw, to which Dr. Kissinger said that we would not withdraw precipitately or unilaterally. The other side must also withdraw from Laos and Cambodia; then we will withdraw.

President Marcos remarked on a recent conversation with Vice President Ky; he said that Ky had shown himself "eager" to meet with the NLF leaders. Asked whether this reflects mistrust of us, President Marcos guessed that Ky may fear a U.S.–NLF deal without knowledge, but that this fear is probably transitory.

President Marcos asked pointblank whether there are any moves under way to promote conversations beyond the public ones in Paris. Who is doing it, and what are the prospects? Dr. Kissinger professed a lack of knowledge as to the initiatives of various parties, but said that the Communists are realists; if they believe it better to settle now rather than two years hence, they will settle now. Asked again whether there are private negotiations presently underway with North Vietnam, he said that there have been private meetings from time to time, but that there is not a continuing series going on now. President Marcos then suggested that there should be such talks, and that public talks in Paris would be useless without them.

Dr. Kissinger asked whether President Marcos felt that we were consulting sufficiently with him. The President said that consultation has been adequate so far, but that the time may be approaching for more consultations with Asian leaders. They must be private.

Japan

In answer to a question, President Marcos said that the Philippines would look favorably upon a Japanese role in regional military security, "*provided the U.S. were there.*" He had been interested in remarks which Kishi had made concerning the increase in the Japanese military budget and amendments to the Constitution. Marcos said that he was interested, and wondered whether there were a "new trend" in Japanese thinking. Dr. Kissinger indicated that he doubted that the Japanese were yet ready for a major expansion in their military expenditures.

187. Memorandum of Conversation¹

Washington, April 2, 1969.

PARTICIPANTS

President Ferdinand E. Marcos, Republic of the Philippines
James F. Rafferty, Special Assistant, AmEmbassy Manila

I had lunch with President and Mrs. Marcos on Wednesday, April 2. The President was in a jubilant mood. I hadn't seen him this elated in over six months. He felt his visit was a great success. Also he felt he had outmaneuvered his opponents (Magsaysay and Osmena).

Two important results of the trip according to Marcos were:

(1) He was convinced the U.S. and in particular the CIA was not consorting with his political enemies. I asked him point blank at lunch how his talks with the Director went.² He answered that he was convinced that there was no effort on CIA's part to undermine him. On the contrary he seemed to feel that he had the support of the Nixon administration. (Whether this present feeling that the U.S. is not working against him will continue when he returns to the political jungle of Manila remains to be seen.)

(2) He said he had an excellent talk with President Nixon.³ He said he advised President Nixon to use him in Asia and if he (Nixon) ever wanted to have an "Asian opinion" President Nixon could quietly check with him. At this point he indicated his severe displeasure with President Johnson's statement about him (Marcos) "that he (Marcos) was his right arm in Asia." Marcos said he was "still trying to live this statement down with his fellow Asians."

Marcos said he discussed Laurel-Langley with President Nixon. Marcos asked the President to extend these economic privileges beyond the expiration of Laurel-Langley. If these privileges were not

¹ Source: National Archives, RG 59, Central Files 1967-69, POL 7 PHIL. Secret; Nodis. Drafted by Rafferty on April 4.

² Helms met with President Marcos at the Philippine Embassy on April 1. According to an undated memorandum from the CIA to Richard K. Stuart (INR): "The meeting was arranged at Marcos' request with the knowledge and assistance of the Department of State." Marcos had come to the United States to attend President Eisenhower's funeral. He told Helms "that he had wished to discuss rumors of CIA involvement in internal Philippine affairs. The Director took the occasion to assure Marcos that the CIA was supporting no candidate for President of the Philippines." (Department of State, INR/IL Historical Files, Philippines 1969, 1970, 1971)

³ According to an April 7 memorandum from Walsh to Kissinger, to which this memorandum of conversation is attached, Marcos' meeting with President Nixon "was a private one and we have no U.S. version of the conversation."

extended Marcos believed the Philippine economy would collapse. Marcos stated that President Nixon agreed in principle that these privileges would be extended and that “things could be worked out.”⁴

⁴ According to a May 6 memorandum from Richard M. Moose of the National Security Council Staff to the State Secretariat, the “President has agreed that we should make sure that President Marcos understands that we have made no commitments to extend the economic preferences of the Laurel–Langley agreement after 1974.” Attached but not printed.

188. Memorandum From the Deputy Director for Coordination of the Bureau of Intelligence and Research (Trueheart) to the Director of the Bureau of Intelligence and Research (Hughes)¹

Washington, April 4, 1969.

SUBJECT

Philippines—Request by President Marcos for Direct Channel to CIA

At the regular EA/CIA meeting today (Brown, Godley, Wright, Duemling, and Trueheart present), Nelson reported on a meeting between Helms and Marcos which took place during the latter’s presence in Washington for the Eisenhower funeral. At this meeting Helms, responding to concerns expressed by Marcos, gave categorical assurances that CIA is in no way involved in the Philippine elections and would not be. He distinguished the present situation sharply from the Magsaysay period when CIA had helped out in the anti-Huk campaign. Marcos appeared to be reassured.

Marcos then went on to express his concerns—as he has done before—over the alleged poor communications between his administration and the administration in Washington. To correct this deficiency, he proposed—and subsequently repeated the request three times—that Helms [*less than 1 line of source text not declassified*] establish direct contact with him. To establish the link he said [*less than 1 line of source text not declassified*] should get in touch initially with the notorious Kokoi

¹ Source: Department of State, INR Historical Files, Philippines, 1969, 1970, 1971. Secret. Drafted by Trueheart. Hughes initialed the memorandum, as did two others, to indicate that he had seen it.

Romualdez, his brother-in-law and campaign manager. Marcos said that he might have need of [*less than 1 line of source text not declassified*] advice of some unspecified sort in the coming months. Helms ultimately said that he would like to help if he could but Nelson was not sure whether he had made a firm undertaking to establish the requested contact. The only other thing that transpired at this meeting was that the Filipinos managed to get Helms and Marcos to pose for photographs together.

Marshall Wright, the Country Director, expressed the gravest concern over the proposed contact which was patently intended by Marcos to give him political advantage [*1½ lines of source text not declassified*]. The proposed relationship would also undermine the position of the new Ambassador and, if established before he arrived, would put him in a particularly disadvantageous position. I supported Wright in all of this and added that it would be much easier not to establish the relationship than to break it off later. Godley, while recognizing the problems, thought that it would be very difficult to refuse to permit the President [*1½ lines of source text not declassified*]. Brown was a good deal more negative and wanted to find out more precisely how much of a commitment Helms had already undertaken to Marcos. It was agreed that once we had clarification of this point the matter would be discussed with the seventh floor and the Secretary or Johnson might thereafter want to pursue the question further with Helms. Meanwhile, Helms was to be informed of the concerns expressed at our level.

Brown and Godley subsequently saw Johnson who took the position that no contact should be established at least until it can be discussed with the new Ambassador—whose identity and ETA are unknown to Godley and me, and perhaps everyone else. Helms is being informed of this, and unless he has objections, there the matter will presumably rest.

Comment: I am virtually certain that CIA does not want to establish this direct contact for any private reasons of its own.

189. Telegram From the Department of State to the Embassy in the Philippines¹

Washington, April 5, 1969, 1949Z.

52387. For AsSecDes Green.

1. This is round-up of Marcos visit Washington² based on un-cleared memos or readouts of all the Marcos conversations except his private talk with President Nixon.³

2. From the Philippine point of view, we believe the visit was a smashing success. Marcos met with the President, Vice President, Secretaries Rogers, Laird, and Finch, a group of Senators,⁴ Henry Kissinger⁵ and Director Helms.⁶ We understand Marcos left convinced that he stands well with the Nixon administration, that the U.S. Government is not and will not be involved in supporting his opponents in the upcoming election, and that we appreciate reasons and have sympathy for his recent statements about the need for a more self-reliant Philippines and a more independent Philippine foreign policy.

3. The visit thus served our purpose in removing or allaying the extreme suspicions and fears which have been so evident recently in Marcos' attitude toward us.

4. From a longer run point of view, however, the visit had about it an unreal air for all the discussions were focused on what the Philippines want from us. Meetings obviously arranged at last minute, U.S. participants hard pressed for time and there was little or no discussion of our specific current problems in the Philippines, such as Science tax, Customs negotiations, validity of 1965 amendment to bases agreement, PNG problem, territorial seas, etc.

¹ Source: National Archives, RG 59, Central Files 1967–69, POL 7 PHIL. Secret; Immediate; Exdis. Drafted by Wright, cleared by James M. Hawley (S/S) and Richard Sneider (NSC), and approved by Godley.

² Marcos had numerous meetings with U.S. officials in Washington during the first 4 days of April despite the fact that the Embassy in Manila was advised that "it would be extremely difficult" to make arrangements for them because "U.S. officials will be very much occupied" with the funeral of President Eisenhower. Telegram 48924 to Manila, March 29, advised that Australian Prime Minister Gorton's March 31 official visit had been cancelled, and stated that although "we would not want to discourage Marcos from attending" the funeral, "it should be made clear to him that it would be most difficult if not impossible to combine ceremonial attendance at funeral with a working visit." (Ibid., POL 6–2 US/EISENHOWER, DWIGHT D)

³ See footnote 3, Document 187.

⁴ No other record of these conversations has been found.

⁵ See Document 187.

⁶ See Document 187 and footnote 2 thereto.

5. On substantive points (as distinct from atmospherics) Marcos placed great stress on his balance of payments problem and the resulting GOP desire for: (a) ensured repatriation of dollars earned by overseas Filipino employees; (b) tight controls over dollars spent by the U.S. Government and U.S. personnel in Philippines so that dollars stay out of black market and end up in GOP reserves; (c) need for U.S. sympathy and cooperation in GOP limiting non-essential imports (automobiles, textiles, tobacco, etc.)

6. We indicated that we thought we could be helpful in several ways. We mentioned possibility of "lipsticking" U.S.G. social security and Veterans benefits checks as one example. In subsequent rather confused exchange with newsmen at press conference Marcos indicated he thought we might "lipstick" dollar payments to U.S. military personnel stationed at Philippine bases. He also seemed to think that U.S. was paying Philippine base employees in dollars. In short, Marcos was pleased with what we said, but seemed quite unclear about specifics. Should this come up, suggest you make point that "lipsticking" would apply only to U.S. benefit checks issued to Philippine residents. You might also make the point that it would be easier for us to be helpful on the whole problem of dollar control if Marcos could put an end to the GOP attempt to impose in violation of the military bases agreement the Science tax on privately owned vehicles of our military personnel in Philippines. That matter is arousing considerable adverse Congressional reaction, and creates climate in which dollar control measures are more difficult to establish and to enforce.

7. Marcos discussed Laurel-Langlely extensively. He stressed that withdrawal of U.S. preferential treatment for Phil products in U.S. market would result in severe economic damage to Philippines. He said withdrawal of sugar quota would cause collapse of sugar industry. At Marcos' request, Secretary Rogers agreed that U.S. would do nothing to raise this issue this year or to publicize possible U.S.G. unwillingness extend tariff preferences beyond life of Laurel-Langlely. This is based on our assumption (not made explicit by Marcos) that GOP will defer further consultations on Laurel-Langlely until 1970.

8. Conversation with Helms reported extensively in another channel which you should see. In unlikely event question of direct contact comes up, urge that you avoid any statement. (Matter still under consideration here.)

9. Marcos raised with Kissinger the possibility of the withdrawal of PHILCAG, and suggested that the Philippines might concentrate instead on helping GVN develop an effective constabulary, possibly through training in the Philippines. Should this be raised, suggest you defer any comment beyond possibly mentioning importance of a united front in Vietnam at this stage and wondering rhetorically

whether thought had been given to whether GOP would continue as a TCC under such a program.

10. Secretary Rogers and Marcos discussed possibility of visit by Secretary to Manila in June or July. Should this come up, suggest you reply that you aware of Secretary's desire visit Manila, but that when you left Washington his schedule was tight and plans not worked out.

Rogers

190. Memorandum From the Acting Executive Secretary of the Department of State (Walsh) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, July 2, 1969.

SUBJECT

Meeting Between President Nixon and Philippine Presidential Candidate Osmena During the President's Visit to Manila

You asked for recommendations as to whether President Nixon should meet with Senator Osmena, and if so, how such a meeting could be arranged.

Pros and Cons

There is no gainsaying the fact that President Nixon's visit will be—indeed is already being—interpreted by the Filipinos as an act having an important bearing on their Presidential election. If President Nixon does not see Osmena, this will be interpreted as an indication that we expect Marcos to win, want him to win, and are content to let Marcos harvest all the spin-off benefits of the visit.

Moreover, it is by no means certain that President Marcos will win the November election. Osmena may well be the Philippine chief executive during a period of critical transition in U.S.–Philippine relations. It is not prudent to ignore that possibility.

¹ Source: National Archives, RG 59, Central Files 1967–69, POL 14 PHIL. Secret. Drafted by Wright, cleared by Green, and signed by Walsh.

Finally, Senator Osmena is unquestionably disappointed that President Nixon has refused to see him during Osmena's current visit to the United States.² Osmena has declined a proffered appointment with Under Secretary Richardson, probably because he believes that a contact only at that level would be interpreted in the Philippines as a mark of American disfavor.

The only argument against seeing Osmena is the possibility of offending Marcos.³ Marcos would doubtless prefer that we ignore Osmena. However, the Marcos reception in Washington in April was excellent and he was extremely pleased by it. The President's visit to Manila will be a political boon of the first water to Marcos, even if it includes a brief meeting with Osmena. Marcos is certainly conscious of all this and can, we believe, be persuaded to accept without too much ill grace a contact with Osmena.

The Modalities

1. We should inform President Marcos that Senator Osmena has requested a meeting with President Nixon. We should point out that it is very difficult to refuse such a request, particularly in view of the tradition that U.S. Presidents, in dealing with our democratic friends, customarily meet with leaders of the opposition as a normal aspect of political intercourse between open societies.

2. We should inform Marcos that to de-personalize the meeting somewhat we propose that President Nixon will have a brief meeting on the evening of his arrival with the leaders of the opposition, that is Party Chairman Roxas, Secretary General Aquino, Presidential candidate Osmena and Vice Presidential candidate Magsaysay.

Embassy Manila agrees that a meeting with Osmena is important, if not in Washington, then in Manila. We favor Manila for the meeting,

² Kissinger returned a call from Donald Kendall, CEO of Pepsico Inc., on July 1, to explain the decision not to see Osmena in Washington. Kendall said he was dining with Osmena that evening and was "prepared to give Osmena any message" Kissinger thought he should have. Kissinger said that "we have nothing against him and would not be heartbroken if he won election—odds favor the other guy. Kendall said one thing that bothers Osmena is that Marcos will use the President's trip" and Kissinger agreed. Kissinger said that "he gets nothing but good reports about Osmena which makes it tough but does not think Pres. should see him." Kendall asked if there was any particular message which Kissinger wanted passed to Osmena. Kissinger "said only that we are interested in close relations with him and if he wins election he will find us cooperative and forthcoming—we have no favorites and are strictly neutral." (Notes of Telephone Conversation, July 1, 1969, 9:50 a.m.; Library of Congress, Manuscript Division, Kissinger Papers, Box 360, Telephone Conversations, Chronological File)

³ Telegram 7261 from Manila, July 11, reported that Osmena's trip to the United States brought charges from Marcos that the Senator was an "American boy," which led Osmena to declare an "independent policy." (National Archives, RG 59, Central Files 1967-69, POL 7 PHIL)

for Osmena has already been turned down on his request for a meeting here with the President. Moreover, a meeting here is more subject to misinterpretation and distortion than one in Manila, and would not really substitute for a Manila meeting.

CIA concurs.

John P. Walsh

191. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, July 17, 1969.

SUBJECT

Manila Visit: Your Meetings with President Marcos

1. *Schedule*: Your schedule is at Tab II.² It is intended to balance the close contact with President Marcos³ with sufficient contact with opposition and other leaders to demonstrate that you are not taking sides in the current Philippine election campaign, and sufficient public exposure is programmed to establish a sense of contact with the Philippine people.

2. *Background*: Note: Attached at Tab A⁴ is a memorandum which covers general themes which are applicable to Thailand, the Philippines and Indonesia. This memorandum covers those themes which are peculiar to the Philippines. Your arrival comes at a time when the Philippines are facing many urgent problems. Domestically, corruption and inefficiency in government have reached proportions sufficient to menace economic stability. There are virtually no foreign exchange reserves, and there is an unhealthy reliance upon the income derived from US bases and military expenditures. Separatist sentiment among

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 461, President's Trip Files, Presidential Correspondence File, Part II. Secret. Sent for information.

² Attached but not printed. Nixon began a global tour on July 25 by flying to Guam. He arrived in the Philippines July 26 and departed July 27. He subsequently visited Indonesia, Thailand, Vietnam, India, Pakistan, and Romania, and returned to Washington on August 3.

³ Presidents Nixon and Marcos held a private meeting from 3 to 5 p.m. on July 26. No memorandum of conversation of this private meeting has been found.

⁴ Attached but not printed.

Muslim Filipinos in the Southern Philippines is increasing, due in large part to a feeling that the economic and political aspirations of the Muslims are being ignored.

On the foreign side, there has been widespread Filipino criticism of the Philippine contribution to Vietnam, the PHILCAG (Philippine Civil Assistance Group, an Army engineer contingent having its own security forces), for diverting funds away from national development. Filipino nationalism has been aroused over an old claim to Malaysian Sabah (North Borneo), and last year it became public knowledge that President Marcos was supporting a clandestine effort to infiltrate Philippine Muslim saboteurs into Sabah. This effort has been stopped, but Philippine-Malaysian relations remain strained. The development of ASEAN (the Association of Southeast Asian Nations, a regional grouping of Malaysia, Singapore, Indonesia, Thailand and the Philippines) into a going concern has been compromised as a result.

The US-Philippine relationship, seen from Manila, is an ambivalent thing. There is much affection for America in the countryside, but strident anti-Americanism has become fashionable in Manila.⁵ There, the Filipinos are very sensitive to the former colonial relationship—exemplified by the continued presence of US bases—and blame us for most of their problems. Fed by this sentiment and further stirred by hostile press articles, anti-US demonstrations have occurred—mostly among student groups—and may take place during your visit. Yet the Filipinos are economically and emotionally dependent on us, and not prepared to make the sacrifices which alternatives to the present relationship would entail. Your visit provides an opportunity to reach the Philippine people in general and convince them of continuing American friendship, while encouraging national self-reliance.

An election campaign is underway. President Marcos is trying to convince the Manila sophisticates that he is not your puppet, but that he can get more from the US than anybody else, while he tries to show the rural electorate that he is your friend and confidant. His principal opponent, Sergio Osmena, has also attempted to identify himself with the US.

3. *What Marcos Will Want:*

a. First and foremost, Marcos will be attempting to use your visit for his political purposes, and to prevent rival candidate Osmena from benefiting from your visit. Arrangements have been made for you to have some contact with Osmena and other opposition leaders to counterbalance Marcos' efforts.

⁵ Airgram A-182 from Manila, June 17, 1969, reported Political Counselor Francis T. Underhill's observations of anti-Americanism in Manila. (National Archives, RG 59, Central Files 1967-69, POL PHIL-US)

b. Second, Marcos will try to focus the discussions on economic matters in hopes of obtaining some economic concessions from you. He wants these both for political reasons—to show his ability to get things from the Americans—and to help alleviate very real and pressing economic problems. His proposed agenda for talks with you amounts in part to a “shopping list” which includes financial aid to support the currency; economic assistance (PL 480, AID development loan funds); trade concessions (early negotiations on the Laurel–Langley Agreement, which would extend until 1974 Philippine tariff preferences in the US market, with reciprocal advantages for US businessmen in the Philippines); and Philippine participation in post-war rehabilitation and construction in Vietnam (a new “Marshall Plan” for Asia).

—We have informed the Filipinos that you will not wish to discuss economic issues in detail, but we expect that Marcos will nevertheless give it a try.

c. Third, Marcos may want you to agree to a review of the status of the US bases in the Philippines. Although the three main US bases (Clark Air Base, Subic Bay Naval Base, and Sangley Point Naval Station) are recognized by the Filipinos as key contributions to Philippine defense, they also resent the bases as vestiges of colonialism and seek a greater degree of Philippine sovereignty and control. Particular Filipino objectives are obtaining more favorable terms on criminal jurisdiction, a return of some base lands, and a greater voice in the administration of the bases.

d. Fourth, Marcos hopes for increased US military assistance. There is substantial dissident movement in Central Luzon, against which Marcos wants greater material and logistical support (helicopters, M-16’s and construction of military highways). In part, this may be a disguised way of gaining extra economic assistance. Marcos would also like a more automatic defense commitment under the Mutual Defense Treaty. (In the Philippine dispute with Malaysia over Sabah, he resented the fact that we did not regard the Treaty as covering a Malaysian attack.)

e. Finally, Marcos will want to hear your views on Vietnam and the Paris negotiations, the US role in Asia after the Vietnam conflict, the Sino-Soviet dispute, and the Soviet role in Asia. Paradoxically, these major issues weigh less in the minds of the Filipinos than do internal issues. Marcos has also sanctioned increasing contacts with the Soviet Union, Eastern Europe and Communist China.

4. *What We Want:* You will want your presence to be taken as evidence of your own and US’s warm and sincere friendship for the Filipino people. You recognize that there have been strains and misunderstandings in our relationship, and that the US bears its share of the responsibility for the problems which have arisen. For your part you

will do whatever you can to reduce sources of friction and to restore US-Philippine relations to the levels of mutual confidence and respect which formerly existed. You are emphatically not looking towards a "special relationship" which would downgrade Philippine sovereignty; you recognize that the Filipinos are searching for a new sense of national identity, and you support them in their search. To this end, you will wish to put our relations on a more equal basis, and to begin the process of eliminating some of the sources of Manila's present anti-Americanism, while maintaining our friendly relations, our base rights and other facilities in the Philippines.

You will also want to show that the US continues to support Philippine economic progress and security. You are willing to explore ways in which the US might make its aid more effective, and would encourage the Filipinos to participate in regional arrangements such as ASEAN as well.

Although Philippine concerns over the Vietnam war and post-Vietnam Asia are perhaps less than in other countries which you will visit, you will want Marcos to know your thoughts and, if possible, encourage him to play a more active and constructive role in regional affairs.

5. *Points You Should Stress:*

a. *The US-Philippine economic relationship:*

—Emphasize your interest in growing Philippine self-reliance, and endorse Philippine efforts to establish broader relations, particularly through regional organizations such as ASEAN.

—Point to the inherent dangers of extreme Philippine reliance upon a single market. (We presently take 44% of Philippine exports.)

—Remain noncommittal on the Laurel-Langley negotiations, but indicate willingness to see progress made. (Marcos has already raised this matter with you and me.) Make clear that the ultimate objective should be warm and friendly relations without special preferences.

—Refer specific economic problems to the advisers or to regular US-Philippine consultations, emphasizing the need for careful staff work.

—On a "Marshall Plan" for Asia, you will want to point to the problems both at home and in terms of the Paris negotiations of attempting to describe and launch a major new aid structure for Asia at this time. You may also wish to point out that the time is past for unilateral donor programs, and that we hope to cooperate with other rich nations in encouraging economic development in Southeast Asia.

b. *The Military Bases*

—Suggest that you express willingness to work toward an amicable resolution of differences which would at the same time preserve

the utility of the bases in defense of Philippine and US security. You are interested in cutting down the US presence in foreign countries. US forces overseas have already been reduced. US base issues should be susceptible of resolution through negotiations.

c. Military Assistance

—You would appreciate a review by Marcos of the nature of the dissident movement, and will refer any requests he may submit for stepped-up assistance to the proper officials of the US Government.

—Any review of the Mutual Defense Treaty would need to take place under circumstances in which all considerations can be carefully reviewed and both Philippine and US defense requirements (including regional needs) taken into account.

[Omitted here is discussion of Vietnam and other issues.]

192. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, August 4, 1969, 0848Z.

8227. Subject: Meeting of Presidents with Advisers, Manila, July 26. Ref: Manila 8218.²

1. Following is telegraphic summary of memcon covering meeting of Presidents Nixon and Marcos with presidential advisers (reftel) in Manila July 26. Memcon itself approved by Green and pouched Dept from Sun Moon Lake.

2. President Nixon said he and President Marcos had again had a good talk, covering general exchange of views as well as certain bilateral problems. In latter category were military assistance and Philippine financial problems. He and President Marcos has agreed that such problems should be worked out by the people that handle them on a day-to-day basis. The President noted that the United States had a few financial problems itself, and he would refer specific questions to

¹ Source: National Archives, RG 59, Central Files 1967–69, POL 7 US/NIXON/MOONGLOW. Secret; Priority; Nodis; Moonglow.

² Telegram 8218 from Manila, August 4, summarized the details of the Presidential Advisers meeting in Manila on July 26. The U.S. side included Kissinger, Rogers, and Green. The conversation centered on various aspects of U.S. financial assistance to and dealings with the Philippines. (Ibid., POL 7 US/NIXON)

Secretaries of State and Treasury and New York bankers for further consideration.

3. Of greater interest, the President continued, was their discussion of US future role in Asia. Manner in which war in Vietnam was settled would have considerable bearing on this question. He had described progress of Paris Talks, and said there were some "glimmers of change" leading to hope, but no real change. Lull in fighting, however, deserved careful watching. For its part, US has been as forthcoming as it could be and President Thieu could not go further without being brought down.

The President said that US had withdrawn forces and would withdraw more. If Hanoi increased military activity in face of this, further appraisal would be necessary. At same time did not want to appear too pessimistic since there was some possibility we might be on verge of break over.

5. Way in which war concluded, the President added, must not prejudice future US role in Asia. American experience in Korea and Vietnam tended to disillusion average American. But US is Pacific power and must continue to play major role in area of vital future significance. Therefore satisfactory long-term solution to Vietnam problem must be found which will not damage American spirit. New approaches thus were needed. The US will continue to help, he said, but cannot continue as we have sometimes done in the past, to try to do it all ourselves.

6. President Marcos said he had been greatly heartened at what President Nixon had said to him. He had been deeply concerned about the prospect of an American withdrawal. He now understood US dilemma and had received new perspective on US difficulties. Other Asian countries as well would be happy to know US had no intention of precipitate withdrawal.

7. Under these circumstances, President Marcos continued, he felt the Philippines could plan to face the dangers of internal subversion rather than external aggression. On former Philippines needed to develop capabilities farther. He noted that Red China is still trying to export subversive war, and that he needed US material help but not US forces. He and President Nixon had agreed, he said, that economic stability was an essential element in resisting internal subversion.

8. The meeting adjourned at 5:30 pm.

Wilson

193. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, September 29, 1969, 1054Z.

10217. Subject: Election Interference.

1. We have had in the last three days a most worrisome development in US-Philippine relations, but as of now I believe things are getting back on the track. It had to do with charges that illegal electioneering material and bogus money were entering the Philippines through the Mactan air base and that senior US officers, both civilian and military, were involved in this activity. These accusations were accompanied by an informal request that the accused officers be removed from the Philippines. This message reports an interview with acting Foreign Secretary Ingles on September 26 and President Marcos on September 28.

2. Acting Secretary Ingles asked me² to call at 5:30 on September 26. Executive Secretary Maceda was in his office when I arrived and was present during the meeting.

3. Ingles said he wanted to relay to me a message from President Marcos. It was a very serious charge that some of our people were interfering in Philippine internal affairs by taking sides in the election. He said that the President had intelligence reports which indicated that propaganda material and counterfeit money was coming in on our aircraft landing at Mactan and being turned over to the opposition. Ingles said that they wanted to inspect our incoming cargo to prevent this from happening in the future.

4. I told him that I did not know the terms of our base agreement affecting Mactan but would look into the matter urgently and be in touch with him as soon as possible.

5. Ingles then said that the evidence pointed to the involvement of two officers in the Mactan area and two senior officers in the Embassy, and that Marcos had asked that these officers be removed from the Philippines. Maceda at this point broke in to say that the President was so concerned that he had considered sending Kokoy Romualdez to Washington to convey the evidence.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 555, Country Files, Far East, Philippines, Vol. I. Secret; Exdis. Repeated to CINCPAC exclusive for Admiral McCain, and to 13th Air Force exclusive for General Dempster.

² The new U.S. Ambassador, Henry A. Byroade, presented his credentials to the Philippine Government on August 29.

6. I told Maceda that I was making a formal request through him to see President Marcos at the first opportunity. I said that I would like to see the evidence, that I would investigate the matter thoroughly, but that I was convinced that no senior officer of the Embassy could be engaged in any such action. Ingles, in a somewhat sheepish manner, said that it was of course not necessary to produce evidence. I agreed, but said that it would be most unusual in the relations between two friendly countries, particularly the Philippines and the US, to send home senior officers under such a cloud. This request, I continued, would come as a great shock to Washington and I felt that it would be best for our overall relations not to report the conversation until I had talked personally to the President. I said that if I did report it I would obviously get instructions to see the President anyway at the earliest opportunity. At this point Maceda said something which made it apparent that there was uncertainty about the identity of one of the officers. I said that this uncertainty made it all the more necessary for me to talk personally to the President and clear up the matter. Maceda said that he would radio to the President and arrange for an appointment.

7. I saw Marcos at 8:30 last night shortly after he had returned from a campaign trip. After delivering the Nixon family pictures (a good time for them to arrive!), I said that Maceda and Ingles had previously given me a most serious matter which I felt necessitated a request to see him even in the midst of his demanding schedule. Marcos said that he was truly concerned about some reports he had seen of activities at Mactan. He doubted that the traffic concerned was of real significance but hoped that it could be stopped before it became significant. He said he could hardly believe our officials at Mactan were involved, but the evidence he had was disturbing.

8. I told Marcos it was most important that he not misunderstand what I was about to say. I wanted him to know first of all that I recognized beyond any doubt that the final decision as to what foreigners remained in his country was up to him. I also wanted him to know that at this point I was in no position to deny anything that might have happened at Mactan because I was in no position to know. My chief request to him was to furnish us with such evidence as he could so that we could make a most thorough investigation. I told him that I would lead this investigation personally and would like to go to Mactan on Tuesday, probably accompanied by General Gideon's inspector general, if I could get the facts in time to make that schedule. I went on to tell him that my instructions from the Secretary of State and the President were explicit that no American should involve himself in any way in the election process in the Philippines. I had personally passed this out after my arrival, not only to my senior staff, but also at the various bases that I had been able to visit so far. I had followed this

up with a written instruction to every American to not only remain out of the election process completely, but to avoid any act that could through misunderstanding cause the slightest suspicion of being involved. I said that in the face of all this I found it very difficult to believe that American personnel were involved, because their careers would be at stake, and we operated a very tight system where matters such as this were involved. I said this was one reason I had not so far reported the matter to Washington as I was afraid of severe reaction there, caused by an unwillingness to believe that our senior people could be involved, particularly so as we had been given no evidence.

9. Marcos interrupted to ask if I had not been given details of their charges, and seemed surprised when I replied in the negative. He said he would provide them to me and attempted unsuccessfully to get the papers from his staff as it was late Sunday evening. I told him I did not want to take his personal time on such a matter in any event and he agreed to supply the information to me through Rafferty today. He said that I would find that some of the information including items, tail numbers, etc. would be specific.

10. The President said he was most concerned about counterfeit money, campaign propaganda, and weapons coming in from outside the Philippines. He had specific information, that he felt had nothing to do with us, that the first shipment of 10 million pesos supplied by a Stephen Sy, a Chinese in Hong Kong, was to arrive in the Philippines between the 25th and 30th September, after a couple of trial runs of other less important amounts and items. In this connection it occurred to him that perhaps that past shipments in question into Mactan might have been these trial shipments.

11. I told him that by Tuesday night Mactan, at least from the American side, would be one tight airport. I said I would talk to General Gideon as soon as he returns, and to his deputy in his absence about tightening up at Clark in every conceivable way.

12. Marcos never mentioned the two senior officers here in Manila, nor did he say anything about desiring that I have any people removed. I believe, therefore, particularly with the steps that I told him I would take, that a PNG request is not in the works.

13. Marcos sounds as if he has hard evidence, but considering the heightening Malacanang tensions as election day approaches, we may find nothing but a sinister interpretation of an innocent incident. However, since the charge comes directly from the head of state, I feel we must make an honest effort to investigate.

14. An extreme position of subordinates followed by a calmer, moderate attitude of the boss is, I understand, Filipino tactic to test the water, and Marcos may have also been floating a "to-whom-it-may-

concern" warning while soliciting a reassurance³ that we are not against him.

Byroade

³ Telegram 10314 from Manila, October 1, reported alleged Philippine sightings of several small "bundles" of papers being taken off USAF C-141s at Mactan and delivered to the USIS office in Cebu City. The Philippine Government reported its suspicion that these bundles were election materials supporting Osmena, Marcos' opponent in the upcoming presidential election, but provided no proof. (National Archives, Nixon Presidential Materials, NSC Files, Box 555, Country Files, Far East, Philippines, Vol. I) Telegram 10354 from Manila, October 3, reported that its investigation did not develop any information to confirm these suspicions. (Ibid.) Telegram 10484 from Manila, October 6, reported Byroade's letter to Marcos, detailing the results of the investigation. (Ibid.) The matter thereafter was dropped by both sides.

194. Memorandum From the Chairman of the Interdepartmental Coordinating Group (McClintock) to the Under Secretary of State (Richardson)¹

Washington, October 3, 1969.

SUBJECT

Principal Themes Developed by Symington Subcommittee

On the basis of the first week of the Symington hearings on the Philippines (which apparently will terminate today with the closed interrogation of the NSA witness), the main thrust of the Committee's inquiry² seems fairly evident.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 398, Subject Files, Symington Subcommittee, Vol. I. Confidential. Drafted by Ambassador Robert McClintock (PM), who was designated by Under Secretary of State for Political Affairs U. Alexis Johnson to represent the Department of State at meetings of a White House Working Group. President Nixon appointed this group to coordinate the testimony of all agencies of the Executive Branch before the Symington subcommittee. Copies were sent to Kissinger, BeLieu, French, U. Alexis Johnson, Torbert, Spiers, Green, Sullivan, and Moore.

² On September 22 the White House Working Group set up an Interdepartmental Coordinating Group, chaired by McClintock, to supervise testimony before the Subcommittee. In a November memorandum to Secretary of State Rogers, John D. Erlichman stated that McClintock "was given clear instructions at this meeting, as to the categories of materials that should not be given to the Subcommittee." Erlichman added

A major theme will be to try to make a case that past Administrations, and by inference the present Administration, have undertaken commitments to foreign governments far in excess of the basic defense agreements which were ratified with the advice and consent of the Senate. A case in point is the communiqué issued by the White House on October 6, 1964, following talks between President Johnson and the then Philippine President Macapagal, which stated:

“They reviewed, in this connection, the importance of the Mutual Defense Treaty between the Philippines and the United States in maintaining the security of both countries, and reaffirmed their commitment to meet any threat that might arise against their security. President Johnson made it clear that, in accordance with these existing alliances and the deployment and dispositions thereunder, any armed attack against the Philippines would be regarded as an attack against the United States forces stationed there and against the United States and would instantly be repelled.”

A similar case occurred with Korea. In reply to a press conference question in Korea on February 23, 1966, Vice President Humphrey made the following statement:

“The United States Government and the people of the United States have a firm commitment to the defense of Korea. As long as there is one American soldier on the line of the border, the demarcation line, the whole and the entire power of the United States of America is committed to the security and defense of Korea.”

It seems to me that when eventually the Secretary or you are asked to testify before the Subcommittee on overall policy with regard to overseas commitments, the line to be taken is that we frankly recognize that the statements made by the last Administration were in fact in excess

that it was explained to McClintock that “the President had directed that guidelines for these hearings be set by the White House rather than by each department.” McClintock was also advised that no witness was to give any indication “that the White House was supervising or issuing instructions.” (Ibid.) In a September 24 memorandum to Kenneth BeLieu at the White House (who was also a member of the Working Group), McClintock delineated eight types of material or information “which under no circumstances should be divulged to the Subcommittee,” including information on nuclear storage, military contingency plans, and privileged communications between Chiefs of State or government. McClintock continued that the “Working Group defined materials or information which can be provided the Committee in sanitized version in the following four categories: 1) Corruption and crimes against US personnel and property in the Philippines; 2) Programs directed toward counter-insurgency matters; 3) Air defense arrangements between US and P.I.; 4) Negotiations for PHILCAGV.” Finally, McClintock noted that “a large amount of data” had already been provided to the Subcommittee, including international commitments, U.S. military facilities, forces, and missions in the Philippines, the Military Assistance Program and DOD and AID programs for counter-insurgency for the Philippines, joint military planning, and the Philippine contribution to the war effort in Vietnam, particularly PHILCAGV. (Ibid.)

of our explicit treaty obligations. What the present Administration seeks to do is to go back to the letter of those agreements ratified with the advice and consent of the Senate. This has already been suggested by the Secretary's speech in Canberra on August 8, and by you in your speech in New York on September 5.

Senator Symington is obsessed with the fear of imminent bankruptcy of the US. He is convinced that a major measure for cutting down government spending lies in the broad field of our overseas commitments, which would include the MAP program and bases. At this point, Senator Symington removes his fiscal hat and puts on his General's cap. Another of his obsessions is the idea that overseas bases are no longer necessary because ICBM missiles and Polaris submarine rockets make the stationing of US conventional forces abroad no longer necessary. Senator Symington apparently has not thought through the implications of resorting to strategic nuclear war as the only alternative to the limited deployment of conventional forces in given circumstances. Without saying so, he comes close to the Dulles doctrine of massive retaliation.

All the Senators, but particularly Senator Fulbright, bore down heavily in the Philippine hearings on the theme: "Why do we pay so much and get so little?" They were indignant that the Philippine government refused to send even a civic action group to Viet Nam until the US had engaged itself to supply the equipment for three engineer battalions and to pay per diem for the officers and men who actually went to the Philippines. Senator Fulbright dealt at great length yesterday on what he regards as the exorbitant mercenary pay we agreed to give the Koreans for the two divisions now fighting Viet Nam. He referred a number of times to the "Brown letter," which purportedly engages this government to pay for the Korean expeditionary force, and said its contents had been published in a Japanese newspaper.

The main theme of protest that our client states receive so much from the US and contribute practically nothing in return was made repeatedly in the case of the Philippines where "millions of dollars" had been poured into the country but even in a situation involving the SEATO Alliance, the government at Manila would not send even a token detachment unless backsheesh was paid in advance.

A kindred theme is corruption. To read the testimony of the Philippine hearings, one would think that a principal function of Clark Air Force Base is to subsidize illegally or otherwise the iniquitous City of Angeles, which is adjacent to the Base and whose inhabitants are any-

thing but angels. Evidences of corruption of high officials going right up to the top of the Philippine government were freely disclosed by the Air Force OSI colonel who heads up a sort of export FBI operation at Clark Field. Senator Fulbright made the point that the presence of Clark Air Force Base was in fact an active incentive to theft and corruption. About the only amusing aspect of this part of the testimony was that DOD, which was late in getting in its written statement 24 hours in advance of the hearings, excused its tardiness on the plea that to provide the statement earlier might have endangered the Air Force colonel's life. Senator Symington, tongue in cheek, said he would write the Secretary of Defense, praising the colonel's forthright testimony, but suggesting that in view of the danger to his life, he not return to the Philippines. We might keep this ploy in mind for certain other witnesses. . . .

I suggested to our military witnesses yesterday that, if they could find an opportunity, they should make a closely reasoned military rationale as to why certain of our bases in the Philippines are still to be regarded as assets and not as liabilities, as the testimony in the hearings might make them seem. However, neither General Gideon nor Admiral Kauffman had such an opportunity. I have, therefore, recommended to DOD that for future hearings in the prepared written testimony Defense include such rationale as to specific bases and military programs which may become subject to the Committee's scrutiny.

Senator Fulbright indicated a clear intention to build up a case against the Department by piece-meal interrogation of subordinate witnesses before he took on the Secretary of State. For example, he tried repeatedly yesterday to pin down Mr. Wilson, our witness on the Philippines, as to what reappraisals of East Asian policy the Department would undertake and what in fact our new policy toward communist China might be. I think we can expect in future hearings that Senator Fulbright will continue to press the same tactic. The answer by the witness in all cases should be that questions of broad policy must be deferred until the Subcommittee meets with the Secretary of State. This might, however, not be easy for Ambassador Sullivan in the hearings on Laos, as he is a Deputy Assistant Secretary.

Senator Symington's philosophy toward the Subcommittee's hearings was summed up succinctly in his own words yesterday afternoon—"You give the Committee *all* the facts; we'll draw the conclusions."

195. **Memorandum From the President's Assistant for National Security Affairs (Kissinger) to the Under Secretary of State (Richardson)**¹

Washington, October 20, 1969.

SUBJECT

Revisions in US Military Bases Agreement with the Philippines

The President has expressed the belief that the United States should be prepared to bring the terms of the US Military Bases Agreement in the Philippines into line with the terms under which we occupy bases in other countries,² in order to eliminate any aspects which may give the Philippines legitimate cause to feel that the US enjoys legal or other advantages which it does not possess elsewhere. It is the President's understanding that opinion in the Philippines, both official and non-official, is highly sensitive to what are considered to be inequities, and that US-Philippine relations are rendered more difficult as a result.

The President accordingly has directed that the Under Secretaries' Committee undertake a review of our treaty and other relationships with the Philippines, and that a negotiating position be drawn up, setting forth the changes needed in our Military Bases Agreement to bring the privileges and immunities enjoyed by the United States concerning base rights in the Philippines down to a level comparable with the rights which we possess in other independent countries where there are US bases. Particular attention should be paid to the questions of length of tenure of bases and procedures for establishing criminal jurisdiction. It is recognized that there are variations in our rights in various countries, but the objective should be to put the Philippines on a most-favored-nation basis.

The President has also directed that the Under Secretaries' Committee examine the total physical area included within the US bases, and the number of such bases, compared with the facilities available in other countries, note being taken of the different missions of the US

¹ Source: National Archives, RG 59, Central Files 1967-69, DEF 15-4 PHIL-US. Secret.

² According to an October 29 memorandum from Cargo to Green and Spiers, this memorandum superseded NSSM 73, Revision of US Military Bases Agreement with the Philippines, "which has been cancelled." (Ibid.) A copy of NSSM 73 is in the National Archives, Nixon Presidential Materials, NSC Files, Box 365, Subject Files, National Security Study Memoranda, Nos. 43-103.

bases in different countries. Consideration should be given to the release of land in the Philippines which may be surplus to military needs.

It is intended that when the foregoing studies have been completed, the Department of State will prepare to invite the Government of the Philippines to renegotiate the Military Bases Agreement so as to bring it into line with other US overseas base agreements. This approach to the Philippines should be made within a reasonable time after the forthcoming Philippine elections, but not before them. It is envisaged that the question of the release of land may be dealt with at a later stage of the negotiations in order to permit sufficient time for this particular study to be analyzed in detail. The target date for completion of the land study should be January 1, 1970.

Henry A. Kissinger

196. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, October 30, 1969, 0920Z.

11375. For the President and the Secretary of State.

1. With the receipt of the second and third volumes of the Symington subcommittee hearings on the Philippines I now for the first time have had a chance to judge personally the full impact here of the pending publication of the present “sanitized” version of those hearings.² In my opinion the result of such publication, even two weeks from now after Philippine elections, will be an unmitigated disaster in terms of basic US interests in this country and the future of US/Philippine relations.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 555, Country Files, Far East, Philippines, Vol. I. Secret; Priority; Nodis.

² According to an undated memorandum from Erlichman to Rogers detailing White House complaints about McClintock’s performance as Chairman of the Interdepartmental Group and his ultimate removal on November 14, the White House did not learn the basis of the deal that had been struck between McClintock and Symington until October 23, after having been kept in the dark by the Ambassador for “a long period.” According to the memorandum, “In return for deleting certain non-policy passages of some witnesses, and for deferring publication of the transcript until after the Philippine elections, Ambassador McClintock had agreed to make no substantial cuts in the transcript, in clear violation of White House guidelines.” (Ibid., Subject Files, Box 398, Symington Subcommittee, Vol. I)

2. Beyond this I am deeply disturbed by the broader issue of principle involved in the implications of these proceedings as they seem to question, and publicly so, the control of the conduct of our foreign relations. Staff members of the committee prior to the hearings visited the Philippines and other countries of Southeast Asia and on the instructions of the Departments of State and Defense were provided with the most sensitive and highly classified information on virtually every aspect of our political-military relationships. Senior military and civilian officers summoned home from the field were the principal witnesses before the Subcommittee. These witnesses testified in good faith and spoke frankly in executive session on a series of highly delicate matters. They were continually pressed for personal opinions and judgments on policy decisions reached on the highest level of the United States Government and on conditions in the Republic of the Philippines and actions of its senior officials. They provided without reservation details of classified agreements with the Government of the Philippines.

3. The subcommittee is now apparently about to publish this testimony and, as I understand it, is setting itself as the final judge on what will be released. With an unfriendly committee controlling the proceedings it is inevitable that a distorted and unbalanced picture will emerge.

4. This applies not just to the Philippines but also to the other countries covered by the Committee's inquiries. It becomes particularly important at this time when you are engaged in the difficult task of shaping future US policy toward Southeast Asia.

5. I am also concerned about what this will be taken to imply with respect to the sanctity of confidential agreements between governments and our ability to enter into them in the future. Also, other Asian nations will be looking at this to see how we treat our former ward. They will reason that if we treat Filipinos this way they can expect worse when their turn comes.

6. There are other matters of considerable importance involved here. The most senior military and civilian staff members in several missions abroad are going to be faced with critical quotations attributable to them specifically by name in the press of their host countries. It is not at all inconceivable that public png cases may result. In other cases the effectiveness of these officers may be so impaired that termination of assignments would seem in order. To a lesser extent it is possible that the effectiveness of your Ambassadors in these various countries may be impaired in a guilt by association sort of way in that senior staffs would be expected to reflect the views of their bosses.

7. As you know, the Filipino is hyper-sensitive to foreign criticism, particularly when it comes from the former colonial power. This goes

not just for the super nationalists but for our friends as well. We are already under heavy fire for the acquittal of a US sailor for shooting a Filipino at one of our bases. The violent reaction here to the relatively calm criticism of Eugene Black provides ample evidence of the explosion which will occur if the committee's hearings are published in their present form.

8. We are faced with a trying and difficult series of negotiations regarding our bases, our mutual defense arrangements, and our trade agreements, which we had hoped would normalize, and actually improve, our relationship for some time to come. Publication of the Symington hearings as they now stand will be taken as a clumsy attempt to signal future US policy and tactics in these discussions. It will play into the hands of those who are working against us and cost us most of our friends. It could eventually cost us the bases themselves.

9. At this critical stage in our economic relations there is also likely to be a destructive fallout in terms of our business interests. I am certain that the New York business community, with nearly a billion dollar of private investment here, would be extremely active in Washington just now if they realized what this may do to our coming efforts to negotiate away uncertainties here that are already plaguing them. Unfortunately they will not fully realize this until after publication when it is already too late.

10. Some of what is contained in these hearings needs to be said to the Philippine Government. But how we say it and when is the business of the Executive Branch. This is not the way to do it. It will make it that much harder, if not impossible, to say it properly later on.

11. I realize it may be most difficult to try to walk the cat back at this stage. At the same time I do not think the Committee's hired staff has played fair with the information thus far given it in confidence. Indeed I am informed that the local representative of the *Reader's Digest* claims to have already received a copy of the proceedings.

12. In short I am asking that this whole matter be reviewed once more³ in view of its very serious implications. One would hope that the Senate leadership itself could be convinced to take action on their

³ Telegram 11375 elicited concern in Washington and Moore (EA) drafted a telegram stating that the Embassy had been kept advised of developments with the Symington subcommittee and that, with the exception of minor adjustments, it was too late to make substantial changes in the report. (Ibid.) Haig, in an October 31 memorandum to Erlichman, noted "that efforts to reverse agreed-upon policy with the Subcommittee would poison our whole relationship with the Subcommittee and would not preclude the testimony getting into public print in a distorted and possibly far more harmful manner." Haig also asked for Erlichman's "written judgment as to the suitability of the course of action laid out in the proposed State reply." (Ibid.)

own to suppress publication completely if they could fully understand its almost certain damaging consequences of serious proportions. If this is impossible a lesser alternative, undoubtedly still damaging, but far less so, would be for the subcommittee to release its findings on the hearings in its own report and in its own words, with the volumes of actual testimony remaining classified and non-releaseable to the press.

13. I realize this is a difficult one for you to judge as neither of you can possibly read these voluminous reports and be able to weigh for yourselves the possible effects of publication of such sideswiping material. If nothing else can be done, please consider finding some manner of disassociating the Executive Branch, to the extent it can now be done, from the whole affair.⁴

Byroade

⁴ According to the agenda for the November 11 meeting of the White House Working Group, the transcripts were returned to the Subcommittee for publication, with the "more embarrassing sections dealing with corruption" deleted in return for Department of State agreement "to supply the exact figures for U.S. support for PHILCAG—in direct contravention of explicit White House instructions." (Ibid.) A summary of Marcos' corruption [*text not declassified*] which states that "Marcos and his wife have gone to considerable lengths to enrich their personal base. [*text not declassified*] estimate that they have accumulated approximately \$100 million during his term in the presidential palace." (Ibid., Box 555, Country Files, Far East, Philippines, Vol. I.)

197. Telegram From the Department of State to the Embassy in the Philippines¹

Washington, November 11, 1969, 2326Z.

190471. Subj: Release of Symington Subcommittee Testimony. Ref: State 189980.² For Ambassador from Asst Secy Green.

1. Long struggle over transcript of Symington Subcommittee hearings on Philippines—in which State and Defense representatives were in almost daily contact with Sub-committee staff—culminated last night (November 10) in hour and half meeting I had with Senator

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Exdis. Drafted by Usher and approved by Green and Curtis H. Taylor (S/S).

² Dated November 11. (Ibid.)

Symington. The Senator accepted the exclusion of considerable additional material from his proposed public edition of the transcript. At the conclusion of our meeting I told him that, with these further exclusions I could say that we had no further objection on national security grounds to the publication of this material. *FYI*—in making this latter statement we have not indicated that we welcome or approve publication of the remaining material, nor have we even indicated that we do not still regret its publication. If reaction to the publication should require it, we will be in a position to say in fact that we did not approve and that we regret. *End FYI*.

2. The additional material to be excluded from publication was: (a) All references to B-52 flights from Okinawa—of great importance to our relations with Japan. (b) The entire [*less than 1 line of source text not declassified*] testimony except for one paragraph in which [*less than 1 line of source text not declassified*] explains that certain information he has provided consists largely of unsupported and unsubstantiated allegations and one paragraph in which [*less than 1 line of source text not declassified*] gives his description of “an atmosphere of general lawlessness . . . throughout the area surrounding Clark Air Base.” A total of some 20 pages of [*less than 1 line of source text not declassified*] material will be removed from the published transcript and replaced simply by the notation “20 pages (deleted).” (c) Virtually all of the passages in the testimony of the witnesses which could be embarrassing to them or imperil their effectiveness in performing their official functions in the Philippines. (d) Some remaining passages which were too prematurely revealing of our tentative internal planning for anticipated future developments or contingencies.

3. During my meeting with Senator Symington I also pointed out certain statements by the Sub-committee members which would have an adverse impact because they would be deeply resented by Filipinos. I asked that serious consideration be given to deleting these passages. I understand that some of these will be edited at least, but we don't know what the Sub-committee will finally do about the others.

4. Dick Usher will be communicating to you the revised portions and passages of the transcript which now will additionally be excluded. As we have already cabled you, the Senator will delay his release of the transcript for another week, and presumably also his press conference, since his concept of his press conference has been that he would hold it only after the press had had a few days to read the embargoed transcript.

Rogers

198. **Memorandum From John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)**¹

Washington, November 14, 1969.

SUBJECT

Ambassador Byroade's Conversation with President Marcos on PHILCAG Withdrawal

In the middle of the Sullivan meeting, November 14, Marshall Green asked me to leave the group in order to read a telegram which had just come in via back channels from Ambassador Byroade in Manila.² This telegram (Tab A) concerned Byroade's approach to Marcos to inform him of an impending move on State's part to preempt the Symington Subcommittee by announcing in advance of Symington that we had paid allowances to the PHILCAG during its stay in Vietnam. (Byroade's instructions had also been sent by back channel.)³

Byroade reported that Marcos was already planning to issue a statement on November 15 which would cover the points State wished to be made; namely, that these allowances had been paid by the US in order to prevent diversion of Philippine resources from badly needed internal development programs. However, it emerged from the conversation that Marcos had not felt under any obligation to use the funds we gave him for the PHILCAG directly, but had actually used it for purposes such as "security matters." Marcos mentioned in this connection the expenses involved in Philippine peacemaking efforts, travels of emissaries (he mentioned Paris and Hanoi), and efforts in South Vietnam to make contact with the Viet Cong, etc. Marcos left Byroade with the impression that Marcos would try to portray himself as an Asian leader who, like President Nixon, had always been striving for peace in Vietnam and who also had engaged in activities such as those revealed by the President in his November 3 speech.⁴

Byroade was not sure just what of all this would emerge in the light of day in Marcos' November 15 statement. It seems highly possible, though, that some of Marcos' machinations may indeed be

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret. Sent for information. Kissinger wrote on the first page: "What finally happened?" with an arrow back to Holdridge's initials.

² Backchannel message 851 from Manila, November 14, attached but not printed.

³ Not found.

⁴ For text, see *Public Papers: Nixon, 1969*, pp. 901-909.

revealed. If so, this would be embarrassing to the President, since Marcos might try to make it appear that his efforts to contact the North Vietnamese were done with the President's consent, and also would be embarrassing to State if it appeared that the money which we gave to Marcos in support of the PHILCAG was used for other purposes. On this latter issue, Marshall Green called in Philippine Ambassador Lagdameo and in my presence explained the problems which use of our funds for purposes not connected with Philippine economic development or allied projects would cause for us with respect to the Symington Subcommittee. What nobody appeared to notice, or at least wanted to mention, was the possibility that Marcos used the funds given him for his own personal political activities. As you know, one reason he gave for recalling the PHILCAG was that the Philippine Congress did not vote any funds for its support. This could turn out to be a real mess for everybody.

Ambassador Lagdameo left the session with Marshall Green⁵ assuring us that he would try to touch base with Marcos in advance of the release of the November 15 statement to make sure that everything was properly squared away. We now can only wait and hope.⁶

⁵ Details of the meeting between Green and Ambassador Lagdameo were transmitted in telegram 192677 to Manila, November 15. (National Archives, RG 59, Central Files 1967–69, DEF 6 PHIL)

⁶ Following up on Kissinger's question as noted in footnote 1 above, Holdridge informed Kissinger in a November 25 memorandum, that "Marcos has now denied that our funds had been granted as a quid pro quo for PHILCAG. He said that he had received some special funds from us, beginning in early 1965, which had been used for national security and intelligence operations too classified to discuss. He did not suggest that they were used to defray his expenses as a go-between." Holdridge also reported that there had not been a lot of Philippine congressional and press interest in the story. A stamped notation on this memorandum reads "HAK has seen, Dec 20, 1969." (Ibid., Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II)

199. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, November 15, 1969, 0418Z.

11818. 1. I had opportunity yesterday with Marcos alone to discuss in general terms our approaches to forthcoming negotiations. My remarks followed very closely the previous discussion with Romulo reported in detail Manila 11149² and in interest of brevity I will not repeat herein my opening remarks. They were perhaps more sharply focused this time on the dangers involved in negotiating through the press with large and high-ranking negotiating panels.

2. Marcos in general, like Romulo, said most of the things that I wanted him to say but seemed to have more apparent conviction than had Romulo. He said he had already taken some steps in this direction by telling the main members of the panel that he personally was going to make the decisions and that he did not want each of them playing the press in his own behalf. He went so far at one point as to speculate that perhaps we should not start out negotiations with publicly known meetings at all, but have the members of the technical panels meet quietly to see how far they could get before higher levels become involved.

3. I found general approach of Marcos quite encouraging. He said they were not really prepared as yet to handle matters of such importance and he wanted to put a damper on any idea of "immediate" talks. He said he felt that February was really too soon and at one time mentioned mid-summer. He also said that he thought we should allow time for passions to cool down and hoped for a better atmosphere under which to conduct the talks. He said he had told the policy council that he wanted no more statements about Americans being evicted either from the bases or from their economic interests in the Philippines. He also said he did not want to push us on matters on which we on our side might not be ready. He made reference in this regard to trade policy and evidenced some concern over President's recent speech re Latin America.

4. Marcos said he was making Defense Secretary Mata head of the technical panel on military matters, assisted by Alex Melchor. It was interesting that he remarked that if Mata did not remain in the cabinet he

¹ Source: National Archives, RG 59, Central Files 1967-69, DEF 15-4 PHIL-US. Secret; Limdis. Repeated to CINCPAC, CINCPACREPPHIL, COMNAVBASE Subic, and to the Commander of 13th Air Force.

² Dated October 24. (Ibid.)

would be replaced on the panel by General Yan. I told him I thought this was very good, as, while we might not necessarily agree, it would be very easy for us to quickly understand each other with such personalities.

5. Marcos at one point mentioned Washington in connection with Laurel–Langley discussions. He also at one time referred to the desirability to wait a while before getting into such touchy subjects as “vested rights” on the part of American business here. His remarks on this subject could have implied that he preferred a negotiated settlement on this issue as he once referred to what proportion of present American holdings (presumably land) would be a fair and equitable settlement. I am not sure just what he meant on this and there was not time to explore further.

6. I mentioned the problem of negotiating on some of these matters with the prospects of constitutional changes hanging over our heads due to the coming convention in 1971. Marcos said this was indeed a matter that concerned him. He said he sometimes thought it might be better to delay completion of some of our negotiations until we could see what the composition of the convention delegates would be. He said that once he could look at the slate of delegates he felt he could almost know in advance what they would come up with. I jokingly remarked that he would have me at a disadvantage there as he could make such a judgment while I could not.

7. While all of Marcos’ remarks indicated that he wanted delayed, quiet, and sober approaches to be made on all items of negotiation between us for the sake of eventually arriving at a sound and durable basis for our future relationships, I have a feeling that something unsaid was also on his mind. The Philippines are in a desperate financial situation and he, of course, is fully aware and conscious of their predicament. I think, repeat think, he will hope that we can go into a quiet period without new issues between us for a while in the hopes of our financial assistance. On my part I hope he may try to tamp down reaction here to the forthcoming release of the Symington testimony with this in mind.

8. It probably will appear that his super-active moves of this week (PHILCAG, today’s coming statement on Symington, etc.) give a contrary impression to my above analysis. Please bear in mind, however, that Marcos’ motives as of today is to do almost anything he can think of in order to dominate press coverage and get Osmena and LP charges and accusations re the elections off page one of the press. Please bear this in mind over the next few days as you judge his moves and statements.

Byroade

200. Backchannel Message From the Ambassador to the Philippines (Byroade) to the Assistant Secretary of State for East Asian and Pacific Affairs (Green)

Manila, November 16, 1969, 1231Z.

[Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Top Secret; Immediate; Literally Eyes Only. 4 pages of source text not declassified.]

201. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, December 1, 1969, 0440Z.

12150. Subj: PHILCAG Overseas Allowances. Ref: State 198599² and 199807.³

1. Regret delay in replying to State 198599. It arrived during my absence at Baguio, and senior staff here so unanimous in feeling suggested second démarche to Marcos on subject would be so counter-productive that they decided to await my return. I share view and hope you can satisfy your requirements at home on this subject through Lagdameo and Melchor. If you feel strongly otherwise, I will of course see Marcos.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Nodis.

² In telegram 198599 to Manila, November 26, the Department expressed bewilderment at Philippine Presidential Press Secretary Tatad's November 20 press statement that "Philippines has received no 'payments of any kind in support of the PHILCAG or its personnel.'" It advised Byroade to "let Marcos know that we foresee trouble with this" and that "it is most important that Marcos not reiterate these statements in face of contrary testimony from Hearings. If pressed, he must continue to support official testimony as it appears in the transcript." The Department then proposed a scenario in which U.S. payments would be described as offset-type funds: "The funds which the United States did provide to cover the costs of overseas allowances for PHILCAG went directly to the Philippine Government. These offset funds made it possible for the Philippine Government to provide for this contingent without curbing important domestic programs." (Ibid.)

³ Telegram 199807 to Manila, November 29, reported Usher and Moore's November 26 conversation with Philippine official Alex Melchor about the PHILCAG overseas allowances payments, with the latter stating that he did not think that U.S. accounting of the amount of the funds provided was correct. (Ibid.)

2. A peripheral reason for my reluctance is that almost without exception I have tried to handle some aspect of Symington Report in each visit I have had with him. It is by now a sore and dreary subject.

3. A far more important reason is that I think he would feel that I was returning to suggest a formula to him which I had previously given him. When I saw him on November 14 I suggested that he might want to handle the subject matter involved in a statement before actual release of the testimony based on the various reported leaks out of the Committee. I suggested that he might note that expenses of the operation were overburdening as far as the Philippine Government was concerned, and that he had felt it necessary to mitigate these extraordinary costs in same manner as some other troop contributing countries by accepting US offer to pick up expenses for equipment and supplies for PHILCAG in Vietnam and to offset costs of necessary special overseas allowances by other arrangements. I suggested that he could also say that he and we had felt it in our mutual interests to accelerate normal deliveries of US military assistance for badly needed domestic Philippine programs. I told him that the testimony would show that these latter were unconnected so far as he was concerned with PHILCAG itself but were needed on their own merits for mutually agreed objectives in promoting meritorious Philippine domestic programs. After suggesting the above, I left it in written form with him for his consideration. Your new formula is somewhat better now that the text is public but it does not seem sufficiently so to make any great difference.

4. I am equally concerned about dangers in the formula you suggest if we press it upon him too hard. I feel sure that Marcos at this point would not be willing to make such a statement and let it go at that because it will raise anew the unsettled question as to "where the money went." I feel he would almost certainly add a long and detailed (and exaggerated) account of expenditures involved in heretofore secret attempts to serve as peace maker on Vietnam. This would be unfortunate in my opinion and would leave things no better off than they were.

5. We here find it difficult to understand why you place so much importance on this particular point. The public record is quite specific on the question of funds and the word of US Executive Branch officials will be generally accepted here, even though GAO has the problem now in Washington. To that extent it seems to us that Marcos has a problem far greater than we do. But Filipinos are not noted for and do not expect perfect consistency. Marcos plainly prefers to see things remain as fuzzy as they are at present and to ride it out. To that extent, if we are searching for precision, we are definitely at cross purposes.

6. Even if he made suggested statement, we feel it would do very little to help us here. The bitterness over PHILCAG is not the exact amount of money nor how it was used. It was rather the biting and sarcastic approach to the Philippines and PHILCAG itself by the two Senators involved and particularly Fulbright's implication that "the PHILCAG was nothing but hired mercenaries." He might be reminded that his approach was a classic example indeed of "The Arrogance of Power."⁴

7. We will be sending you in a few days our attempted assessment of the damage done here by this whole exercise. We may be somewhat over the hump on the first issue which was PHILCAG. It drew the first attacks because it was the first item reaching here through press reporting in the States. The fact that that reporting was distorted and superficial only served to make it worse. We are now starting up the second hump as the local press has finally had actual texts long enough to start dealing with the remainder of the report.

Byroade

⁴ Reference is to J. William Fulbright, *The Arrogance of Power* (New York: Random House, 1967).

202. Backchannel Message From the Ambassador to the Philippines (Byroade) to the Assistant Secretary of State for East Asian and Pacific Affairs (Green)¹

Manila, December 17, 1969.

4161. For Assistant Secretary Green From Ambassador.

1. The DAO message² you refer to may be a little loosely drawn in terms of its comments. While there is considerable uneasiness in

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret. The telegram shows no time of transmission.

² Telegram SNF-497 from the USDAO Manila to the DIA, December 15, reported the Defense Attaché's conversation with Liberal Party stalwart Eleuterio Adevosos. Adevosos stated that the Liberals had not expected Marcos to employ armed force in the election "so effectively or so broadly," and that the Philippines "was ready for revolution." Adevosos stated that he was going to the United States and "wanted to talk to the right people." (Ibid.)

Manila as a result of election reverberations and the rise in prices, we foresee no immediate increase in the likelihood of revolution, an awfully strong word. Most of the talk about revolution and even assassination has been coming from the defeated opposition, of which Adevosos is a leading activist, and must be weighed in that light.

2. Where information coming to us on assassination plans has been relatively hard or well-sourced, we have made sure that it reached Marcos. We know that Marcos has been aware for some time of Adevosos's involvement in such plotting. The word has been passed to him [*less than 1 line of source text not declassified*]. We also know from a sensitive [*less than 1 line of source text not declassified*] source that Marcos sent an emissary to Adevosos whom seemingly extracted a promise that Adevosos would at least lay off Marcos personally [*less than 1 line of source text not declassified*], (TDCS-DB 31505154/69).³

3. I fully agree that we should protect the U.S. in all ways possible from accusations of collusion with any and all plotters, and I am sure, but will reiterate it to them, that all country team members and the military are aware of this danger. I will also see to it that Adevosos's normal American contacts are especially alert. At the same time, I feel it would be wrong to cut ourselves off completely from the waning opposition in this country, [garble] the initiative for contact comes from them. Sometimes, as I think I did with Osmena, we can even dampen their emotions a bit.⁴

³ Not found.

⁴ In a December 16 backchannel message Green requested Byroade's comment on the DAO message, and advised that the Embassy must do everything it could "to avoid giving plotters any 'evidence' of American involvement in their activities." (National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II)

203. Backchannel Message From the Assistant Secretary of State for East Asian and Pacific Affairs (Green) to the Ambassador to the Philippines (Byroade)¹

Washington, December 31, 1969.

35889. For Ambassador from Green.

1. Department has recently received from the White House for appropriate action a hand-written notation by the President indicating his interest in cutting U.S. personnel on Clark AFB by 50% and overall in the Philippines by 25%. The notation was made on a copy of a study² which had been submitted to the President showing the distribution of contract employees of the U.S. military bases. It is likely the percentages refer to overall personnel; they might refer only to military personnel. In any event they suggest the order of magnitude of his present thinking.

2. This raises a point covered in your talk with the President in San Clemente. In reviewing your letter to me of August 21, 1969,³ I note that the President spoke to you among other things of the necessity to cut down the American presence in the Philippines, and that he asked if you could give him a report by January containing your broad recommendations on policy and personnel. I have informed the White House that we would prefer to handle the matter within the overall context of the President's request to you, of course taking into consideration this indication his current views. It would be particularly useful if you could let us have in regular channels Nodis on a priority basis at least your preliminary views about the desirability of reducing our presence and how this might best be done.⁴ Of course, you should take into account the feasibility of bringing about these reductions on a phased basis.

3. We have made some rough calculations here as to the numbers of people involved. Figures available here show a total U.S. American military presence in the Philippines of 50,863 made up of 27,423 military personnel, 1,443 civilians and 21,997 dependents. Of this Clark

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret. Drafted by Usher on December 31 and cleared in draft by Moore. The telegram bears no time of transmission. According to a note Byroade wrote at the end of Document 204, "for accountability purposes only" this telegram was assigned the number 35889.

² Not found.

³ Not found.

⁴ See Document 204 for Byroade's response.

alone accounts for a total of 32,916 comprising 16,968 military personnel, 737 civilian employees, and 15,211 dependents. From these figures it emerges a 50% cut at Clark would in itself constitute a cut of more than 25% of the total American military presence in the Philippines. We do not have figures available which would show changes either up or down in American military presence since December 31, 1967 which was the eve of the BALPA in Embassy personnel. However, our figures on the Embassy and its component missions show a cut in American personnel from 700 as of December 31, 1967 to an authorized strength of 494 as of December 31, 1969 representing a 29.4% cut.

4. Your early response to this cable will be invaluable to us in the context of memoranda which we would be preparing here for the White House on this matter.

204. Backchannel Message From the Ambassador to the Philippines (Byroade) to the Assistant Secretary of State for East Asian and Pacific Affairs (Green)¹

Manila, January 2, 1970, 0451Z.

41. Eyes Only Asst Secretary Green, Dept of State. Ref: [*less than 1 line of source text not declassified*] 35889.²

[*1 paragraph (4 lines of source text) not declassified*]

My primary point, even considering the level of the handwritten notation you refer to, is that I just do not think the problem should be approached in this manner by either me or the Department. If such drastic cuts are to be made out here, it seems to me that the message would have to go to the Pentagon, and they would have to decide how they would have to reorganize their forces in order to meet the requirement. The final decision would then have to be made taking into account the effects of this on our strategic posture, as well as the views of the Department on what the effect of cuts of this magnitude would have in the Philippines. The latter could properly include from us the effect of such cuts on our overall relations with the Phils, their economic impact, etc.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Priority; Eyes Only; Exdis. A notation on the message indicates that Green saw it.

² Document 203.

I see no way for me to even approach the initial problem of the proposed 50 percent cut at Clark. It is true that the base is on Philippine soil, but what we are really talking about is a drastic cut in the 13th Air Force with headquarters and support staff and many of its operating units at Clark but which, in actuality, extends from Taiwan to Thailand. One needs to get into what units, activities, and capabilities of the 13th Air Force would have to be reduced, or abandoned, and how this would fit into the picture with the present situation in Vietnam and our future national posture in the Far East. Exactly the same type of problem would be involved in a similar, even if reduced, reduction at Subic, substituting only the Seventh Fleet for the 13th Air Force and such matters as to where its future center of gravity and maintenance facilities should be. And we should not forget in the process that we are talking about very expensive facilities indeed, which if transferred elsewhere would be very costly. I realize that I am probably over-simplifying the matter because I do not know in just what context this all occurred, but it looks to be like initial action on this, at least, would have to be transferred to the Pentagon. State should of course have its voice, but I really think not an initial one as its role, or at least it seems to me, should be after the initial military appraisal.

We could, I suppose, volunteer through normal channels what the economic and political effect of cuts of this magnitude would mean in the Philippines, but I would feel much easier about it if we had a normal channel request to do so. The reason I feel this way is that I can not believe that cuts of this magnitude are consistent with our best interests, and I therefore have no reason to raise the prospects of such an eventuality.³ I do not mean to say that a well thought out strategic plan of our posture in the Pacific of some years hence might not indicate reductions of this magnitude, and I would personally be glad if they could. But I really do think that it must be approached from that direction and not from the direction of cutting bases by name by specific percentages. The latter type of approach is merely the question of swinging the pendulum back, and when done for that reason alone, all past experience shows that it tends to swing too far and too fast, and that it has been costly to get it back to where it belongs.

I would as well in such a volunteered message have to say that I believed that both the political and economic effects in the Philippines

³ After receiving such a "normal channel request," telegram 3094 to Manila, January 12, Byroade emphasized in telegram 419 from Manila, January 15, that the projected plan would effect a "drastic cut in the 13th Air Force." At the same time, Byroade stated that "my own view is that considerable reductions could be made in the number of personnel that the military says is necessary to perform the roles assigned to it." (National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II)

would be adverse,⁴ so I would in effect be giving the appearance of raising a straw man and then shooting him down. On the political level I think it would hurt our position here. The Nixon Doctrine is very sound policy but unfortunately its press treatment and, more importantly, actions in the Senate have local leaders concerned that in effect it is a policy of cutting and running beyond what the nations out here believe to be in their best interests. I would guess the Vice President will have a most important report on this aspect of the situation when he finishes his tour. And on the economic front only a brief but important point. I know we can't let this be a big factor in any decision to retain bases abroad. But it is a very important factor here at present. If the Phils should keep on the recent path of better policies, they would still need help. What better way to do it than by utilizing facilities of theirs which are useful to us.⁵ At least this way we get something in return.

I have re-read my letter to you of last August regarding San Clemente.⁶ I well see that as constructed that letter could have been misunderstood. As it actually happened, when the President asked if I could give him a good feel of the situation here by January, it was clear to me at the time that he had in mind a report on the general situation here containing broad policy recommendations. We were not at that moment focusing on the reduction-in-presence theme as the letter implies.

I have been wondering of late just how to best comply with my affirmative answer to this query of his, particularly as it is too early as yet to know in which direction Marcos will go in his new administration, or whether it will be more of the same. My doubts are affected somewhat by my indecision at the moment as to whether I shouldn't come home briefly on consultations some time in the next few weeks in order to be better equipped to handle the forthcoming talks with Marcos. I do not herein, however, raise this question for decision but may be in touch with you separately on this one.

⁴ Telegram 420 from Manila, January 15, stated that the extent of the adverse impact "would depend primarily on timing, phasing, and the rationale offered to the GOP and to public opinion." (Ibid.)

⁵ A Department of State report, February 19, noted that U.S. spending in the Philippines "would drop from the current annual figure of about \$140 million to a reduced level of about \$83 million," and concluded that the Philippine economy would be hurt by the loss of foreign exchange income, reduced economic activity, and a presumed reduction of Philippine employment at the bases. It added that the \$57 million reduction "would theoretically cut back Philippine economic activity by \$171 million," using the standard multiplier of three effect, and that this "would be equivalent to about 2 per cent of the 1969 Philippine GNP of \$8.5 billion." (Ibid.)

⁶ Not found.

205. **Backchannel Message From the Ambassador to the Philippines (Byroade) to the Assistant Secretary of State for East Asian and Pacific Affairs (Green)**¹

Manila, February 2, 1970, 1103Z.

132. We here are, as I am sure you can guess, in the midst of one of our occasionally delicate times. In the past few days I guess I have been spending more time trying to steer us through the present situation rather than reporting it.

When I saw Marcos the morning after the January 26 riots, he opened the conversation by saying how much he had looked forward that morning to seeing me. (We had arranged to meet on the 27th for a general talk when neither of us knew, of course, of the coming riots at Congress.) He said he had not slept much the night before, admitting that the demonstrations and riots had come as a jolt to him. He said he had been jolted further when some of his intelligence types late the night before had attempted to convince him that the U.S. had been implicated in the riots. He said he had seen pieces of paper which implicated Colonel Patterson, Dave Sternberg and Al Ravenholt.

He told me that we personally doubted these reports implicating Americans, but it was a factor nevertheless if people were talking about it around town. I told him that I had heard rumors about Patterson before and had thoroughly investigated his activities and had instructed him personally as to how to avoid future misunderstandings. I said I was thoroughly convinced that, if Patterson was guilty of anything, it was no more than having a sympathetic face.

I reminded Marcos that just after elections I had heard reports that Osmena was talking about rash things. I told him that I thought it best to go try and calm Osmena down and felt that I had at least accomplished something in my two hour talk with him. I told him at the time that I had asked that word reach him indirectly as to what I was trying to do. He said he remembered that and was grateful.

I told him that the policy of the U.S. was absolutely firm in the matter under discussion, and that was that the U.S. would in no way attempt any interference in the internal affairs of the Philippines, and that this was fully understood by my staff. We did, however, face a practical problem. It was an old game in the Philippines for politicians and others to claim American support and backing. I was sure he knew that people did occasionally approach us. It seemed also obvious that

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret.

they were doing a lot of loose talking around town. Under these conditions if I released specific personnel without cause, nothing really would be accomplished because a new set of names would crop up in the future.

I told him I would do two things: 1) talk to sensible opposition leaders and let them know in passing, and of course with no mention of our talk, what the policy of the U.S. was, and 2) insure that no officer of mine let any such conversation end in the future without a clear statement that the U.S. policy was firmly against becoming involved in any way.

The conversation ended on good notes and I think Marcos was, temporarily at least, reasonably reassured.

In the wake of the serious demonstrations Saturday² night Kokoy Romualdez called Rafferty on Sunday asking if the Embassy had any thought about what had happened. Rafferty merely pointed out the obvious that the real damage had been caused by the infiltration of real pros into the study body. Rafferty suggested to Kokoy that it might be a good idea if he talked to me. Kokoy checked with Marcos and showed up at my house one hour later. We had a good talk and I think Kokoy's later report to Marcos was probably helpful. Kokoy was very frank and gave every evidence he felt himself in a friendly and helpful atmosphere. (As you know he is tense and somewhat tongue-tied when he feels himself in the opposite.) He said we had enemies surrounding Marcos who were deliberately feeding this stuff to the President.

Yesterday afternoon Osmena called me (on what are probably tapped wires) saying he had just returned from useful talks, particularly with Don Kendall in the U.S., and asked if he could come see me. I said of course he could (even though I did not particularly like the timing). Osmena stayed for 2½ rather uncomfortable hours. He was obviously happy to see the recent trouble and considered it a vindication of his protest positions over the elections. He furthermore said that this was just the beginning and that further trouble will follow. In the long conversation I let him know that some LP Party members would find us more cautious around them in the future as they were talking freely around town about contacts and conversations with Americans. I also let him know that the previous policy I had given him after elections about the U.S. position stood firm. I also said I could not see how it would benefit the Liberal Party in the future for them to even think of working side by side with leftist elements causing the trouble.

His proposition in general was that all he had tried to convince us of in the past was beginning to become true, and that the great dan-

² January 31.

ger was that things were being set up for a Communist takeover. My position was that he exaggerated that part of the problem.

I asked Osmena if he thought new worries of Marcos might make him a better President after the current troubles were over. In essence Osmena said no, because 1) in six months Marcos wouldn't be alive and 2) Marcos didn't have the courage to see it through, as he would not stand up under pressure from his political cronies.

Against all of the above I have a very sensitive report of a meeting which took place about 2 a.m. last night at the Palace. This would indicate that the President and Mrs. Marcos advised several close confidants that they believe the U.S. had in some way had a role in instigating demonstrations against Malacanang. President Marcos' reasoning was that the U.S. desires to keep him off balance in view of the forthcoming U.S./Phil negotiations on Laurel-Langley, bases, etc. President Marcos also discussed contingency plans in the event an insurrection in the Manila area was successful. The President apparently said his plans in this event were to move himself and some loyal followers to the Ilocos region where he can regroup his forces.

I believe we will be able to weave ourselves through this without something stupid happening, but wanted you to have the background of these three conversations just in case. The real danger, of course, is of Marcos becoming panicky in his surprise and concern. Hopeful developments as of today is that they have asked us for renewed riot training. We are equipped to do this locally and it is now underway. Also, very trusted security chief in Malacanang has just asked us for advice and possible assistance on getting the type of dye that Germans use effectively for identification purposes in connection with the fire hoses technique of riot control.

You must remember in judging all this that we here live in a situation where it is almost inconceivable to the average Filipino that anything ever happens in the Philippines without an American hand being involved somewhere.

I will provide you with this type background through this channel to supplement our regular reporting as long as this seems necessary.³ Our principle problem at the moment seems to be one of helping Marcos to keep his cool. For this he needs reassurance from us among other things, and for this reason if for no other, I will try to see him soon and will continue to make plain that we are not and will not be involved in these internal matters.

³ In an attached note to Haig, February 2, Green passed on this message and stated that "I think Ambassador Byroade is proceeding just about right." He noted that "I also sought to discourage him from using this 'back channel' too much, preferring regular channels with highest restricted indicators where necessary."

206. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, February 3, 1970.

SUBJECT

The Riots in Manila

The Causes: The proximate cause of the student riots was a student demand that the political parties (i.e. specifically President Marcos) not influence the elections next November for a Constitutional Convention to frame a new Constitution. With Marcos' recent overwhelming victory, fears are growing among the students and others that he may perpetuate his power, and that a last chance may be lost to reform Philippine politics.²

The Liberals, disgruntled by their recent defeat, may have thought it useful to egg on the students to "get even" with Marcos. Some of his political competitors in his own party may be trying to generate pressures against a third term. Beyond this is a widespread sense of post-election letdown in the Philippines. The balance-of-payments crisis is tightening, and some people are being hurt by the Government's new austerity measures. In every previous Philippine election, frustrations could be blamed on the President who had just been defeated; Marcos' unprecedented re-election means that the natural scapegoat is still in office. Frustrations over the venality and lack of direction of Philippine political life have been growing, and some observers believe that church and parental authority was probably sympathetic to the strikers rather than being a restraining influence.

What Happened: The demonstration was originally organized by a moderate student grouping anxious to keep it peaceful. To avoid violence, they were in the process of dispersing, and their leaders were actually in the Malacanang talking with Marcos, when an extremist student group arrived with their supporters, looking for trouble.

During the period that followed, four or five students were killed, of some 15,000–40,000 involved. It was by all odds the largest and most violent demonstration in Philippine history.

The violence may have been fanned by professional Communist agitators, but this is still very moot.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 962, Alexander M. Haig Chronological File, Haig Chron—Feb. 1–7, 1970. Secret. Sent for information.

² The President underlined the last two lines of the first paragraph and wrote: "(They need the reform!)"

The Reaction: The principal current reaction is shock and introspection. President Marcos has gone on the air and, in an effort to divert attention from the fact that he personally was the target of the students, has blamed the violence upon leaders "influenced by . . . the ideology of Mao Tse-tung," and upon Communist and non-Communist conspiracies. He has further magnified the importance of the riot by closing schools for a week.

The Implications: Marcos has been put very much on the defensive in a remarkably short time following his election landslide. Popular discontent and political jealousies have focussed on him. It is much too early, however, to say whether he will be seriously weakened, or whether he will be deflected from an effort—which we surmise he has been making—to insure that the Constitutional Convention is malleable to his interests.

At its most serious (and fed by current economic troubles), an attack on Marcos could expand to an attack on the present political structure, but we have no evidence that the forces with the will and power to press for fundamental changes have coalesced.

We may hope that the riots will encourage Marcos to put a priority on social and economic reform, but this is by no means certain.

At the least, it is reasonably certain that Philippine politics will be inward-turned in coming months. Some journalists have, as usual, blamed the US, but the US will probably not become a major target, unless the power balance moves sharply to the left. Marcos has heretofore tended to monopolize the "nationalist" line, but his decision to blame Communists for his present troubles limits his flexibility to seek better relations with them. Because of the economic importance of good relations with us (and to avoid adding problems with the US to his other problems), Marcos will probably move very slowly on opening Military Base Agreement negotiations with us, and will probably seek to continue to defer negotiations on the Laurel-Langley renegotiation.³

³ The President underlined the phrase "negotiations on the Laurel-Langley renegotiation" and wrote: "1) K—I want every possible step taken to reduce U.S. presence in Philippines—Let's not press for *extended* base operations. 2) Did we cut down on our military personnel in the base areas?"

207. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, February 7, 1970.

[Omitted here is discussion of Vietnam.]

—*Ambassador Byroade's Conversation with Marcos*: Ambassador Byroade reported a rambling conversation with a very distraught and unnerved President Marcos,² who made the following remarks:

—He wanted Byroade's "active help"; Marcos said he might have to impose martial law, and wanted to know if Byroade would "stand behind him."

—He asked advice whether to postpone the Constitutional Convention scheduled for 1971, and about speeded-up deliveries of helicopters and ammunition under MAP.

—He complained about the hostility of the Manila press.

—He asked why we cannot be more forthcoming with help, and at one point mentioned the figure of \$100 million. (We have already turned aside requests for \$450 million in stabilization loans over three years, and have pushed the GOP to deal with the IMF. We are providing a small PL 480 program, and U.S. banks and oil interests are giving some balance of payments relief.)

Byroade reacted cautiously to keep us from being drawn into this situation. He tried discreetly to suggest the need for social programs and land reform, and to head off drastic actions such as martial law.³

Byroade comments that the Philippines are used to our moving in to bail them out, and that Marcos probably thinks our present restrained position is punitive. He observes that Marcos is really afraid of a revolution, and that he is further unnerved by Chinese soothsayers' predictions that he will die before June. Byroade himself thinks that the situation may get worse (the next student demonstration is scheduled for February 12, and there is a chance that labor may join it). Byroade thinks that Marcos' best course would be to make a sweep of the Cabinet and to embark upon such reforms as he can afford. He

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 17, President's Daily Briefs, February 2–10, 1970. Top Secret; Sensitive; Codeword. The memorandum is unsigned.

² Transmitted in telegram 1071 from Manila, February 6. (Ibid., RG 59, Central Files 1970–73, POL 15–1 PHIL)

³ A marginal note in Nixon's handwriting next to this underlined section beginning with "social" reads: "K—I *doubt* this line's effectiveness."

points out, however, that a Philippine President who moved too fast might well be murdered by his own establishment.

Separately, Byroade makes a plea for the return to the Philippines of an American soldier who was allowed to slip out of the Philippines while in U.S. custody awaiting a Philippine trial. He thinks this issue (coming on top of another similar incident) could become explosive to our relations if the GOP should endeavor to exploit it to divert attention from its own problem. At the least, he says, this incident could wipe out all hopes of negotiating a satisfactory criminal jurisdiction understanding with the GOP. (Tab A)⁴

[Omitted here is discussion of items on the Republic of China, Israel, and Honduras.]

⁴ The President highlighted this paragraph and wrote: "K—What are the facts?" Tab A was attached but not printed.

208. Telegram From the Department of State to the Embassy in the Philippines¹

Washington, February 7, 1970, 0050Z.

19158. Subject: US Posture with Marcos Relative to Student Crisis. Ref: Manila 1071.²

1. We commend way you handled delicate conversation with Marcos, avoiding being drawn into position of giving him advice as to specific decisions he faces, while at same time being willing to discuss with him nature of problems with which he is now confronted. We agree that it is desirable for you to continue to maintain Marcos' confidence. Your conversations with him will provide an opportunity for you, without making any specific recommendations, to review events and show the pros and cons of various possible courses of action. Such talking out of the issues should also help Marcos maintain the necessary degree of composure and balance.

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 13-2 PHIL. Secret; Priority; Exdis. Drafted by Usher on February 6; cleared by Moore, Green, and Eliot; and approved by Under Secretary Elliot L. Richardson.

² Dated February 6. (Ibid., POL 15-1 PHIL)

2. Believe you should continue to try to maintain this posture during this volatile period of uncertainty as to how the various forces at work are motivated and will operate in the immediate future. We believe we must try to keep the United States as much as possible from being drawn into involvement or appearance of involvement in this crisis. Thus, if you were to give Marcos specific advice, he might then let it be known that in his future actions he was acting on American advice, thereby involving us directly. On the other hand, by keeping in touch with him and helping him to analyze his situation as objectively as possible, you may be able at the same time to play a role in restraining him from ill-considered actions.

3. The situation requires, more than ever before, that we take every precaution to avoid incidents of any kind which might direct the focus of Philippine unrest and anger against the United States or any elements of its presence in the Philippines. No doubt you will be cautioning U.S. military and civilian components that they must exert extreme care and restraint to prevent incidents involving Americans.

4. We here will be doing everything we can to support you and your highly capable team in your best judgments as to how we should proceed.³

Rogers

³ Telegram 21459 to Manila, February 11, informed Byroade that the Philippine Government and the IMF had reportedly reached agreement on a \$27.5 million third credit tranche. (Ibid., Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II)

209. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, February 11, 1970, 1027Z.

1213. Subj: Call on Romulo.

1. I called on Romulo at his request this afternoon. He held in his hand two notes to present to me. As I suspected they were on the sub-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Priority; Limdis; Noforn. Repeated to CINCPAC and CINCPACREPPHIL.

ject of U.S. military leaving the Philippines to evade criminal jurisdiction by the Philippines.

2. I opened by saying that in view of our past conversations (nearly daily) I had hoped he would feel that he need not have to give me these notes today. He replied that he felt he had no alternative because he was "sick and tired" of evasion on these issues. He then went into a bit of speech-making which ended up with him asking me point blank what I was going to do about Moomey.² I told him that I was not ever going to even try to do anything about Moomey, inasmuch as I was sure he knew, there was nothing I could do about bringing him back. I also told him that I had every hope that Williams would be brought back. I did not see why, when he knew we were in the process of working very hard on this case, which had its complexities in American (as it would in the Philippine) system, that he would feel compelled to make a strong case publicly until the matter could be resolved.

3. I did not bother to read his notes, but proceeded to talk to Romulo in the strongest language I believe I have ever used with a foreign minister. I said I recognized the element of sovereignty in these cases which concerned him, but wanted him to know that as far as the real issues were concerned, which included matters of life and death, the exercise he was trying to put me through paled into semantics. I also told him that I could not believe he was fully aware of the things going on around town and feared that he was unwittingly joining into a pattern which seemed to me both serious and sinister.

4. I told him I thought there was an obvious effort going on in Manila to divert attention from the government onto the Americans, and this included efforts to divert the rioters and troublemakers as well. I suggested he think long and hard before he engaged in public polemics about us today in view of the anticipated troubles here in Manila tomorrow. There were rumors around town that there would be an indiscriminate attempt to kill some Americans in connection with the demonstrations scheduled for tomorrow. I felt these were serious enough that as a precaution I was making considerable effort to keep Americans in their homes tomorrow, even though I regretted taking this step as it might in a way contribute to the feeling of unease of everyone here. It was for this reason that I have made all my moves in this regard as low-keyed as possible.

5. I also told him that the charges that he was leveling against us for infraction of rules around the bases paled even more into insignificance when one considered the security situation around these bases.

² Moomey and Williams were U.S. servicemen stationed in the Philippines who were accused of serious crimes, and whom Philippine authorities wished to try in Philippine courts rather than the customary U.S. military courts.

I told him I thought I would be ready soon to present him with facts that I was sure neither he nor the President knew about. In addition to the normal graft and corruption and straight malfeasance of justice situations which had long existed, things were now taking a more serious turn. It appeared to me that a pattern might be developing of periodic, indiscriminate killing of Americans. I said he could not accept forever that publicity would come only from him or his side, and that I might have to start speaking out publicly on these matters. I gave him four or five lurid cases which I must admit had even Romulo speechless.

6. I said he might likewise not know that he was planning this public attack on us at the very time that I was working closely with President Marcos in an effort to be helpful to him and the government in their current crisis.

7. Romulo interrupted and said that he wished he had talked to me earlier as he had already given the notes and comments to one afternoon newspaper. I said in that case I guess it was even too late to see the President, and my only recourse was to consider what I might myself do publicly.

8. Romulo jumped up and went into his adjoining office and came back with the material he had planned to use in the press conference after my departure. He threw it on his desk and said, "There it all is. I won't give out any more to the press and I will see what I can do to tone down what I have already done."³ He said that he had not known many of the things I had told him and wanted me to know personally that his intended action had been at his own initiative and he did not want me to think that he was joining others to turn Filipinos against us at this time.

9. *Comment:* I think that the latter is probably true and that Romulo, for purposes of his own shaky position and prestige, had decided that this was a good time for him to weigh in. There will be another staff cable enroute on these cases. I see now that his note complains about a case involving a Sgt. Moore back in August who apparently left on August 15 without a subpoena being issued to him which was received by base authorities on August 11. I also understand the Embassy was not informed of either this case or Williams for a long period of time. In any event, if I am going to get tough with the

³ Telegram 1243 from Manila, February 12, reported that the "scathing tone reflected in February 11" newspapers was "nowhere to be found February 12," and that the morning dailies had "temperate stories." (National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II)

GOP on our side of the line, which I am in the mood to do,⁴ I would certainly like no more dallying about getting Williams back here as the Filipinos have a fool-proof case on this one. An international agreement has clearly been violated and I must say I cannot understand the reluctance of Defense to make amends.

Byroade

⁴ In a memorandum to Kissinger, February 17, Holdridge characterized this telegram as "some effective bare-knuckle diplomacy by Byroade." Holdridge surmised that Romulo had intended to present the protest notes and then report the whole affair to the press, which would have stirred up anti-American sentiment and diverted attention from Marcos' problems with the students. He reported that "Byroade made a very strong presentation as to the danger of using us as a whipping boy in the situation." Holdridge drafted a note from Kissinger congratulating Byroade, but the note apparently was not sent. (Ibid.)

210. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, February 17, 1970, 1052Z.

1393. Subj: Conversation with Marcos on Central Luzon.

1. I took departing AID Director Haraldson to say goodbye to Marcos yesterday and the latter asked me to remain afterwards for a private talk.

2. Marcos said he was going to clean up Central Luzon once and for all. He wanted to start the process within the next thirty days, but he wanted to know first whether he would have our support. I asked what he had in mind, and he quickly pointed out that all he had in mind was for us to supply military items. He said he was worried about the level of ammunition for his armed forces, the need for more M-16's and helicopters. I reminded him that we were momentarily in the process of bringing side arm ammunition up to date. He said he appreciated our quick action in this particular matter.

3. Marcos said that all eyes were focused on Manila whereas the real impetus for many of the troubles in Manila, and the real danger for the future, lies in Central Luzon. He said training camps were

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 23-7 PHIL. Secret. Repeated to CINCPAC, CHJUSMAG, and CINCPACREPPHIL.

being set up in extremely inaccessible spots. He mentioned one that appeared being set up for about 100 men and another for 300 and that if he tried to drop 50 troopers in these areas using his present 5 helicopters they would be wiped out. He said any support that these camps were getting at this point from outside sources was negligible, but it looked like subversive forces were being formed which, when in being, might expect outside support.

4. He then dwelled at some length over the perennial disagreement here between his people and our JUSMAG over the level of supply of ammunition that should be in Philippine hands. (This has indeed been a problem over the years and it has often appeared to our people that it is more emotional than logical. We hope this problem will eventually be solved when their own ammunition factory comes into operation in late 1971. In the meantime, I think in judging them on this score we must be conscious of the psychological factors involved in having one's source of ammunition in foreign hands.)

5. What Marcos is asking for in effect is quick action on our part on some initial supply items so that he could plan his operations well prior to the beginning of the rains, and in addition to that some proof that we would continue to stand behind them for replenishment of used items. All this, of course, gives us quite a problem. In its broadest aspects I suppose he is trying to prove once again to himself that we will support him, but even more broader still may be putting us to the test on the Nixon Doctrine,² i.e., the Phils will do the job themselves but will need logistic support.

6. It is, of course, very much in our interests that Central Luzon be cleaned up and Communist oriented armed groupings there not be allowed to expand and organize under the umbrella of the current general situation here. We also have to think of the importance of operations at Clark Field and of our people in that area. To take the extreme, the terrain is such that a few hostile mortars in the hills could make for a very difficult situation at Clark.

7. One trouble in the past in this situation is that no President since Magsaysay has been willing to tackle the political aspects of changing the situation in Central Luzon. If Marcos really means it this time he is going to have to ride rough shod over local politicians of some stature. He is also going to have to move on civic action aspects of the problem and he has, of course, made one move by sending PHILCAG

² For further documentation concerning the Nixon Doctrine, see *Foreign Relations, 1969–1976*, vol. I, Documents 5, 46, and 52. The Nixon Doctrine generally stated that, while the United States would honor its commitments and help its allies, Asian countries would bear the main burden of defending themselves.

to that area, and another by starting air mobile operations in the area using available lift.

8. I would like to find some way to satisfy any legitimate concern Marcos may have as to our physical support for meaningful items and yet protect us from those that would not really be meaningful. We have already been able to move on some items and this has been very useful to us here. I do believe a few more helicopters makes sense and have recommended we try to find somewhere five more at an early date. I have just sent a message suggesting how we might be able to handle another roughly 1,200 M-16's.

9. This leaves the question of the level of supply of ammunition which we will support here. I would like to find some means of meeting this problem, which I would assess as being about half real and half psychological, and do it in a way that would not cost us much money (which we do not have in our program), and also in a way that would give us freedom of action to judge how the Phils perform in this task. It seems to me that there should be some middle course to satisfy these rather somewhat conflicting criteria.

10. I have not as yet had time to thoroughly explore this with JUSMAG, but am wondering whether we could not move into Subic for storage from depots in Japan or Okinawa an additional increment of supply above the 30 day base for their main line weapons. We would then be in a position to tell Marcos that the stuff was close by and could be drawn on as necessary to keep their levels at a satisfactory rate as ammunition was expended. It might be a bit hard to do this without giving the impression that we want to wait to see how he performs. Off hand I would think it could be presented to him primarily as a budgetary device because there was no immediate money in the program available and we would not need any as long as the ammunition was still in our hands/with him, however, knowing that it was close at hand. I am fully aware that any such apparently simple plan would be full of logistical and statistical nightmares but suppose it could be done nonetheless if our overall interests would so dictate.

11. We will be exploring these matters further and this message is to give a feeling of things here and to lay the setting for possible future message through both State and Defense channels.

Byroade

211. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, February 20, 1970.

SUBJECT

The Williams Case

You will recall the Williams case in the Philippines, in which an Air Force sergeant at Clark Field was accused of complicity in an attempted rape case in the nearby town of Angeles, and was inadvertently allowed by his military supervisors to depart on reassignment while Philippine judicial procedures were pending against him.

The Williams case has now become a major issue in US-Philippine relations. As Ambassador Byroade had feared, hostile elements in the Philippines have picked it up as an affront to Philippine sovereignty and used it as a rallying point to inspire a mob assault against our Embassy in Manila—see the memorandum from State at Tab A, which reports a telephone conversation between Ambassador Byroade and DCM Wilson and the Philippine Country Director.² According to Ambassador Byroade, two-thirds of the anti-foreign speeches at a mass demonstration prior to the attack on the Embassy referred to the Williams case, and were used as one means of getting part of the crowd to move to the Embassy.

In the period since the confrontations developed between Marcos and discontented student groups, Byroade has been concerned over the possibility that the US might get caught in the middle and catch part of the blame for the situation. He feared, in fact, that the Philip-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 338, HAK/Richardson Meetings, January 1970–March 1970. Secret. Sent for action. The President wrote on the first page: "I hereby order an immediate 1/3 cut in military personnel in Philippines (Clark Field)." A notation in Butterfield's handwriting reads: "Henry—the President approved this action recommendation on this condition." with an arrow drawn to Nixon's aforementioned note.

² At Tab A was a February 18 covering memorandum from Eliot to Kissinger that transmitted a memorandum of a February 18 telephone call between Byroade and Wilson; attached but not printed. According to the memorandum of telephone conversation, a group of demonstrators broke away from a larger demonstration on the night of February 18 and marched to the U.S. Embassy, broke through the outer gates of the complex, and threw rocks and firebombs at the windows. Because there was no police protection at the Embassy, Ambassador Byroade telephoned President Marcos directly, emphasizing that "the Embassy had no protection. President Marcos said he would take care of it right away. Riot police arrived within half an hour and very quickly brought the situation under control." Several situation reports describe the demonstration in greater detail. (Ibid., Box 556, Country Files, Far East, Philippines, Vol. II)

pine Government might deliberately attempt to draw in the US in order to deflect attention from the pressing economic and social issues behind the confrontation with the students. The Williams case impressed him as a perfect vehicle for this purpose, and indeed Foreign Secretary Romulo actually intended to use this ploy but was deterred by some extremely effective bare-knuckle diplomacy by Byroade. I attach (Tab B) a telegram reporting Byroade's conversation with Romulo to this effect.³

While Byroade was able to influence Romulo's behavior to some extent (though the absence of any police protection prior to the attack on the Embassy indicates a degree of Philippine Government duplicity), he was of course in no position to influence the leftists. There are many extremists who would like nothing better than to drag the US through the mud, and the Williams case has provided a perfect starting point. Filipinos of all descriptions are susceptible to propaganda charging the US handling of the Williams case as having violated Philippine sovereignty, especially since this is not the first case of this nature.

Meanwhile, the question of issuing orders to Williams to return, as urgently requested by Ambassador Byroade, has become stuck in Defense. State has asked the Air Force to issue the orders on foreign policy grounds, and the Air Force is willing to go along. However, higher authority in Defense is not, and is balking, due both to apprehensions over the prospect of adverse reaction on the Hill, and to the very good chance that Williams, if returned, would not receive a fair trial. Defense also believes that Williams might be able to resist return by seeking a legal writ. I understand that Justice is perfectly willing to take the case through the US courts if orders are issued to Williams and he employs legal procedures to resist; Justice also believes that it could win the case. It is not willing to take an official position on the matter at this time, though.

I believe that you will wish to consider the implications of the Williams case very carefully. Our position in the Philippines appears to be vulnerable, and if Williams is not returned, our whole relationship with the Philippines could be greatly complicated, including the tenure of our bases. According to our Military Bases Agreement with the Philippines, we have no grounds to keep Williams out of Philippine judicial process, even though some of these processes have typically been bent and stretched by the Filipinos in their handling of this and other cases. On the other hand, the possible US domestic repercussions, particularly those on the Hill, could be troublesome.

³ Document 209.

Even returning Williams at this time will not solve our problems, since we will appear to be operating under Philippine pressures rather than honoring our treaty relationship, but we can at least ease the criticisms on this score by claiming that the matter was under review by the appropriate authorities and action has been taken in accordance with standard procedures. Sending Williams back might also help to get us more into the background when Filipino tempers are running high. We could use any breathing-space gained to press the Filipinos for improvements in their judicial handling of criminal cases involving Americans, particularly at Clark Field.

Recommendations

That you inform Secretary Laird that orders should be issued to Williams sending him back to the Philippines.⁴

Alternatively, that you agree with Defense in not ordering Williams to return.

⁴ Nixon initialed the approve option. However, in an attached February 21 note to Kissinger, Haig wrote: "I've done nothing on this. It will require direct discussions with Laird in my view." Kissinger returned the note to Haig with the following handwritten notation: "Make sure I take up with President."

212. Memorandum From the Senior Military Assistant (Haig) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, March 4, 1970.

SUBJECT

Reduction of U.S. Presence in the Philippines

I must say this action borders on the ridiculous. This is an incredible reduction in U.S. presence in the Philippines no matter how unnecessary our presence may be. The degree to which our facilities in the Philippines are directly linked to operations in South Vietnam is substantial and no one with any knowledge of this fact has even been asked to comment.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Nodis.

If we were to send out a memorandum of this type² calling for a reduction of this magnitude over the time frame cited, I think we will ultimately provide either the biggest laugh in the bureaucracy or shake whatever confidence they may have in our ability to run foreign affairs on a sound and systematic basis. Our job is to prevent the President from making the kinds of mistakes which we know only too well he can make in times of emotional peak. This action fits into that category despite the fact that the President has reiterated his intention of reducing our presence in the Philippines on countless occasions.

The Philippine cut, the near 50% reduction in Korea, the precipitous draw down in South Vietnam and Thailand, the All-Volunteer Army ploy, the posturing for an assault on NATO next year, and the 10% across-the-board reduction of our overseas strength already accomplished this year cannot but convince the most amateur observer that despite all of our rhetoric we are adopting a fortress America concept which is not only inward looking but emotionally orchestrated. I think the Korean studies, even though triggered by a capricious directive, at least went through the motions of a clear and systematic interdepartmental review. In that instance the wisdom of reduction was confirmed by that review. We should certainly as a minimum follow a similar procedure on the Philippine issue.

I would suggest that you talk to the President about this before signing this memorandum and underline your concern that such a drastic reduction could not but be interpreted as a wholesale bug-out, which will have an incalculable impact on our efforts in Southeast Asia to say nothing of inflicting untold hardships on the economy and people of the Philippines. I also strongly recommend that we accomplish the Philippine reduction as a result of an objective NSDM which would initiate the kind of interdepartmental review of the type which we will all have confidence in with the kind of time we need to do it and with careful consideration given to the impact of this reduction on the Vietnam war, Pacific Fleet and air operations and the economic stability of an irritating but nevertheless long-time ally and ward.

² Haig evidently was referring to a draft memorandum outlining severe cuts in U.S. personnel in the Philippines, as insisted upon by Nixon; see Document 203. A March 11 memorandum from Kissinger to Nixon, attached but not printed, advised the President that Kissinger had informed Laird of the President's decision to cut personnel at Clark Air Base by one-third and that Laird had reported that he would have a "detailed" plan for the reductions completed by about April 20. In a March 10 memorandum Laird stated that the plan would call for the personnel reductions to be fully implemented by September 1. Kissinger asked if "this target date is acceptable to you," and Nixon initialed his approval. (Both *ibid.*)

213. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, March 6, 1970, 0521Z.

1912. For Asst Secretary Green from Ambassador Byroade. Subject: U.S.–Phil Economic Bilaterals. Ref: State 25196.²

1. Your Feb 20 cable causes very grave concern on my part. It comes as quite a shock to learn six months after my arrival (and three months after we reaffirmed our willingness to renegotiate the Laurel–Langley Agreement first expressed in September 1966) that we are prepared to do nothing about our economic arrangements here except let nature take its course. It may be nice theory but it hardly fits the practical world of things, in which the Philippines is presently passing through several long-term crises at the same time (foreign policy, constitution, balance of payments, and economic relations with the U.S.). I also think it is a callous view as regards the degree of protection we should accord to U.S. business abroad, which I feel is a legitimate part of our national interest.

2. I don't think I can accept this without a considerable effort on my part to try to change our position. I realize, however, one doesn't win any cases with Washington when things still seem to be on a theoretical basis. Unfortunately, although it may not seem so on the surface, we are in a very real sense even now at the time of decision. The continued uncertainty is exacting an ever-rising toll in the economic realm. If we let things slide, this will mean that sooner or later we will confront the Phils across the table with the news that we really don't have anything to talk about. Their natural reaction will presumably be to take strong punitive measures against U.S.-owned businesses to force us off this position, where upon the latter will descend on the Washington scene in force. I know that there is a feeling in the Department that there is considerable difference in the thinking of local business leaders here and their home offices. Now that I am getting to know both, I think this has been greatly over-exaggerated. Not a week goes by here that I don't see several visiting bigwigs from home offices. I

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Exdis.

² Telegram 25196 to Manila, February 19, clarified Green's position to Byroade. Green stated that he was aware that any duty reductions granted to the Philippines "could be made available to other countries." However, Green stated: "we do not believe this is a desirable course to pursue" for a number of reasons, the first of which was that the "Filipinos, in their own interest, must come to realize that the development of a sound economic base for their economy is essentially up to them." (Ibid.)

believe when the issues become defined that New York will at least try to push us to attempt to defend what seems to them to be fair and reasonable.

3. I predict that we would then develop a more flexible and imaginative position. The problem will then be, however, that, because of the nature of these issues, the need for legislation, etc., many months will thereafter be required for firm positions to be developed.

4. This would I believe be the wrong approach. It would of course exacerbate our military as well as our investment problems. I still hope we can to avoid adhering to such an approach which, I might add, appears to be widely at variance with the approach we are contemplating taking with the Latinos.

5. I wish to make clear that I do not recommend anything that might properly be termed a prolonged extension of "special relations." I do believe however that there is need for general recognition throughout the U.S. Government of the importance and delicacy of the issues involved and of the essentiality of our managing this creeping crisis in the Philippines as painstakingly as we know how. Some flexibility on timing of the phase-out, and ad hoc problems, may be required. In any case, I am convinced that the approach in your message will only increase the perils already inherent in the situation.

6. If the position outlined in your message eventually remains firm in spite of these considerations, then I think the Department will have an obligation to inform U.S. industry. It would not be fair in my opinion to withhold this position from them and let many of them, who are still hopeful we will get a fair deal for them in negotiations, end up in a fire-sale atmosphere too late to make better arrangements.

Byroade

214. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to the Chairman of the National Security Council's Under Secretaries Committee (Richardson)¹

Washington, March 25, 1970.

SUBJECT

Personnel Reductions in the Philippines

The President has directed an immediate one-third reduction in the civilian and military personnel stationed at Clark Field in the Philippines. Secretary Laird has been informed of this directive and has agreed to submit a detailed plan for the reductions by April 20. They are to be completed by September 1, 1970. The Defense Department has been asked to coordinate with the State Department prior to submitting the plan.

In addition, the President has asked that other civilian and military personnel of all agencies in the Philippines be reduced 25 percent. These reductions should be completed as soon as possible and in no case later than June 30, 1971. The Under Secretaries Committee should consider how they are to be effected and report to the President on the schedule for carrying them out.² The report should consider their implications for U.S.-Philippine relations and for the U.S. strategic position in the Pacific. It should also reach the President by April 20.³

Henry A. Kissinger

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Exdis.

² Richardson sent an April 10 memorandum to the members of the committee, requesting them to carry out the President's instructions and noting that an ad hoc group had already been established by his memorandum of March 31. Both memoranda are attached but not printed. The Embassy was advised of the President's decision in telegram 48653 to Manila, April 3. (Ibid.)

³ A marginal notation in unidentified handwriting reads: "Now slipped a week."

215. Report by the National Security Council's Under Secretaries Committee Review of U.S. Bases and Facilities in the Philippines¹

Washington, April 6, 1970.

[Omitted here is the table of contents.]

SUMMARY

This study was undertaken as a result of the memorandum from Dr. Kissinger to the Under Secretary of State dated October 30 [20]², 1969, on the subject of "Revisions of the US Military Bases Agreement with the Philippines." The memorandum indicated that the President had directed a review of our treaty and other relationships with the Philippines with the objective of:

- putting the Philippines on a most-favored-nation basis,
- examining the total physical area in the Philippines controlled by the US Forces and the number of bases for comparison with the US Forces holdings in other countries. Consideration should be given to the release of land in the Philippines which may be surplus to military needs.

The study sets forth objectives and outlines policy assumptions and guidance on which the effort is based. In addition, the Philippine pressures in the last five years, as related to the number and size of US bases, are discussed in detail. A section of the study is devoted to the size of the US bases in the Philippines and in several other countries. Country population, land areas and civilian population densities are compared to the same statistics of the US Forces in the various countries. Pertinent information of all the US bases and properties in the Philippines is provided and the need for the properties is discussed. The JOBAR study conclusions relating to the closure of Sangley Point, the JCS position concerning the study results and the present status of JOBAR recommendations are discussed briefly.

The Study conclusions are as follows:

a. Although the total land area of US bases in the Philippines is large in comparison to that in other foreign countries, a comparison of

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Noform. This 36-page study (plus four map drawings) was designated NSC-U/N 18, Annex C, and was forwarded to the Deputy Secretary of Defense, the Assistant to the President for National Security Affairs, the Director of Central Intelligence, and the Chairman of the Joint Chiefs of Staff under an April 6 cover letter, by Arthur A. Hartman, Staff Director of the Under Secretaries Committee.

² Document 195.

the various population densities does not indicate that the US controls a disproportionate share of land in the Philippines.

b. The two Navy VP squadrons, based on Sangley Point, are involved primarily in Vietnam-related missions. It is envisioned that this ASW force will be reduced to one squadron in the post-Vietnam era. As US combat forces are reduced in SEA, it may be desirable to relocate those naval aviation units and support activities now located at Sangley. The JOBAR Study addresses the issue of closure of Sangley in the present time frame. In late January 1970, however, DepSecDef elected against a unilateral decision to close Sangley Point now. This was due, in part, to the utility of the station as a bargaining point in our MBA negotiations.

c. From a review of Clark Air Base holdings, it is considered that the Air Force could relinquish a portion of Zone D acreage without adversely impacting on base expansion requirements, security, or integrity. However, it is believed that this acreage should be released only if the GOP presses for a reduction in the size of the Clark holdings.

d. Due to its topography, approximately one-half the land in the Subic Bay area is unimproved and is retained primarily for security reasons and to protect the watershed of the area. A portion of this land could be relinquished without adversely affecting the mission of the base provided there is an adequate land use survey.

e. John Hay Air Base serves as an important low-cost recreational area for all US armed forces personnel in the Philippines. The annual savings that would accrue from closing the base is small in comparison to its value in increased morale and productivity of the personnel. It should be retained unless GOP insists upon its return.

f. Land holdings in the minor US facilities are not considered in excess of requirements and are not identified for release.

g. The GOP has failed to live up to guarantees for watershed preservation in some cases involving release of US-controlled land in the past. Any actions involving future release of base lands should be completed only after adequate measures are taken by GOP to ensure protection of watershed areas essential to the bases.

216. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, April 7, 1970, 0651Z.

3028. For Under Secretary Richardson from Byroade. Subj: Reduction in US Personnel in the Philippines. Ref: Manila 2946.²

1. My guess is that we are just "whistling Dixie" if we think we will have any options left when the time comes to tell the GOP about our scheduled cuts in the Philippines. Yesterday I found that all of the bases here were informed through military channels of current plans for across the board cuts, with percentages provided. No rationale whatsoever was given.

2. Throughout all of this I have felt that when the chips were down and the effects, both here and in our support for the area as a whole, were coldly analyzed, that things would begin to fall into place in a more logical manner. I still think this will be the case, but now I wonder how much damage may be created before we reach that point.

3. At the very least I suggest you ask the military to follow up their JCS message to CINCPAC and its subsequent distribution here with the follow up order that they clam up on this particular subject pending further instructions. This would give your committees and planners time to weigh the consequences prior to any further word to the field.³

4. In a more philosophical vein I want to pass on along to you, and for the perusal of your sub-committees, a part of a draft policy report from here, not yet finished, that deals with "the American presence." It is still in draft form, but because of the urgency of the situation, I will send it along as it now is.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Exdis.

² Telegram 2946 from Manila, April 4, reported Byroade's "shock" at the extent of the personnel cuts to be made in the Philippines and stated that "the implications" of this decision "could not be more profound." In regard to the 25 percent across the board personnel reduction, Byroade stated that he felt "strongly that we have passed the point where this is possible. Whole operations and probably some agencies must be taken out to achieve reductions of this magnitude, not crippling cutbacks that will leave me with nothing operating properly." (Ibid.)

³ In telegram 52752 to Manila, April 10, Green informed Byroade that all agencies in the Philippines were required to submit lists of their positions "in ascending order of essentiality," and that a "subcommittee established in State" would submit recommendations to the Under Secretaries Committee, which would "make final approval on programming of reductions and submit to President." (Ibid.)

5. *Begin draft:*

1. In considering the term “American presence” as it applies to the Philippines, it is useful first to review the current status of this presence:

(A) The number of American residents in the Philippines is declining and has been for some time, even though estimates of non USG connected persons claiming US citizenship still run as high at 24,000.

(B) The American business community is half the size it was a decade or two ago. With trained and competent Filipinos available it is unnecessary and expensive to maintain a large American staff.

(C) The American religious community increased sharply after World War II, but is now declining as Filipino priests and ministers are replacing Americans and other foreigners.

(D) Our civilian official strength has been cut back by almost thirty percent in the last eighteen months, and if the reduction in the number of Peace Corps volunteers is included, there has been a fifty percent reduction.

(E) Lower levels of military activity in Vietnam, and budgetary limitations have reduced our military strength. We have moved out of Mactan Air Base, and by June of this year military personnel reductions will be slightly over two-thousand.

2. The impact of this presence is difficult to measure. For the press critic and student radical in Manila, hostility to the United States is rooted in psychological and historical factors little affected by the number of Americans in the Philippines. In the countryside the respect and admiration for the United States is still so great that the American Ambassador runs the awkward risk of outdrawing the Philippine President. There are well publicized problems around the bases, but with one exception our military is concentrated in two relatively isolated areas in the Philippines, and the social and economic impact in even these areas is by no means all bad. There has certainly been no suggestion from the Philippine Government that there are too many Americans here. On the contrary, the Government is doing all it can to encourage the presence of many more American tourists.

3. It is important to recognize that seventy years of close association with the Philippines has bound us together, and that for good or ill, an American presence (in the broadest sense of this term) would remain even if every official American went home. We have established institutions here that took deep root and are now a part of Philippine society, representative government, private enterprise, and freedom of the press. Filipino newspapers would still continue to carry American columnists, American comic strips, and American ball scores. American books, movies, and products would still be favored. Over 4,500 Filipinos went to the United States for education and training last year. Over 16,000 went as visitors. Approximately 20,000 a year are now going as immigrants, and many later travel back to the Philippines for an extended stay. The cumulative impact of these tens of thousands of

exposures to our country would have a continuing and pervasive influence on the course of internal Philippine affairs, and on our bilateral relations, even if there were no U.S. Government employees in the country.

4. Considered in this broader context, the number of official Americans in the Philippines is not in itself a critical factor in our relations. Our intentions and attitudes in all the complex issues in our contractual relationships, and our policy in the area as a whole, are still much more important.

End of Draft.

Byroade

217. Paper Prepared For the Under Secretaries Committee¹

Washington, undated.

SUBJECT

Revisions in U.S.-Philippine Military Bases Agreement and Other Relationships

I. Statement of Requirement

A. Revision of the U.S.-Philippine Military Bases Agreement, As Amended, of 1947

The President by Mr. Kissinger's memorandum of October 20, 1969 directed the Under Secretaries Committee to make two studies:

(1) A comparison of the 1947 U.S.-Philippine Military Bases Agreement with similar U.S. arrangements elsewhere, in which the objective would be to bring U.S. privileges and immunities in the Philippines down to a level comparable with rights we enjoy elsewhere.

¹ Source: Department of State, NSC Under Secretaries Committee: Lot 83 D 276, Box 7813, NSC-U/SM 51B-4/7/70—US Philippine Bases Agreement Revisions. Secret. This study was prepared by the East Asia Interdepartmental Group, which was charged with studying the Military Bases Agreement revisions. According to an April 7 memorandum from Hartman to the Deputy Secretary of Defense and other principals of the Under Secretaries Committee, this issue paper was prepared to "facilitate discussion on this topic" at the Committee's April 9 meeting. Circular Airgram 2879 to Manila and CINCPAC, May 23, reported that the Under Secretaries Committee endorsed the East Asia Interdepartmental Group's proposed revisions at the April 9 meeting. (National Archives, RG 59, Central Files 1970-73, DEF 15-4 PHIL-US) No memorandum of conversation of the Under Secretaries Committee has been found.

Particular attention was to be given to the questions of length of tenure and criminal jurisdiction procedures.

(2) A comparison of the extent of U.S. base holdings in the Philippines with those we hold elsewhere, with a view to the releasing of Philippine baselands surplus to our needs.

These studies were to be preliminary to an early invitation to the Philippines to renegotiate the Military Bases Agreement.

B. The Mutual Defense Treaty of 1952 and the Mutual Defense Assistance Agreement of 1953

The Philippines has advised us that in any discussion of the 1947 MBA they will wish also to discuss certain aspects of the 1952 Mutual Defense Treaty and the 1953 Mutual Defense Assistance Agreement. Therefore, in addition to answering the specific questions raised in Mr. Kissinger's memorandum, the IG has formulated recommendations on issues involved in these agreements.

II. Issues and Positions

There follows a statement of the steps which this study discloses are desirable, together with a statement of areas where views are divided. The USC is requested to approve recommendations that are unanimous and make decisions where differences exist.

The IG, concentrating on the areas of tenure, criminal jurisdiction and base operating rights, has concluded that with a few exceptions the U.S.-Philippine Military Bases Agreement is broadly comparable with our arrangements elsewhere.

A. Tenure

The Philippine bases agreement runs to 1991; most of our other agreements are on a one-year terminable basis, and run concurrently with mutual defense treaties.

Divided Position

State recommends that the MBA be put on a one-year terminable basis to bring it into conformity with those we have elsewhere.

DOD does not concur with the State recommendation because DOD does not believe such a change is necessary or desirable.

A decision is required.

B. Criminal Jurisdiction

In this area, the provisions of the Philippine agreement are about comparable with those we have elsewhere.

Unanimous Position

Both State and DOD agree that the principal features of the existing arrangement should be retained and that anticipated GOP

demands for exclusive jurisdiction over all offenses either off-base or both off-base and on-base and pre-trial custody should be opposed.

However, this conclusion may well be unacceptable to the Philippines unless changes in the manner the SOFA actually operates could make our position more palatable and the IG will be studying existing SOFA procedures to see if any modifications can be devised to make this decision more acceptable.

C. Base Rights and Operating Rights

Some of our agreements give slightly greater rights to host countries in such matters as the posting of host officials on the bases than the Philippine Agreement does.

Unanimous Position

State and DOD agree that the U.S. should consider permitting the posting of appropriate Philippine officials on the bases to perform or oversee normal immigration, health, customs and other administrative functions.

Divided Position

State recommends that the U.S. also consider establishment of some form of nominal joint command of the bases.

DOD does not concur.

A decision is required.

D. Selective Joint-Use of the Bases

Short of full joint-basing, there appear to be possibilities for offering the Philippine Government a broader role in utilization of the bases through selective joint-use in specific circumstances in which U.S. operational control of the bases would not be compromised.

Unanimous Position

State and DOD agree on the utility of a study of joint-use proposals prior to the initiation of negotiations; and that the IG will forward any recommendations developed by such a study to the USC.

E. Baselands

The study shows that the extent of Air Force baselands in the Philippines far exceeds such holdings in any other country. The study indicates Navy baselands can also be reduced.

1. Clark

Unanimous Position

State and DOD agree on relinquishment of a part of Zone D acreage (47,250 acres in all).

State and DOD also agree in principle that relinquishment be considered of portions of Zone A (28,350 acres) and Zone B (10,650 acres), following a land use survey to determine watershed requirements.

2. *Sangley*

Unanimous Position

State and DOD agree on reversion of Sangley when the requirement for its Vietnam-related support efforts ceases.

3. *Subic Bay*

Unanimous Position

State and DOD agree on reversion of a portion of the 36,124 acres at Subic following a watershed survey.

4. *John Hay*

Unanimous Position

State and DOD recommend retention of John Hay unless the GOP insists on its return.

F. The 1952 Mutual Defense Treaty

The Philippines may raise the issue of the 1952 mutual security treaty in the course of the base negotiations. Presumably the Filipinos will seek, as they have in the past, to obtain a more explicit commitment from the United States to come to their defense than that contained in the treaty.

Unanimous Position

State and DOD agree on the need to tell the Philippine Government when they raise this question that any effort to renegotiate the treaty would be completely counterproductive, especially, given the mood of the U.S. Senate.

G. 1953 Mutual Defense Assistance Agreement

The Philippines may raise the issue of MAP administration procedures and JUSMAG organization and privileges. These are nagging irritants which the Philippines have long wished to solve. In 1966 the Philippine Government drafted (and the U.S. rejected) a new draft Mutual Defense Assistance Agreement in which a drastic reduction in JUSMAG prerogatives was proposed along with a countervailing increase in Philippine authority and independence of action, particularly with regard to freeing the Philippine Government from obtaining JUSMAG concurrence on each MAP procurement. The Philippine draft agreement also sought removal of the present injunction in paragraph 15 of the 1953 agreement that arms and other military supplies can only be obtained from third country sources with explicit U.S. approval.

These may be important considerations for the Filipinos. It is possible that U.S. concessions in this area may relieve Philippine pressures for concessions in other areas, particularly in criminal jurisdiction where there is little give in the U.S. position. Accordingly, the IG has assigned itself the task of determining specific revisions in the Military Assistance Agreement that might be responsive to Philippine needs.

Unanimous Position

State and DOD are agreed that specific ideas for revision of the Military Assistance Agreement should be forwarded to the Under Secretaries Committee.

H. Laurel-Langley

The Filipinos would like to have simultaneous negotiations on the MBA and the 1955 Laurel-Langley Trade and Investment Agreement, under which the U.S. and the Philippines enjoy mutual advantages. (The Laurel-Langley Agreement is due to expire in 1974.) The Philippines wishes to retain tariff preferences in the U.S. market and a sugar quota in a successor agreement to Laurel-Langley. They may seek to tie extension of U.S. base rights to obtaining equivalent Laurel-Langley concessions.

Unanimous Position

We would prefer not to have combined negotiations on the MBA and Laurel-Langley. However, if it should occur that we were otherwise making trade concessions in the Laurel-Langley context, we might try to use these to get concessions from the Filipinos on base matters, as well as in the context of favorable investment provisions for American capital.

I. Likely Impact on the Negotiations of Presidential Directives to Reduce U.S. Military and Civilian Personnel in the Philippines

By Mr. Kissinger's memorandum of March 25, 1970, the President has directed a one-third reduction of U.S. military and civilian personnel stationed at Clark Air Base. A one-quarter reduction of U.S. personnel of all U.S. military and civilian agencies elsewhere in the Philippines was also directed.

The likely impact on the military bases negotiations of personnel reductions of this magnitude will be to increase Philippine demands for more financial offset to counter the negative effects these cuts will have on their balance of payments. Since U.S. base spending totals about \$150 million annually, it seems evident the reductions will entail a loss to the Philippines of the order of \$50 million annually.

Unanimous Position

State and Defense are now analyzing the impact of the President's directive, particularly its effect on the Philippine balance

of payments. We anticipate the reductions will have an adverse impact on the negotiating atmosphere for the talks on the MBA and related matters.

J. Timing

The Philippines is not presently ready to enter into MBA or, indeed, other negotiations. It would be advantageous, nevertheless, for the U.S. to take and keep the initiative with regard to demonstrating our readiness for negotiations.

Unanimous Position

State and DOD are agreed that the U.S. should take the initiative with the GOP by offering to negotiate an MBA that would be comparable to modern Asian SOFAs; however, it is agreed that in making such an offer no mention be made of our willingness to relinquish baselands.

218. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, May 12, 1970.

SUBJECT

Implications of the Proposed Reduction of U.S. Government Personnel in the Philippines

You asked whether Ambassador Byroade has some legitimate arguments against the proposed personnel reduction in the Philippines, or whether he is simply placating Marcos.²

These are Byroade's feelings, not Marcos'. So far as we are aware, Marcos does not know of the planned reductions, though rumors are already said to be floating around Clark.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II. Secret; Nodis. Sent for information. A notation on the memorandum indicates that the President saw it.

² Byroade had requested in telegram 2946 from Manila (see footnote 2, Document 216) that his telegrams concerning the "profound implications" of the planned personnel reductions be shown to President Nixon, and Kissinger had reassured Green in an April 7 telephone conversation that this would be done. (National Archives, Nixon Presidential Materials, NSC Files, Box 556, Country Files, Far East, Philippines, Vol. II)

Informal consultation with the State Department and the Embassy in Manila indicates that the following questions will arise in implementing your instructions:

- The impact upon our strategic position in the Pacific.
- When and how to tell the Philippine Government about the reductions.
- The effect that the reductions will have on the political position of President Marcos.
- The relationship between the reductions and upcoming negotiations on our base rights in the Philippines.
- The impact of cuts on the Philippine economy, particularly its foreign exchange position.
- The labor problems caused by laying off Philippine employees.
- The effect of the phasing of the reductions on all the above.

I have asked Elliot Richardson, as Chairman of the Under Secretaries Committee, to draw up a reduction plan for submission to you. He has been specifically authorized to include in his report an evaluation of the implications of the planned reductions for U.S./Philippine relations and for U.S. strategic capabilities in Asia. I have suggested that the plan envisage a completion date in 1971 for the planned reductions. Defense has asked for more time to make its submission for this report and a separate memorandum is coming to you on this subject.

219. Letter From the Ambassador to the Philippines (Byroade) to President Nixon¹

Manila, May 13, 1970.

Dear Mr. President:

I feel that you will wish a more personal appraisal of some of the characteristics of President Marcos than it is wise for me to put into my general report to you, which of course will be read by several others. I wish I could do this part orally, but as this is impossible at present,

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Top Secret.

I have asked Dr. Kissinger to prevent distribution and filing of this portion of my report.²

As I see it, Marcos is a product of the political system here, and not the cause of that system. His training in that system here has been in fact nearly all of his adult life—through the Congress, the Senate and now the Presidency. The whole atmosphere has been one of public expectancy that anyone able to move through these ranks would capitalize financially on their positions—and anyone who did not would be considered naive indeed—if not down-right incapable. This is one of the things that I predict will change—but we are only in the initial phases of this now.

Politics is still the single biggest industry in the Philippines. Candidates for public office spend huge amounts of their personal wealth in campaigns. If elected, they usually recoup these amounts while in office. Marcos is no exception to this. Marcos, like other Filipino politicians, has always been corrupt by American standards, but by Filipino standards he is no better or no worse than other Filipino politicians. Some several persons close to the President say that during his first term in office he amassed a multimillion dollar fortune, although there is no absolute proof of this. Yet when you compare his performance with that of past Filipino Presidents, such as Garcia and Magapagal, Marcos has done more for the Filipino people than many of the Presidents combined. He built more roads, pushed through miracle rice, built school houses, etc. While the opponents dismiss this with the phrase “the more projects, the more kickbacks,” nevertheless there is material evidence to show that Marcos did carry through with his infrastructure program better than anyone before him had done.

Not long after I got here a Chinese businessman of prominence said to me “You Americans are far too critical of Marcos because he is the best we ever had. Before Marcos, not even 20% of appropriated funds were put to good usage. Marcos has more than doubled that figure—and that’s progress.” I guess it’s all in the point of view!

Marcos is a typical Filipino. While money normally is power anywhere in the world, in the Philippines it would seem, many times, that money is the only thing that counts. Marcos believes that to keep the feudal-like political barons from his throat he must amass sufficient wealth to keep them in check. When you ask a Filipino who may have \$20,000,000 why he continues to amass greater amounts of money, he will give you a simple but honest reply: “That’s the way the game is

² Kissinger forwarded the letter to the President under a June 8 covering memorandum which summarized Byroade’s “revealing and sensitive letter” “on President Marcos and his place in Philippine politics and history.” A notation on the memorandum indicates that the President saw it. Attached but not printed.

played in the Philippines." Marcos also believes that anything can be bought in the Philippines and he may be right, at least for the time being—but as I say in my main report I believe a beginning at least is being made in a change in the system.

I have no doubt that Marcos will endeavor to recoup the private monies that he spent in getting re-elected. Whether he will have the good sense to at least stop there, I just don't know. He is not engaged in petty or small things such as the corruption around our bases. He is a very sophisticated operator and anything he does will be well concealed through others in such things as private investment, stock market manipulations, etc.

Whatever his shortcomings, the Philippines, barring accident, has him for almost four more years, and so do we. Someday there will be a Jerry Roxas, but Jerry for all of his fine qualities, lacks one all-important one—the leadership capacity to get himself elected President of the Philippines. Marcos has been described as the greatest Filipino politician since Quezon. Politicians do not achieve greatness by insensitivity to changing demands, and I think it would be a mistake to underestimate Marcos' capacity to adjust to a new situation and work towards goals that are both in his own and his country's interests.

The personal relationship we have been able to develop with both the President and Mrs. Marcos are highly satisfactory—and have reached the point where I can say in all candor I do not want them to be any closer than they are now. He is easy and pleasant to work with, is extremely able and is quick in his actions and decisions. He is also, underneath, obviously quite pro-American.

I hope very much, Mr. President, that we can get at least a part of what you want here during your own tenure of office.

Respectfully yours,

Henry A. Byroade

220. Telegram From the Embassy in the Philippines to the Department of State

Manila, May 15, 1970, 0301Z.

[Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Top Secret; Nodis. 4 pages of source text not declassified.]

221. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, May 23, 1970.

SUBJECT

Renegotiation of the Military Bases Agreement with the Philippines

In response to your request of last autumn, the Under Secretaries Committee has come up with the outlines of a negotiating stance with regard to base rights in the Philippines, and has approved some preliminary conclusions concerning the base land issues.

In short, the Committee came to the following conclusions:

—*Base Lands.* USAF holdings in the Philippines alone exceed all other USAF holdings in foreign countries. It was agreed to relinquish 36% of the holdings at Clark and to consider further relinquishments there. The naval base at Sangley will be given up as soon as the need for its Vietnam support effort ceases. Part of the Navy's 36,000 acres at Subic Bay should be relinquished, following a watershed survey. Camp John Hay (Baguio) will be retained unless the GOP insists on its return. These relinquishments will be offered during the course of negotiations to gain Philippine acceptance of points vital to us on other issues, and thus will not be offered at the beginning of the negotiation.

—*Tenure.* The Bases Agreement runs until 1991. Such agreements with other countries usually have a one-year termination clause, comparable to the mutual defense treaties. The Committee agreed that the unstable political situation in the Philippines argues against offering such a one-year clause. However, if the Philippines press us on the Agreement, consideration will be given to reducing the length of its validity and/or agreeing to a termination clause.

—*Criminal Jurisdiction.* The Agreement itself is similar to other agreements, but the GOP seldom waives its jurisdiction, whereas other countries regularly do so. Problems concerning fair trial, the conditions of imprisonment, etc., generate unique problems in the Philippines. It was agreed to study ways to improve procedures and relations with the Philippines on this sensitive issue, but to place a high priority on retaining our present rights in this delicate area.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Secret. Sent for information. A notation on the memorandum indicates that the President saw it.

—“*Filipinization*” of the Bases. Detailed proposals will be developed to permit the Philippines a role in immigration, health and customs procedures on the bases, to provide for selective joint use and possibly to effect a symbolic joint command of the bases. In these respects, our present Agreement is less liberal than with most other countries.

It was agreed some of the most persistent Philippine complaints relate not to the Base Agreement itself, but to other aspects of our military relationship. On the 1953 *Mutual Defense Assistance Agreement*, the Filipinos have a point. We have controls not duplicated elsewhere—for instance, the GOP can purchase military equipment from third countries only with our approval. A specific proposal for renegotiation of that agreement, to bring treatment in line with our other allies, will be developed and cleared by the Under Secretaries Committee. Negotiations on this agreement could be dovetailed into the Bases Agreement negotiation at a later stage.

The GOP periodically suggests that it wishes to renegotiate the 1952 *Mutual Defense Treaty* to get a more explicit commitment from us. The Committee agreed that we would suggest to the GOP, if the issue arises, that renegotiation would be impractical and might be counter-productive.

The Philippines have hinted that they would like to renegotiate our *economic agreements* concurrently with the military ones. Their enthusiasm for this course of action may be diminishing, however, as they begin to realize that they cannot demand economic concessions for continued military agreements, as they have done in the past. The Committee agreed to keep these negotiations separate if possible.

The attached memorandum suggests that we will hold up negotiation of the Military Bases Agreement while we analyze the impact of proposed personnel reductions on our relationship.² This is inaccurate. There will of course be a connection, but no proposal to defer the Base negotiations was actually agreed among the Under Secretaries, and in fact State is proceeding to develop specific negotiating instructions and to authorize our Embassy in Manila to begin negotiations.

The GOP will probably wish to defer formal negotiation for Philippine domestic reasons. This is not a matter of great concern, since our willingness to negotiate will be documented by our offer, and this alone takes much of the sting out of the aspects of our military relationship which are unfavorable to the Philippines.

² See Document 218.

There is no need for any decisions on your part at this time. I will continue to keep you informed as the negotiating scenario develops.³

³ Circular airgram CA-2879 to Manila and CINCPAC, May 23, informed the addressees that the U.S. Government would be “ready shortly” to inform the Philippine Government that it was prepared to begin negotiations and requested their comments and recommendations. More specifically it asked the Country Team to make detailed studies “of concessions we could offer the Philippines to Filipinize the bases,” of “joint-use proposals we offer the Philippines in the course of negotiations,” and of “nominal joint command proposals” that could be offered. Finally, the Country Team was requested to “make a detailed study of base and watershed requirements to determine what specific proposals for relinquishment of acreage” at Clark AFB and Subic Bay Naval Base “could be tabled in the course of negotiations.” (National Archives, RG 59, Central Files 1970-73, DEF 15-4 PHIL-US)

222. Memorandum From the President’s Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, June 16, 1970.

SUBJECT

Letter from Ambassador Byroade

Ambassador Byroade has sent you a personal assessment of the situation in the Philippines and of the proper role for U.S. policy (Tab B).² This was the assessment he promised when he saw you in San Clemente last August. (I recently sent you his separate, highly sensitive, letter assessing President Marcos in personal terms.)³

Byroade refers to the convulsion of anti-Marcos feeling which swept Manila in January and he observes that it is still impossible to say with confidence what caused that movement and what it may portend for the direction of Philippine development. He nevertheless ventures some estimates as to what happened then, what courses are open to Marcos now, and what the U.S. role should be now and in the future.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Secret. Sent for information and action.

² Attached but not printed.

³ Document 219.

The riots against President Marcos. Byroade sees these as arising from the economic/financial crisis, from the psychological letdown following the election, from the revulsion against Marcos' manipulation of the elections, and from the long overdue outbreak of student political activism. At least as important, factions of the local Establishment turned against Marcos out of personal animosity and from fear of his growing power reflected in his election victory. Through their control of information media, these factions did an incredible hatchet job on Marcos' reputation within a matter of weeks.

(Byroade touches only lightly on another cause which was prominent in the Embassy's reporting at the time: in many normally conservative quarters including the Church, there has developed a deep and widespread frustration and disillusionment against the Philippine political system and its venality.)

The choices before Marcos. Marcos could embark on one of three broad courses:

—Assume leadership of the forces calling for fundamental but non-violent change, and challenge the Establishment.

—Continue the present lines of Philippine politics, playing off one group against the other, using the carrot and the stick, and avoiding any fundamental challenge to the system.

—Retreat to a defensive position relying upon the military and upon the more conservative elements in society.

Marcos does not seem to have decided which course he will take, and he may attempt to temporize throughout his second term. With the best will in the world, he might well find it impossible to pursue the first course above. The Establishment is very powerful, and resistances to change would be powerful. Marcos might be murdered if he attempted to challenge the system, and in any case he would not carry Congress.

The U.S. role. Byroade continues to think that we should take the course that you have sketched out: to modernize our relationship and put it on a "most favored nation" basis. He notes that we are moving ahead to begin negotiations on the major areas of our relationship.

He predicts, however, that we should not expect a dramatic improvement from our efforts, and he observes that our problems are most acute in renegotiating the Bases Agreement and Laurel-Langley Economic Agreements. He notes the following problems:

—Filipinos really do not realize that they are getting most-favored-nation or better treatment in many areas. As an example he points out that our military criminal jurisdiction agreement is in fact as favorable as our NATO or Japan formulas, but that most other countries almost invariably grant us waivers of jurisdiction in criminal cases, whereas the Philippines almost never do. Marcos himself was astonished when Byroade cited the comparative statistics on waiver requests to him.

—The Philippines will pose exaggerated demands which we will not be able to meet.

—Negotiations will proceed in a “Chautauqua” atmosphere which makes it doubly difficult to come to terms.

Byroade recommends nevertheless that we go ahead with due caution on the negotiations, and he recommends that we push ahead with economic negotiations without waiting for generalized preferences to LDCs under GATT. He believes that we should be prepared to give the Filipinos something in the way of continued preferences, while we protect the legitimate interests of American business in the Philippines. He suggests that we consider simultaneously negotiating a Friendship, Commerce and Navigation Treaty. (We have already urged State to develop a negotiating scenario for the economic negotiations.)

For the longer term, Byroade sees some hope. He says that all the Philippines needs is “good government and birth control.” He notes that there are powerful forces beginning to work toward an improvement in political morality, and that the Establishment is jittery and less inclined than heretofore to play “politics as usual.”

Ambassador Byroade urges that we provide quiet advice to move the Philippines towards correcting its own problems, but he also recommends more use of international advice through the IMF, the World Bank, etc. He urges also that we bring the Japanese into the exercise. He sees this as the way to move steadily away from our strictly bilateral “special relationships.”

I have sent an acknowledgement to Ambassador Byroade on his other letter on President Marcos. I have attached (Tab A) a note from you to Byroade, in case you wish to acknowledge this one.⁴ Byroade has done an outstanding job in Manila. He has gotten across to the Philippine leadership that we are moving toward a new relationship, that we plan to treat the Philippines as an equal, but that we will no longer tolerate the Filipinos treating us as a whipping boy yet at the same time expect us to be particularly understanding and responsible toward them. (On at least two occasions, Byroade has stopped cold schemes by Romulo to blame us publicly in disputes over military base and consular matters, by making it clear that such behavior is simply not acceptable.) He has gotten the same message across to our military and civilian personnel in the Philippines, and has stopped certain high-handed practices which annoyed the Filipinos. At the same time, he has established close personal relations with Philippine leaders. (He was Marcos’ personal guest on a recent Presidential boat tour of the

⁴ Attached but not printed.

outer islands.) I think that he would appreciate a message from you, and that he deserves one.

Recommendation

That you sign the letter to Ambassador Byroade at Tab A. The letter has been cleared with James Keogh.

223. Memorandum From the Assistant Secretary of State for East Asian and Pacific Affairs (Green) to the Under Secretary of State for Political Affairs (Johnson)

Washington, June 30, 1970.

[Source: Department of State, INR/IL Historical Files, Philippines, 1969, 1970, 1971 File. Secret; Eyes Only. 2 pages of source text not declassified.]

224. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, July 2, 1970, 0928Z.

6187. Subj: Secretary's Talks with Marcos

1. In the brief interval after arrival of Secretary Rogers here and his call on Marcos, we had opportunity with Pedersen and Green present to run through the bilateral subjects that might come up, with particular attention to the subject of a possible state visit. The Secretary had had the opportunity of reading report of my last conversation with Marcos on this subject transmitted to Department as Manila 6085.²

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Secret; Priority; Exdis. Rogers was in Manila to attend the 15th Annual Council Meeting of the Southeast Asia Treaty Organization (SEATO).

² Telegram 6085 from Manila, June 30, reported Rogers' discussion with Marcos, including the postponement of the latter's August visit to Washington and the reduction of U.S. forces in the Pacific. (Ibid.)

2. The Secretary decided that he and I would go alone to Malacanang and I got this word to Marcos prior to our arrival. When we arrived only Romulo was with Marcos. After the photographers had left Marcos indicated that he would appreciate a short time with the Secretary alone and the two of them went into the inner library. They stayed alone for the full hour that Marcos allotted to us. (Other heads of delegations were scheduled every 15 minutes thereafter.) In the meantime, Romulo and I occupied ourselves with current business and enjoyed the company of Mrs. Marcos for a portion of that time.

3. What follows herein is my own summary of the debriefing the Secretary had the time to give me, and which he had indicated conveys the substance on the main substantive points. It lacks obviously finer points and nuances which it may be possible for me to obtain from the Secretary later on as his schedule permits.

4. The most important point to emerge was that the proposed state visit for Marcos in August is indefinitely postponed. Marcos took the initiative on this subject, raising some of his own doubts about the wisdom of his absence here in August, and wondering frankly what practical results could come out of the visit at this time, despite the fact that he would personally very much like another opportunity for discussions with our President. The Secretary indicated that, while he knew from President Nixon personally how much he would welcome such a visit, that the timing did indeed raise some problems on our side. The Secretary mentioned upcoming election period in the United States, the sensitivity of matters affecting the Far East now in our relations with the Hill, etc. This led Marcos to suggest that maybe it was not very good timing for either of us. In the discussion that followed as to exactly how to leave the matter, the Secretary suggested that really nothing need be done in any public sort of way, as it had never become public knowledge that such a trip had been tentatively planned. Marcos said this was quite agreeable with him.

5. They both agreed that it would be extremely important that there be no leaks that a visit had been planned but postponed. In the event of unfortunate leaks it could, of course, be quite truthfully said that it was certainly the desire of our President to see President Marcos on a state visit and the matter had been discussed from time to time with no decision as to possible timing (I would like to add my own recommendation that all concerned quietly cross off the possibility of a Marcos visit on August 19 and ensure that there be no leak or comment about it). It was the Secretary's own impression that Marcos was not personally disappointed at the thought of an indefinite postponement, and in fact may have been somewhat relieved.

6. There was general discussion on the reduction of forces in the Pacific area to somewhere near pre-Tonkin levels as the situation would

permit. It appears to me that the Secretary did a very good job on this and that Marcos accepted the philosophy that this was really a part of a process that America should go through in order to be certain that the administration could keep the support of the Congress and the country for maintaining those forces abroad that would be actually necessary for vital security interests. The Secretary talked about reductions to be made elsewhere in the Pacific. I feel that this subject went well. He did not, of course, get into actual figures for the Philippines, which I will handle later on with Marcos as they become known.

7. The Secretary expressed our appreciation to Marcos for the many instances of late in which he personally had lent the support of his office to making conditions around our bases better for our own forces. The Secretary took note of the fact that, as I had told him earlier, we were nearing the point of being ready to undertake base negotiations at his convenience. Marcos made a rather interesting comment that he thought our troops would be happier in the Philippines if they used their leave opportunities to travel more in the Philippines away from the base areas, where conditions were bound to be somewhat abnormal. He said the average Filipino liked Americans, and it was a pity that most of the troops never saw anything of the Philippines except the bar-infested areas outside the base gates. (The President may be thinking of the benefits of tourism, but there is no doubt in my mind that he made a very good point on this one.) Marcos gave the impression he was really in no hurry on base negotiations, and would just as soon see them postponed for a while.

8. There was some general discussion of Laurel–Langley problems with both sides apparently agreeing that there seemed no need to attempt any early negotiations on that matter as well. Marcos did mention his concern again over the sugar quota and the Secretary said that there would be every desire on the part of his department to be helpful to the Philippines as this problem came up, but that as Marcos knew other departments and the Congress itself were in the last analysis probably most important in the decision making process. Marcos said he appreciated the statement of support from the Secretary on the part of the Department.

9. Marcos indicated that he hoped the Philippines could get more military assistance from the United States in the future so that they could handle to the greatest possible extent their own security problems. He said he thought that the army could handle the limited type of internal security problems that now face the Philippines, but that their capability at present was really very little greater than that, and their navy and air force was practically non-existent. He said he fully shared, what he understood to be President Nixon's view, that nations should be more self-reliant on such matters, but that the Philippine

financial situation would prevent them from moving forward much further without assistance. The Secretary said that, within the increasingly tight budgetary restrictions upon the administration, Philippine requirements would of course continue to receive sympathetic consideration.

10. There was no specific discussion on any future amount or type of possible U.S. assistance to the Philippines.

11. The Secretary tells me that the talks were extremely friendly and frank throughout and it appeared to me that the talks went well. Marcos certainly seemed to be in a good mood as they emerged and rejoined Mrs. Marcos, Romulo and me.

12. The Secretary has asked me to add to this message his personal desire that all elements of State involved in a possible Marcos visit ensure that the matter die as of now without leak or comment. He also asked that this particular matter be explained to the White House staff so that they will realize the desirability of no leak or no further mention of such a possible visit.

Byroade

225. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, July 13, 1970.

SUBJECT

Personnel Reductions in the Philippines

Description of Reduction Plan Recommended by Under Secretaries Committee.

U. Alexis Johnson has transmitted the Under Secretaries Committee plan for personnel reductions in the Philippines.² A summary of

¹ Source: Library of Congress, Manuscript Division, Kissinger Papers, Box TS 65, Memoranda to the President 1970, July, Part II. Secret; Sensitive; Nodis. Sent for action. Printed from a copy that indicates Kissinger signed the original.

² On June 20 in a memorandum to the President from the Under Secretaries Committee. (Department of State, NSC Under Secretaries Committee File: Lot 83 D 276, NSC-U/DM 42, 6/22/70)

the plan, which appears fully responsive to your instructions, is contained in the table at Tab B.³ In general its principal features are:

—a 33 percent reduction at Clark Field and a 25 percent reduction of other military personnel. This cuts back our military presence in the Philippines to pre-Vietnam war levels.

—a minimum of military redeployments to other locations in the Western Pacific. All but 400 of the military reductions involve the elimination of positions not now filled or the return of personnel to the U.S.

—a 32 percent reduction in the total official U.S. presence in the Philippines (including personnel of civilian agencies and dependents) to be fully accomplished by June, 1971.

Implications of the Plan for our Strategic Position in the Pacific and our Relations with the Philippines.

The recommended reductions will reduce our capacity and flexibility to deal with military contingencies in Southeast Asia and the Western Pacific but should not prove unmanageable as long as they are tied to Vietnam withdrawals. They should not affect our continued tenure at bases in the Philippines which will become increasingly important in the years to come because of their unique geographical location, their capacity to handle "surge requirements" and the likelihood that it will be more difficult to maintain present base structures at a number of other pacific locations.

In the long-run, the impact of a substantial reduction in our involvement in the Philippines, which will contribute to greater Philippine self-reliance, should be favorable to U.S.-Philippines relations. In the short-run, however, there will be the following problems:

—As a result of the reductions, 3,000–5,000 directly hired Philippine employees of our bases will be laid off and up to 11,000 Philippine contract employees will be put out of work. This could result in strikes and protests organized by Philippine labor unions.

—The Philippines will lose \$30–40 million a year in foreign exchange during a time of balance of payments crisis.

—The people of the Philippines, the majority of whom regard the retention of U.S. bases as beneficial, could interpret the reductions as a U.S. withdrawal from the Philippines. This could intensify the climate of uncertainty which now characterizes the Philippine political situation.

—The reductions could also be interpreted as a sign of our disapproval of President Marcos and a lack of confidence in his leadership, making his political position more difficult.

We can, however, minimize these short-run problems by:

—making it clear that the reductions are related to Vietnam withdrawals and to world-wide budgetary and manpower constraints.

³ Attached but not printed.

—emphasizing our continued commitment to Philippine security in the context of bi-lateral military agreements.

—undertaking new programs, where possible in the context of multilateral approaches, to mitigate the economic effects.

Issues for Decision and Recommendations

1. *Cuts in the Diplomatic Mission*

Ambassador Byroade recommends only a minimum of reductions (roughly 3%) in U.S. personnel under his direct control. Under his recommendation, one American position from the diplomatic mission would be eliminated; 5 would be converted to staffing by Philippine nationals and 17 involving regional activities would be relocated elsewhere in the Pacific area. The Under Secretaries Committee has also described two alternate plans for Embassy cuts, but has made no recommendation.

—The first involves a reduction of 50, which amounts to a 12 percent cut. Although a few programs would have to be curtailed, Washington agencies involved, including the Bureau of the Budget, feel that a reduction of this magnitude would be manageable.

—The second envisages a 25% reduction in Embassy personnel. In the opinion of the Under Secretaries Committee, it would require termination or severe curtailment of a number of programs considered essential to achieving our current national objectives in the Philippines.

Recommendation

I recommend that you approve the first alternate plan proposed by the committee which calls for a 12 percent cut in the diplomatic mission. In my opinion, the 3 percent reduction recommended by Ambassador Byroade would not be consistent with the deep cuts proposed in other programs.⁴

2. *The Timing of Reductions at Clark Field*

The plan for reductions at Clark Field, which was drawn up by the Air Force, calls for 75% of the reductions to be implemented by September, 1970 (100 percent implementation by that time would involve an undesirable increase in the number of personnel who had to be redeployed elsewhere in the Western Pacific).

On the basis of your instructions, the Defense Department has already incorporated this immediate drawdown at Clark into its budget plan for FY 71 and is now reluctant to stretch out the reductions any further. Ambassador Byroade feels, however, that problems with the Philippine Government would be reduced if the immediate reductions

⁴ The President checked the approve option.

at Clark were delayed a few months. The Department of State requests that you instruct the DOD that at least 50% of the scheduled reductions for Clark Air Base be completed by September 30, 1970 and that, to the extent possible, the balance of that reduction be spread out more evenly over the period ending June 30, 1971.

Recommendation

I believe that Ambassador Byroade is in the best position to judge the effects of the timing of the cuts. I recommend, therefore, that we leave some leeway for the Clark reductions to be slowed down. This could be done by directing that at least 50 percent of the Clark cuts be made by September 30 and that the level of any immediate reductions beyond that level be worked out between the State and Defense Departments and the Ambassador.⁵

A memorandum from me to the Under Secretaries Committee approving the plan recommended by the committee and incorporating the two recommendations above is attached at Tab A.⁶

⁵ The President checked the approve option.

⁶ The memorandum, July 17, advised the Chairman of the Under Secretaries Committee that the personnel reductions in the Philippines should incorporate "a 12 percent reduction in our diplomatic mission" (with JUSMAG and DAO to be excepted from the cuts) and ordered that 50 percent of the reductions at Clark Field be accomplished by September 30, with the remainder to be done by June 30, 1971. Attached but not printed.

226. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, July 22, 1970, 0945Z.

6794. Deliver Upon Opening of Business. Subj: U.S. Personnel Reductions in the Philippines. Ref: State 115651; State 115652.²

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Secret; Immediate; Limdis. Repeated to CINCPAC.

² Telegrams 115651, 115652, and 115650, to Manila, all July 20, informed Byroade of the decisions made by the President on reductions of U.S. personnel in the Philippines (see Document 225), asked him to inform Marcos, and asked him to comment on a statement for the press describing the decisions. (All *ibid.*)

1. I called on President Marcos this morning to discuss forthcoming U.S. personnel reductions in accordance with above messages. In our continuing conversations in the past several weeks I have attempted to gradually prepare him for this type of specific information so that it would not come as a surprise. The Secretary also did a good job for us with Marcos on this subject when he was here early this month. In spite of this I think he got a bit of a jolt over the magnitude of the cuts and the fact that they would start right away.

2. The first question from Marcos was whether these cuts affected in any way our Mutual Defense Treaty. I said that they did not, that our commitments still stood, and after some discussion on this point I believe he accepted the fact that the air and naval defense of the Philippines was not basically affected.

3. Marcos then quickly focused into the three points which caused him the most concern. The first was the effect of the loss of foreign exchange earnings from the bases on their precarious economic situation and their current economic plans. The second was the loss of jobs for Filipinos that would inevitably follow such a large cut of Americans. A third point of concern was how the matter could be handled publicly in a manner which does not cause considerable damage here. Our discussion focused particularly on this latter point and prompted my preliminary warning cable requesting that no public statement be made until we could think about this matter further and I could discuss it with the military commanders.

4. With regard to the first two points above, Marcos asked if I could give him statistics as to what we thought would actually be involved in the way of loss of foreign exchange and loss of jobs. I told him I was not in a position at the moment to do that but would give him as quickly as I could our best estimate on these matters. He understands that they will be very preliminary "estimates" but said they would be useful to him in planning within his own government with the thought he should initiate immediately.

5. Marcos asked what our plans were for handling the matter publicly. I showed him a possible opening statement being considered in Washington as contained in State 115652. When he read it his first comment was "but this will serve to undo everything you and I have been trying to do." What he was referring to was handling doubts that are widespread here about future U.S. intentions. He said he is continually being asked if the U.S. intends to withdraw completely from the Philippines. This had reached the point where he recently had been asked if the U.S. and the UK had not reached some kind of a private understanding where the British would remain in the area, thus allowing U.S. withdrawal. I said this was of course utter nonsense and he agreed, but pointed out the fact that such questions do come from responsible people.

6. Marcos asked what I could tell him alone and privately about the future of U.S. intentions. Specifically, was this merely the first of several cuts, and how far down did we plan to go? I told him that I felt relatively sure that there was no planning within our Executive Branch at this time for further cuts in the Philippines. I told him I was sure that our President plans a continued military presence in the Pacific area for the foreseeable future. I said that I could not of course be categorical with him on actual figures for the future, but left him with no doubt that we were not considering anything like a withdrawal from the Philippines.

7. Marcos asked at one point if we need make any statement at all. He said he was afraid that the draft I had shown him would really raise fundamental questions that could not be answered. He then went into a rather lengthy thinking out loud process as to whether we should not try to answer some of these fundamental questions positively and publicly. Could we for instance say that this was the only reduction planned for the Philippines under the MDT; that there was no question of U.S. withdrawal from the bases, etc., etc. I told him I did not think it was in the cards that we could publicly commit ourselves to maintain the new reduced force levels for forever-and-a-day. I did undertake to think further as to whether we might in some manner handle publicly the question of whether our commitments under the MDT were effected and also how the matter of doubts about "withdrawals" might be handled.

8. I never felt more the real need of long ranged strategic planning for the Pacific Area which I plugged for so hard at the Tokyo Conference than I did during this conversation. I was somewhat taken aback to have him express thoughts which resembled very closely some of my own argumentations on this subject as contained in past cables.

9. I am convinced that we are dealing with a subject here on which we should attempt to find the best possible answer for our own interests, as well as those of Marcos, and in some instances at least I believe we have common cause for concern. It is definitely not in our own interest to have our image here as one of possible "withdrawal." Our problem certainly is not with Marcos, whom I can talk to directly and who has the benefit of occasional talks such as the recent one with the Secretary. Our problem is one of public understanding, and this includes not only the masses but up through the Government and legislative branches as well.

10. By septel I am sending a revised press statement which I think goes as far as we can towards meeting Marcos' needs, as well as our own. I will be seeing him again on July 23 at 10:00 a.m., and same night at dinner, and if draft is acceptable, I could show it to him then.

Byroade

227. Memorandum of Conversation¹

Washington, September 22, 1970.

SUBJECT

Conversation Between the Director of Central Intelligence and Madam Imelda Marcos, Wife of the Philippines President

PARTICIPANTS

Madam Marcos, The Director of Central Intelligence, and a CIA Staff Officer

The Director met with Madam Marcos for thirty-five minutes in the evening on 22 September 1970 at her suite in the Hotel Madison. Mr. James Rafferty, Special Assistant to the United States Ambassador in the Philippines, The Honorable Henry A. Byroade, made the introductions and then withdrew.

Madam Marcos began her presentation by drawing attention to the forthcoming 10 November 1970 elections for delegates to a constitutional convention in the Philippines, planned for June–July 1971. She said socialist movements sponsored by certain lay and clerical elements in the Catholic Church, particularly the Jesuits, and some Communist fronts are planning to contest administration candidates in the election. She believes that the Marcos Administration could lose the election by default unless a crash program is organized to help it win. She noted that the Church has already picked candidates, either priests or lay persons, for each election district. Should these groups succeed in achieving their objectives, it would change the form of government in the Philippines to Socialism or Communism, with only a few people realizing what the real consequences would be. She underscored her view that Philippine democracy is viable but will not survive unless the United States helps the Marcos Administration through this difficult period.

She said the Philippines is a child of the U.S. and illustrated this point by describing Vietnam as a French baby, Malaysia as an English baby, and Thailand as everybody's baby. She observed that in Asia one's creditability is not measured by how one treats a friend, but how one

¹ Source: National Security Council Files, Nixon Intelligence Files, Subject File, Philippines. Secret; Eyes Only. The meeting was held in Mrs. Marcos' suite in the Hotel Madison. According to a September 23 attached covering memorandum from Helms to Kissinger, Helms met with Mrs. Marcos on the evening of September 22 at "the President's instruction." According to the President's Daily Diary, Nixon and Kissinger met with Mrs. Marcos on September 22 from 12:42 p.m. to 1:14 p.m. No other record of the meeting has been found. (National Archives, Nixon Presidential Materials, White House Central Files)

treats his children. She is of the opinion that the United States needs a victory in Asia to maintain its stature there. A victory in Vietnam would be negative, she said, because a U.S. victory in Vietnam is expected, but a victory for those who have and continue to advocate democracy in the Philippines would be a positive one. She pointed out the richness of Philippines national resources, the high literacy rate (85%), and the cosmopolitan make-up of the population, reiterating that something must be done between now and November 1971 to help President Marcos.

She revealed that her husband is personally directing the current campaign against pro-Communist guerrilla bands in Central Luzon, commonly referred to as HUKS, and reminded her listeners of his recent successes. Madam Marcos also noted the President's efforts to meet his foreign financial obligation in order to maintain a creditable international image, but observed that when high interest and principal payments are made, little is left for internal improvement. She called attention to the political and financial pressures on President Marcos and described him as being squeezed and pushed into a corner by his detractors. She described candidates of the socialist fronts led by the Christian Socialist Movement (CSM) headed by ex-Senator Manglapus and the Communists as articulate and clever. She believes these anti-Marcos forces might succeed in their plan to control the constitutional convention. In this event, she said, the President would become a "strong man" because he has no intention of being pushed out by the CSM or the Communists. She has been told that the CSM is being supported by the Adenauer Foundation in West Germany and has sources of succor in England. She also directed attention to Father Ortega who recently resigned as head of Ateneo University in Manila to stand as a candidate for the constitutional convention under the CSM banner. Father Ortega is now in New York soliciting support for the CSM. She disclosed that her visit with Pope Paul VI, while en route to Washington, was not for the purpose of piety but to persuade him to make his visit to the Philippines in the third week of November, which would be after the election, to prevent the Catholic Church in the Philippines from using his visit to further its political ambitions. She said the Pope suggested prayer as a possible answer but he also agreed to delay his visit.

After listening to Madam Marcos suggest that the U.S. sometimes helps enemies but forgets friends, i.e., help Germany and Japan but forget the Philippines, Mr. Helms asked what was meant by a crash program. She replied:

a. A rural electrification program for the Philippines costing between 300 and 500 million dollars over a ten to twenty year period, announced by President Nixon as soon as possible in order to achieve high political impact. She said it would be understood that the full

amount would be stretched out over a long period of time but she also emphasized that the announcement would have to include the full amount in order to assure maximum political gain.

b. A side sum of money for support of some of Marcos' candidates at the barrio level.

c. Support for a better exchange rate between the peso and the dollar.

d. Birth control and family planning programs.

Madam Marcos said Dr. Hannah of AID, who is now in the Philippines, promised 30 million dollars in aid, presumably for the rural electrification program. She thinks the Asian Development Bank might provide 30 to 50 million dollars and the World Bank another 50 million dollars; some of this latter money would be for birth control and family planning. In response to Mr. Helms' request for other possibilities, she suggested short-term bank loans and other short-term international credit be extended to long-term loans to ease the pressure of large interest payments. Presumably the money saved would be used for political purposes. She also suggested some consideration be given to manipulating the sugar industry, noting that the sugar barons are giving money to Communists to win their support. Mr. Helms said that he would see President Nixon in the morning on 23 September and would at that time discuss Madam Marcos' helpful and eloquent conversation.

Madam Marcos then said funding the election at the barrio level would mean 4,000 pesos for 35,000 barrios and also asked for more arms and helicopters to enable President Marcos to capture a fourth HUK leader, Commander Dante. She praised the Rockefeller and Ford foundations who, she said, maintained the U.S. image in the Philippines by developing the IR-8 miracle rice.

Mr. Helms again said he would discuss the matter with President Nixon.² Madam Marcos noted that she might leave Washington on Thursday but was prepared to stay for as long a time as it was necessary to acquire support for her husband. Mr. Helms suggested that it would be proper for the response to her request to come from the White House. Madam Marcos ended the conversation by yet another appeal to "back her and support President Marcos and democracy in the Philippines."

In the morning of 23 September, Mr. Rafferty called the Agency and said that Madam Marcos talked with President Marcos after Mr. Helms departed. President Marcos reportedly said to her that what is

² No record of this meeting was found.

needed is a 300 million dollar stabilizing fund for the peso.³ President Marcos also said that the 300 million dollars need never leave the United States but would be used to backstop the peso free exchange rate, which, said Rafferty, is in a precarious position. Rafferty had no other commentary to offer as an explanation or clarification, but said that he was merely noting this conversation between Madam Marcos and her husband.

³ The Department of State position on the \$300 million stabilization loan, as expressed in telegram 159948 and in a memorandum to Kissinger, September 25, was that such a loan would be contrary to U.S. policy of moving from the bilateral to the multi-lateral arena in assistance to the Philippines and that it "would torpedo the whole IMF-IBRD arrangement which has so successfully established financial discipline in the Philippines." (Both in the National Security Council Files, Nixon Intelligence Files, Subject File, Philippines)

228. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, September 25, 1970.

SUBJECT

40 Committee Consideration of Philippine Constitutional Convention Issue

At the 40 Committee meeting on September 24² the issue was discussed of the Philippine Constitutional Convention and its possible implications for the U.S. national interest. It was decided that it would be undesirable to have radical or left-wing elements take over the Constitutional Convention and draft a constitution which, as Mrs. Marcos suggested to you, might turn the Philippines into a social democratic welfare state or a Marxist state.

It was also recognized, though, that we do not now possess enough information to make judgments on how to proceed in this matter, and

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Secret; Sensitive. Sent for information. According to a September 25 memorandum from Holdridge and Kennedy to Kissinger, the memorandum was prepared at Kissinger's direction. A notation on an attached covering memorandum reads: "Sent to Pres. 10/2/70." A notation on the covering memorandum indicates the President saw it.

² The minutes are in the National Security Council Files, Nixon Intelligence Files, Minutes of 40 Committee Files, September 24, 1970.

that a number of questions would need to be answered on the basis of information furnished by informed sources in Washington and in Manila. These questions are:

—What do we want to achieve?

—What elements should we back? (In this respect, it was agreed that backing supporters of President Marcos in the November 10 elections for delegates to the Convention would be preferable to seeing a leftist victory. Alternatively, however, we might wish to back a moderate group if one is identifiable because of the public criticism directed at Marcos over his rigging of the election which gave him his second term.)

—How do we provide our assistance?

—What should be the magnitude of our assistance?

At your direction State was tasked with preparing a study of the implications of the Constitutional Convention and the elections of delegates.³ These specific questions, however, were not addressed. The 40 Committee will meet again on October 6 to review the answers and to submit the findings to you for a decision.

On the subject of assistance to the Philippines in rural electrification, it was determined that some help might be provided prior to the November 10 elections. A statement on U.S. assistance might be made or financing of some type provided through the World Bank. Under Secretary Johnson will speak to Mr. McNamara on this last point. Follow-up steps will also be discussed at the October 6 40 Committee meeting.

³ The Department of State study, October 2, stated that “Mrs. Marcos is the only person who professes to believe that the Philippine Constitutional Convention will be controlled by leftist elements. In fact, there are few observers who believe it will not be controlled by President and Mrs. Marcos.” (Ibid.) The study was prepared in response to a September 22 memorandum from Davis to Eliot. This attached covering memorandum stated that “the President has asked that State prepare an analysis of the Philippine Constitutional Convention and its possible outcomes, particularly the possibility that it will be controlled by leftist elements. This analysis should include Ambassador Byroade’s appreciation of the situation.” (Ibid.) Assistant Secretary Green also sent a letter to Kissinger, September 24, stating that he had heard that Mrs. Marcos had told the President that “we in Washington didn’t seem to know about the Constitutional Convention” and “that I had not known anything about it when she talked to me last Sunday” and seeking to correct this matter “for the record.” (Ibid.) Kissinger replied to Green on October 13, stating in a postscript that he had mentioned Green’s letter to the President who “has no illusions about the lady and a great deal of confidence in you.” (Ibid.)

229. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, October 3, 1970, 1044Z.

9074. 1. Mrs. Marcos called Rafferty at 6:30 a.m. this morning asking that an appointment be arranged with me sometime today. I saw her for about an hour and a half beginning at 2:00 p.m.

2. After small talk about her trip, I received, in general, the same presentation she had made so often in Washington as reported in State 159948,² and I will not therefore repeat it here. It was I think a somewhat altered presentation in that at times she was extremely frank about some of the aspects of the convention that worried her, particularly on personalities involved, including those in their own camp.

3. I attempted to use the occasion to accomplish three specific things. One was that I thought she had gone a little too far in exciting Washington that the Philippines was on the doorstep of becoming another Chile. She took this well, but in the discussion I began to realize that she was personally more convinced that the dangers were real than I had thought would be the case. She is obviously extremely tense, has lost considerable weight, and is in a generally emotional state. She carried on at great length about the weaknesses of the Nacionalista candidates in the upcoming election. At one time she referred to some of them as "unattractive tribal leaders" who would be incapable of matching the eloquence of the opposition in the convention itself, and that many of them that she would consider reliable would be very bad vote getters indeed, and put on quite sorry campaigns. I believe that this is a belated recognition that she and Marcos did not work hard enough to convince the right people to run, and on this point, at least, I think she was being quite open and honest.

4. Another thing I sought to do was to try to make her understand why huge amounts of cash from America at this time were not only impossible due to severe budgetary limitations, but out of step with policy in Washington as well. I told her that Washington was taking very seriously the Nixon Doctrine, and that "multilateralism" was a strongly held view in Washington from the President on down. As a practical matter, I said that even had we been able to pull the development funds out of the safe that she had asked for, most would feel

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 15-5 PHIL. Secret; Priority; Exdis.

² Telegram 159948 to Manila, September 29, summarized Mrs. Marcos' meetings in Washington. (Ibid., POL 7 PHIL)

that this would have been an unkind act for the Philippines itself. It would have dislodged and ruined the whole IMF exercise, the formation of the consultative group, and even upset their current workable relations with U.S. private banks. I told her of the very encouraging meeting in Paris (of which she was uninformed) and said that Washington was sure that this route was better, not only under our own conditions at home, but in the long-term interest of the Philippines itself. She was encouraged by the news from Paris but stressed over and over again that in the next few weeks, in particular, they needed signs of direct American support. I told her we would do what we could do (Can we for instance speed up action on PL-480 program?).

5. A third thing I had in mind was to try to prevent her from making any more statements to the press that would imply huge American assistance. She gave me a skillful reply on what was needed at the moment in the Philippines. She does understand her people very well, but unfortunately has a rather dismal ignorance on how things work for us at home. I told her I was already extremely worried about her exclusive interview of Sept 29 with UPI, in which she had come very close indeed to directly quoting our President, with approval and support, and had in the same interview ticked off a number of items which totalled approximately \$900 million. She read the account and gave her explanation that it was somewhat distorted and she had not meant this to be the case. I cautioned her against further encounters with the press in which she could be represented as saying such commitments had been made. I said that it was not improbable that our President might be publicly asked by hostile members of our Congress if these commitments had in act been made. This could, of course, lead to a highly embarrassing situation. There is no doubt that she got the point and realizes that there is indeed a direct conflict between the postures she feels are important for her to assume here at the moment and our own method of doing business. I hope this will tone down her future statements.

6. When I returned to the office we had received the press release of the consultative group in Paris and its accompanying reftel. This has received no publicity in Manila, I suppose because of no Philippine news presence in Paris, and inadequate diplomatic reporting. I am taking this to the President within the hour in the hopes that he will see desirability of playing this in a constructive light here. More will follow.

Postscript: I have just returned from seeing Marcos. He was most appreciative of CG press release and was taking action as I left to give it full play in the Philippines. As time was running out on him, if it was to get heavy coverage in the influential Sunday press, I did not take up other items.

Byroade

230. Memorandum for the Record¹

Washington, October 6, 1970.

SUBJECT

Minutes of the Meeting of the 40 Committee, 6 October 1970

PRESENT

Mr. Kissinger, Mr. Mitchell, Mr. Packard, Mr. Johnson, Lt. Gen. Richard T. Knowles, and Mr. Helms

Mr. Charles A. Meyer, Mr. Viron P. Vaky, and Mr. William Broe were present for Item 1.

Mr. John Holdridge and Mr. William Nelson were present for Items 2 and 3.

Colonel Richard T. Kennedy and Mr. Thomas Karamessines were present for all items.

[Omitted here is discussion of Chile.]

2. *Philippines*

a. The Chairman reviewed the recent visit of First Lady of the Philippines Imelda Marcos and the web she tried to weave around Washington while here. She had expressed herself to higher authority² and Mr. Helms as well as others, throwing curve balls around a leftist threat to the Constitutional Convention, the need for a huge balance of payments loan, high impact projects, i.e. rural electrification and support for her husband's political campaign. As a result, four questions had been passed to Ambassador Byroade in Manila. He had replied with a 10-page cable on 30 September 1970.³

b. The Ambassador's assessment did not support the First Lady's scare talk. The Byroade analysis was that Marcos was in full control at this time.

c. It was also noted that Marcos was allegedly angered by his wife's freewheeling; none of this had come directly from him and she might be launching personal political ambitions.

¹ Source: National Security Council Files, Nixon Intelligence Files, 40 Committee Minutes, October 6, 1970. Secret; Eyes Only.

² Imelda Marcos had met with President Nixon on September 22 from 12:42 p.m. to 1:14 p.m. No record of this meeting has been found.

³ Byroade's backchannel message to Green, September 30, was forwarded to the 40 Committee and the NSC under an October 1 covering memorandum [*text not declassified*]. (National Security Council Files, Nixon Intelligence Files, Subject File, Philippines)

d. Mr. Johnson, Mr. Mitchell, Mr. Helms, and Mr. Packard generally agreed with the Byroade assessment. Mr. Kissinger pointed out that higher authority was sensitive on matters like this and did not want to be told everything was all right only to awaken months later to find the bottom dropping out. Mr. Helms said the basic question was: Do we want at this time to earmark funds for covert support of Marcos candidates at a time when President Marcos—no neophyte at feeding at our trough—had not yet asked for a peso.

e. Mr. Nelson pointed out that there were 2400 candidates for about 130 seats and that current information was that the party in power had more than a 50% leverage, the opposition no more than 25%.

f. [*less than 1 line of source text not declassified*] Manila was directed to make an independent assessment (considering the worst that could occur) in as much detail as possible and have it ready for next week's meetings. [*1 line of source text not declassified*]

[Omitted here is discussion unrelated to the Philippines.]

Peter Jessup

231. Paper Prepared in the Embassy in the Philippines¹

Manila, October 13, 1970.

[*less than 1 line of source text not declassified*] *Manila Reply to Questions Concerning Philippine Constitutional Convention*

1. It might be useful for a better understanding of the atmosphere in which the Constitutional Convention will take place to note current issues in Philippine political life which affect U.S. interests. These issues, which have been developing over a number of years, are:

a. A desire to eliminate special privileges currently allowed to U.S. investors and to regulate U.S. investments in the Philippines by new legislation based upon laws similar to those governing foreign investments in other Southeast Asian countries. In 1946 the Philippine Constitution was amended to give U.S. citizens equal rights with Filipinos in the development of natural resources and in the operation of pub-

¹ Source: Department of State, INR Historical Files, Country Files, Philippines, 1969, 1970, 1971. Secret; Sensitive; Eyes Only. The assessment was in response to an October 6 directive of the 40 Committee (Document 230).

lic utilities. The Laurel–Langley Agreement also granted reciprocal national treatment to U.S. or Philippine citizens engaged in commercial activities within the other country. In addition, it provided for tariff preferences which favor the U.S. This agreement has been modified but its basic provisions remain intact.

b. A policy for U.S. military bases which would limit the free hand which we have thus far enjoyed in their operation and which would, at the same time, raise the price we must pay. The Philippine Constitution, for example, authorizes the U.S. to acquire bases in the Philippines for the mutual protection of the Philippines and the U.S., rent free.

c. A foreign policy which would establish diplomatic and trade relations with the Soviet Union and Eastern European nations.

2. What interest does the U.S. have in the Philippine Constitutional Convention?

In the long run we believe U.S. interests would be served adequately by a constitution which would encourage the viability of a self-sustaining, friendly Philippines, wherein our investments would not be discriminated against and whose soil we could use for military purposes under certain conditions. In the short term, 3–5 years, we would not want the use of the two military bases, Clark and Subic, significantly curtailed. In addition, we would not want to be confronted with constitutional provisions that would adversely affect U.S. investments in the Philippines without adequate provisions for retaining, or receiving compensation for, assets acquired under the current arrangement.

3. Whom should we back, President Marcos, the moderates, or no one?

At this point in time there is no need to commit U.S. support to any particular group. Marcos-backed delegates probably will constitute the single largest voting bloc in the Convention. The other delegates will be made up of smaller groups representing business, religious, provincial and other special interests. These smaller groups will form alliances with one another and trade off support depending upon the particular interests they wish to advance at a given moment. Information available to us now on approximately 1,800 out of the more than 2,500 candidates leads to the conclusion that the majority are moderate in their outlook on issues which affect the U.S. Of the 1,800 candidates examined, there are less than 20 who can be classified as radical left or communist.

4. If we are to become involved, how should we do it and what should be the size of our activity?

We should remain alert to the workings of the Convention. Should trends develop which would adversely affect our interests we should

act [*less than 1 line of source text not declassified*] to back the work of individual delegates or group leaders and deflate the more extreme proposals. We cannot control the majority of the Convention delegates. We can, however, directly or indirectly control small blocs of delegates which could, in turn, be joined to larger forces to protect our interests if the need arises. We believe the total number of delegates required to influence the Convention would not exceed twenty.

5. "Worst Case" assessment²

There is a remote possibility that a solid minority of the delegates might acquire a supra-nationalist attitude or spirit and press for a constitutional revision which would jeopardize our interests. They might call for an immediate nationalization of foreign investments with only nominal compensation or they might seek to deny us the unrestricted use of our military bases. In such an event, we believe we could [*less than 1 line of source text not declassified*] fragment the minority bloc, and encourage delegates to join the Marcos bloc. This would be costly [*less than 1 line of source text not declassified*], and might promote charges of political interference, but probably could be effective. In the long run such American interference in Philippine elections, however, would be politically counterproductive.

6. Possible outcome of the election

The intelligence available to us at this juncture indicates that Marcos, without making any further effort, can be expected to emerge from the elections with a minimum of 100 delegates³ responsive to his dictates. This is so because of the procedures which govern the campaign. Marcos has the best political machine in the country and access to public funds which no other organization can match. There are several other factors which give Marcos an advantage. The Liberal Party has not recovered from its defeat in the 1969 Presidential elections and lacks adequate funds. The Catholic Church lacks the experience, the funds and the organization necessary to contest political elections successfully on a nationwide basis. With the possible exception of Manila, and Rizal Province, the field is open to the pressures and tactics that the Marcos machine has demonstrated it is capable of applying. If he does

² In an October 13 covering memorandum to Johnson, Green noted that should the "Worst Case" eventuate, i.e. "that a solid minority of the Convention might call for revisions which could jeopardize U.S. interests," [*text not declassified*] "believes that this minority could be fragmented [*less than 1 line of source text not declassified*]." However, such an action would be costly [*text not declassified*]. Green said that "I agree in general with these assessments, and see no reason to initiate any [*less than 1 line of source text not declassified*] action directed supporting President Marcos in the Convention at this time."

³ There will be a total of 320 delegates to the Convention. [Footnote in the source text.]

not have a clear majority of the delegates in hand after the election of delegates, he will, as a result of his machine's effort between now and the opening of the Convention, acquire what he needs for a majority when the Convention begins. He controls the Government machinery and will be the President for three more years. The problems that Marcos might have during the election and Convention will stem to a certain extent from his tendency to over-kill and the resentment that such an approach generates.

7. Possible outcome of the Convention

The Convention most likely will produce a moderate document containing modest changes in the structure and functioning of the Government. The proposed Constitution probably will affect directly or indirectly foreign investments in the Philippines, although it is doubtful that these new provisions would be so extreme in nature as to exclude or seriously damage our business interests. This will probably also apply to the U.S. military bases.

8. The unknown factors which complicate our analysis are the precise objectives and plans of President Marcos. We know he wishes to prevent any significant reduction of the powers of the Philippine President. He also does not wish to decentralize a highly centralized government. Some say he would like to perpetuate himself in the Presidency. It is on these issues that delegates not in the Marcos camp might unite into an anti-Marcos bloc. Should Marcos seek to change the term of the President from two four-year terms to one six-year term and have this new provision apply to his administration, he probably will provoke the delegates to take extreme positions, although they would not be against a six-year term *per se*. If Marcos does decide that his tenure as President is to be his primary objective, he would be willing to make all compromises necessary to achieve this end. This could include a decision by him to adopt a supranationalist position, and, in the unlikely event Marcos finds himself unable to control the Convention, it is possible that he would move to dissolve it.

232. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, October 20, 1970.

SUBJECT

The Philippine Constitutional Convention

At your direction the 40 Committee has three times² met to discuss Mrs. Ferdinand Marcos' urgent request to you for covert financial support to President Marcos in connection with the November 10, 1970, elections of delegates to the Philippine Constitutional Convention to be held in June–July 1971.

Independent assessments of the prospects of the Convention being dominated by communists and radical leftists, as feared by Mrs. Marcos, were requested and received from Ambassador Byroade [*less than 1 line of source text not declassified*] Manila.³ Neither believes that anything is likely to happen during the forthcoming elections which confirm Mrs. Marcos' foreboding. In addition, in a recent conversation with Ambassador Byroade, President Marcos himself stated that he does not share Mrs. Marcos' concerns.

The consensus is that President Marcos will want to and can quite adequately dominate the Convention through pro-Marcos delegates and is already moving to assure the election of delegates who will support him. He will probably be successful in this endeavor without any U.S. help. Marcos-backed delegates are likely to constitute the single largest voting bloc in the Convention.

As of now there are some 2600 candidates for 320 delegates positions to the Convention. Information presently available on approximately 1800 of these candidates leads to the conclusion that the majority are moderate in their outlook on issues which affect U.S. interests. Of the 1800 candidates studied, there are less than 20 who can be classified as radical left or communist. Intelligence available at this juncture indicates that Marcos, without any further effort, can be expected to emerge from the November elections with a minimum of 100 Convention delegates responsive to his dictates.

¹ Source: National Security Council Files, Nixon Intelligence Files, Subject File, Philippines. Secret; Sensitive; Eyes Only. Sent for information. A notation indicates the President saw it.

² The 40 Committee meetings were held on September 24, October 6, and October 14. (Memoranda for the record; *ibid.*, Minutes of 303 Committee, September 24, October 6, and October 14, 1970)

³ Document 231.

The principal knowledgeable concerns expressed over problems that Marcos might face during the election and ensuing Convention generally stem from his tendency to over-kill and the resentment that such an approach generates.

Based on the above, the 40 Committee concluded that involvement in the forthcoming elections of delegates to the Philippine Constitutional Convention is inadvisable. The Committee also agreed that following the election there should be a careful assessment of those through whom we might work effectively in furtherance of U.S. interests during the Convention should circumstances then so dictate.

I will follow up on this and see that appropriate proposals for any action at the Convention are submitted to the 40 Committee for consideration.

233. Memorandum of Conversation¹

Washington, January 15, 1971.

PARTICIPANTS

The President
Henry A. Byroade, American Ambassador to the Philippines
John H. Holdridge

SUBJECT

The President's Discussions with Ambassador Byroade on Developments in the Philippines

Ambassador Byroade began by explaining to the President² that there was very little he could tell the President which was good, in fact, he anticipated the President would be more concerned than ever before with what Ambassador Byroade had to tell him. (The President observed that the Philippines was indeed a "disaster area.") However, just to show that things weren't entirely bad, he wanted to tell the President of progress which had taken place in three areas: foodstuffs, population control, and increased influence on the part of technically-trained personnel. On food products, the Philippines now produced

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, President's Office Files, Memoranda for the President Files, 1/10/71. Top Secret; Sensitive. Sent for information.

² Ambassador Byroade was in Washington for consultations.

all the rice needed to support the population and then some. As to population control, a very effective program had been implemented by President Marcos which enjoyed the support of large segments of society including the Catholic Church, which had resulted in the establishment of birth control clinics throughout the Philippines and a downward trend in population increase. It was estimated that by 1980 the rate of increase would drop from the present 3.3 percent per annum to 1.1 percent. Ambassador Byroade described this as a revolution which was even more important than the “green revolution,” and noted that the Philippines would probably lead the rest of Asia in the field of population control.

Turning to the influence of the “technocrats,” Ambassador Byroade said that as a result of prodding by the IMF Marcos had been induced to put fiscal controls into effect and to put trained personnel in charge of these reforms. In fact, about all the trained people the Philippines possessed were now in positions of responsibility, and these young men were becoming increasingly influential in determining Philippine policies. They were capable of understanding, for example, that discrimination against American business interests might cost the Philippines a disinvestment of close to \$600 million, which would be a disaster for the Philippine economy. Thanks to the technocrats, Marcos was now considering measures to ease the pressures on American business interests. The President said that he was glad to have this information.

Turning to the political situation in the Philippines, Ambassador Byroade stated that he was obliged to report that nothing good would come out of the Philippines in the next six months. Just before leaving for Washington, he had had a long conversation with Marcos, in which Marcos had warned him of the possibility of serious disturbances in the next six-month period. Political forces hostile to Marcos were stirring up tensions and were actually preparing for an attempt to take over the key installations in the city of Manila in an effort to discredit Marcos and unseat him. Marcos had information to the effect that explosives and guns were being brought into the city, so that points such as the power station and the telephone exchange could be taken over or destroyed. Marcos had received one intelligence report that \$8 million worth of guns had been purchased by opposition elements in Hong Kong—perhaps this was \$8 million Hong Kong rather than \$8 million U.S. since the figure seemed high.

Ambassador Byroade explained that the anti-Marcos forces were led by a man named Argenio Lopez, one of the richest men in the Philippines and the worst enemy of the United States there. The President interjected to wonder if Lopez was any relation to the Philippine Vice President, and was told by Ambassador Byroade that Lopez was the brother of the Philippine Vice President. Vice President Lopez was

a fairly good man although rather stupid, but Argenio was a sour, vicious, and bitter person who wanted to drive the U.S. out of the Philippines completely. The danger was that if he succeeded in unseating Marcos, he would be able to control the Philippines via his brother. Ambassador Byroade remarked at this point that there was a 60 percent chance Marcos would not survive his last three years in office. He explained to the President that by this he meant Marcos might be assassinated.

Continuing, Ambassador Byroade said that the current crisis in the Philippines was undoubtedly of Lopez's making. The jeepney (taxi cab) drivers had gone on strike, and this strike had now gone on for nine days; unless somebody like Lopez had been supporting the drivers it would have collapsed within four days because the drivers couldn't normally stay out of work any longer. In addition, there was unprecedented campaign of vilification against Marcos also against the U.S., in the newspapers owned by the Lopez interests, which comprised the majority of the Philippine press. All of this added up to a very nasty situation.

Ambassador Byroade then declared that he had a very sensitive matter to lay before the President at Marcos' request. At the end of his predeparture conversation with Marcos, Marcos had warned him that he might find it necessary to suspend the writ of habeas corpus and establish martial law in the city of Manila—unprecedented steps which had not been taken by any Philippine President since the late 40's during the hukbalahap movement. What Marcos wanted to know was: in the event that he found it necessary to declare martial law in Manila, would the United States back him up, or would it work against him? Ambassador Byroade noted that he had promised Marcos he would bring back the President's personal reply.

The President declared that we would "absolutely" back Marcos up, and "to the hilt" so long as what he was doing was to preserve the system against those who would destroy it in the name of liberty. The President indicated that he had telephoned Trudeau of Canada to express this same position. We would not support anyone who was trying to set himself up as a military dictator, but we would do everything we could to back a man who was trying to make the system work and to preserve order. Of course, we understood that Marcos would not be entirely motivated by national interests, but this was something which we had come to expect from Asian leaders. The important thing was to keep the Philippines from going down the tube, since we had a major interest in the success or the failure of the Philippine system. Whatever happens, the Philippines was our baby. He, the President, was an activist and felt very strongly that it was far better to do something to try to save the situation than just to let it slip away from us. Ambassador Byroade said that he was very happy to hear the

President say this. He acknowledged that if Marcos did act he would undoubtedly pick up some of his political enemies among those he arrested, but in general he would be attempting to do the right thing.

Ambassador Byroade went on to remark that in the event the worst happened, and Marcos was in some way displaced by the Lopez faction, the U.S. would need to face up to two options: whether to stay out of Philippine affairs entirely, or to intervene in some way. (The President again remarked that he believed in taking action rather than standing idly by.) If we did intervene, the question would be how? One situation which he foresaw was that in which Mrs. Marcos would come to us and ask us to back her up in calling for a special Philippine Presidential election in which she herself would run as a candidate. This would not be desirable. The President expressed surprise that Mrs. Marcos would have presidential aspirations of her own, and was interested in hearing that Mrs. Marcos very definitely had such aspirations. The other possibility which Ambassador Byroade envisaged would be for us to keep hands off until the situation got so bad that the Philippine military decided to take action and would request our support. Ambassador Byroade believed that in this event we should respond favorably. The Philippine military leaders were reliable—he pointed out they were all West Point and Annapolis graduates—and despite their tradition of not getting involved in politics could be relied upon to do their best for their country if compelled to act. The President asked if they actually had the political skill to run the country, and Ambassador Byroade replied that they didn't but that they would find someone to do the job for them. Ambassador Byroade observed that things now were nowhere near as bad as the circumstances which he had described, and that the crisis point, if it came, was still quite a bit of time away. We would need to keep watching the course of events, though. The President agreed.

The President wanted to know how Marcos was getting along with respect to the Dovey Beams case. Ambassador Byroade said that the case hadn't really caused Marcos all that much difficulty, since Philippine mores were quite different from our own. The only criticism of Marcos appeared to be over the fact that he got caught out. Whatever he did, he shouldn't have let Miss Beams make tapes of his liaison. According to Ambassador Byroade, Miss Beams was still trying to keep something of a hold over Marcos.³

³ Telegram 10183 from Manila, November 12, 1970, and subsequent telegrams from Manila and Hong Kong, transmitted reports on this affair. (National Archives, RG 59, Central Files 1970–73, PS 7–6 US–HK/BEAMS, DOVIE)

Ambassador Byroade brought up as a final point the question of the President's reaction to possible Philippine moves to establish diplomatic relations with Eastern European countries. He had assured Marcos that he would ask the President for comments on this issue. Ambassador Byroade handed the President the text of a cable covering the position which he, Byroade, had outlined to Marcos,⁴ and asked if the President agreed or disagreed. (The line taken by Byroade had been that the Filipinos had to decide the matter of recognition for themselves, but should weigh the benefits which they expected to receive against the security problems which would inevitably accompany the establishment of Eastern European or Soviet missions.) The President declared that he thought the line by Ambassador Byroade was the correct one. Of course, we would not be happy if the Philippines recognized the USSR, and this would also be harmful to the Philippines. However, Ambassador Byroade was correct in saying that the Filipinos had to decide things such as these themselves. He had long ago adopted the maxim of not trying to argue against something which somebody else had already decided to do. The only thing was, that if the Filipinos decided to go ahead they should give us some advance warning so we could use this matter in our relations with the USSR. We might want to go to the Soviets and tell them that the Filipinos had asked our advice on recognition and we had told them to go ahead. In this way, we might get some credit for the Philippine action.

Ambassador Byroade stated that he was not sure the Filipinos actually intended to go ahead. A while ago it had seemed almost certain that they would, but there had been some drawing back from establishing relations with the Communist world in recent weeks. Eight Philippine Senators were now against this policy, and if Marcos were to move today he would not be able to gain approval from the Philippine Senate.

During the conversation Ambassador Byroade expressed the opinion that we were taking the Philippines too much for granted. We had taken over eight months on PL-480 negotiations without reaching agreement, and the MAP for the Philippines had been cut from \$20 million to \$17 million and then to \$13 million. Even though these cuts had been restored, the Filipinos weren't happy, and they would be less so when they found that the MAP for Indonesia was larger than theirs. They had no particular use for the Indonesians, and American interests in Indonesia were less than in the Philippines. Actions of ours of this nature were regarded as a "slap in the face from Father."

⁴ Telegram 158 from Manila, January 6, reported this conversation. (National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III)

234. Memorandum From Secretary of State Rogers to the Administrator of the Agency for International Development (Hannah)¹

Washington, January 27, 1971.

SUBJECT

Rural Electrification for the Philippines

Recent proposals from the GOP and USAID/Manila have outlined a rural electrification program for the Philippines to be funded in part by AID development loans. I understand that the initial reaction at working levels in the Department and in AID is basically favorable, while adding the ingredients of a greater emphasis on a multilateral forum, in conjunction with the IBRD and ADB, and greater emphasis on sector-wide planning. Assuming this to be the case, I should like to express to you certain political considerations which I believe support a decision to implement this program as soon as possible.

It has been characteristic of the Philippines that the pace of infrastructure development and modernization has been too slow to meet the expectations of a rapidly growing Philippine population.

In order to overcome a critical balance of payments crisis, Marcos has conscientiously enforced the fiscal and foreign exchange disciplines imposed a year ago by the IMF. This has led, however, to a slow-down in the rate of economic growth and a 22 percent rise in consumer prices in 1970. Discontent and an anti-administration mood prevails among the populace. Revolutionary extremists, operating provocatively through emergent student activists and with the unwitting cooperation of Marcos' conventional political opponents, are creating serious political instability and fanning the danger of explosive violence.

While this situation is partly of Marcos' own making—his over-kill tactics in the last Presidential elections, the popular belief that he is amassing a large personal fortune from his Presidential office—the fact is that explosive popular discontent stems to an important extent from economic problems. For example, recent riots in which five were killed stemmed from a strike of jeepney drivers supported by activist students. Discontent could be reduced and popular confidence in the Philippines' democratic structure of government strengthened by indications that the country is moving forward with national economic

¹ Source: National Archives, RG 59, Central Files 1970–73, AID (US) PHIL. Secret. Drafted by Usher (EA/PHL) and Shepard C. Lowman, Country Officer (EA/PHL), and cleared by Wilson and Barger (EA). This memorandum responds to a January 21 memorandum from Green to Rogers. (Ibid.)

development. It is in our interest, as well as in that of the Philippines, that this be achieved; and it is important that indications of forward progress come now, before the internal political situation of the Philippines further deteriorates.

Initiation of the long planned and impatiently awaited national electrification program at this critical juncture could have a significant favorable economic and political impact. Thus, I would urge that serious consideration be given to the allotment of sufficient development loan funds from FY 71 to initiate this program with the remainder to be programmed in FY 72.

William P. Rogers

235. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, March 31, 1971.

SUBJECT

Some Positive Insights on Filipino Characteristics

Secretary Rogers has sent you a brief but remarkably perceptive report (Tab A)² on the political and social character of the Filipinos, prepared by the Political Counselor of our Embassy in Manila. It illuminates those positive and stabilizing aspects of Philippine society which we have been groping to understand, but which are so often lost from view amid the welter of daily events.

I agree with Secretary Rogers that this paper displays real insights. Its main points are as follows:

—There is no argument about the lack of visible progress in dealing with the Philippines' major problems; graft and corruption,³ peace

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Confidential. Sent for information. The memorandum indicates the President saw it. A notation in Nixon's handwriting to Kissinger reads "K—Do letter as I wrote." Regarding this letter, see footnote 5 below.

² Tab A, Political Counselor Underhill's report, sent as valedictory observations upon leaving the Philippines, was sent from Manila as airgram A-36, January 27. (Ibid., RG 59, Central Files 1970-73, POL PHIL) Rogers forwarded it under cover of a memorandum to the President on February 25. Attached but not printed.

³ For a different view of corruption and the abuse of power in the Philippines, see airgram A-4 from Cebu, February 8. (Ibid., POL 15-4 PHIL)

and order, the widening gap between rich and poor, government inefficiency, and the inadequacies of top leadership.

—If there is general agreement that Philippine society is seriously ill, there is also equally firm agreement that a revolutionary situation does not exist. The reasons for the “perverse stability of this noisy, poorly governed, disorderly, under-achieving society” are:

—There is a political system in the Philippines. The Constitution has been in effect for 35 years without suspension or having been rewritten by a “strong man.” Peaceful transfer of power repeatedly takes place. There is general agreement that the system needs revision, but there is equal agreement that the mechanism to bring about changes should be the Constitutional Convention.

—In other developing countries of Asia we are concerned because the provinces do not identify with the capital. This is definitely not the case in the Philippines. A good internal civil air network, a nationwide radio network, and an excellent newspaper distribution system provide good communication within this society.

—The Filipino is addicted to elections and if much energy is absorbed in the political game it fulfills the special purpose in the Philippines of serving to deal with the oriental problem of face. The Filipinos are unusual in Asia for knowing how to find a respected place for defeated ex-Presidents.⁴

—The Philippine press helps drain off revolutionary pressure. This is a compulsively open society, where the life span of a secret is measured in hours. Scandals are hyper-ventilated. After a while this produces not indignation but boredom. A comparable phenomenon is indifference to student martyrs. The normal level of casual violence is so high in the Philippines that there is no general sense of outrage when a few students are shot.

—The private sector of the economy works well. The road to wealth is open to the ordinary dishonest man. In most of developing Asia this road is controlled by the military.

—The Filipino is less interested in good government than in government that is good to him. Like a gambler in Las Vegas, the system may wipe him out, but he is no more interested than the gambler in changing it. Tomorrow he may strike it lucky.

—Sheltered in his extended family system, linked by dual ties of loyalty and obligation upward and downward in the social structure, the Filipino is almost never alone, either actually or figuratively. The

⁴ Nixon underlined the last sentence (beginning with the word “how”) and wrote in the margin: “Like Mexico.”

individual loneliness and alienation that is deeply troubling the society of the West is almost unknown in the Philippines. This is perhaps the essential reason why the average Filipino is optimistic about the future. To the despair of the revolutionaries, he has not lost his sense of humor, he is not bitter.

—What are the limits? How much more can the long-suffering Filipino take before he accepts the arguments of those favoring violent change? Consensus for change develops slowly in a democracy, and if the needed change is basic as it is in the Philippines, it often takes a severe crisis to generate and sustain the consensus.

—The alternative to peaceful reform in the Philippines is probably not revolution but anarchy. Those who try to end the anarchy may come from either the Right or Left but they will have to accept the fact that the Filipino will not tolerate too much government. He will be intractable and rebellious if his individualistic way of life is denied him.

—The democratic values which the U.S. planted in the Philippines have now assumed their own indigenous forms. The roots are deep and if we have faith in the capacity of our own society to change and survive, we cannot give up hope for the Philippines.⁵

⁵ At the end of the memorandum Nixon wrote: "Dear Mr. Underhill: The Secretary of State has called to my attention your Airgram of __. This is one of the most perceptive, incisive and thoughtful analyses I have ever seen in reading hundreds of such reports over the past 20 years. The Nation is fortunate to have a man of your analytical ability in our foreign service. Cc to Rogers." Attached but not printed is an undated letter to Underhill signed by President Nixon incorporating the notation almost verbatim.

236. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, July 8, 1971, 0851Z.

6405. 1. I do not want to clutter up the wires with the obvious, but I do think I would be remiss if I did not report that the recent events started by the *New York Times* disclosures, the Supreme Court decision, et al, have had a great and injurious impact here. I have had long talks on these matters with both Marcos and Romulo, in each case at their

¹ Source: National Archives, RG 59, Central Files 1970-73, POL PHIL-US. Secret; Limdis. Repeated to Vientiane, Saigon, Bangkok, and CINCPAC.

initiative. Their immediate primary concern or course (in this continuing process, which for here, started with the Symington Committee disclosures long ago) is what may yet come out to cause further embarrassment to the GOP, and of course to Marcos personally.

2. As an example, Romulo told me yesterday he was appalled by the publication of the Lansdale Memo in 1961 indicating CIA support of, and implication with, three Philippine organizations, i.e., the Eastern Construction Company, Operation Brotherhood, and Security Training Center. I told him I had not seen that report and had only a hazy recollection as to what two of these outfits were like in 1961. I added, however, that there was certainly nothing sinister in our helping, if we did in fact help, in any of these efforts, as all three in fact were in a good cause. He said he agreed, but it was now being played in the light that it was sinister, and that, especially as two of these endeavors still existed, it could have serious and immediate local repercussions. (Unfortunately friendly and helpful Congressman San Juan is in charge of the Eastern Construction Company.) He said that it was so serious that he had asked for a full study and the Philippine Embassy to send in the complete text of the Lansdale Memo. Fortunately this particular disclosure has not as yet been played in the local press, but I assume that it will be and most probably in a sensational manner.

3. Marcos, in personal conversations, has never come directly to the point, but occasionally phrases he uses could hardly have any other meaning but to reflect concern on his part as to whether my own reporting might be distributed widely and be leaked in Washington. Romulo, more in sorrow than in anger, has gone much further and asked how any nation can have the confidence to converse freely with our ambassadors in the future. He hastened to add that this would be a tragedy, as he did not think American motives bad, but that there would naturally be great mistrust in doing sensitive things with us in the future. He thought *Newsweek's* graphic description of Lodge's last assurances to Diem in Vietnam in the face of what actually happened, would hamper us with every Asian leader for a long time to come.

4. For my part I go through the obvious: that these are only *Pentagon Papers*, which to the exclusion of all other relevant papers and records of discussions and decisions, leave a very distorted picture, that this has been further exaggerated by the manner of presentation, headline selection, etc. But, of course, there is really no effective answer, and it would be impractical to attempt to portray by cable all the local reactions, very many to me personally, on this subject.

5. But in summary I can say that we have suffered a very great loss indeed as a nation in these events. In my opinion it goes beyond a fear by local and high officials as to how it might affect them per-

sonally. The deeper loss of confidence reflects a worry about the U.S. itself, which is considered important by every segment of this country. I am not competent to know what steps we can take that would be effective, but additional search, on the one hand, for ways of assuring others that we have adequate laws to protect the security of our own confidences of state in the field of foreign affairs (and hence those of others), and on the other for ways of proving that we have the national will to tighten our own security, and prosecute under the laws if necessary, seems very definitely in order.

Even more difficult would be the search for forms of reassurance, in the case of Asian nations particularly, that we are on an honest and open course with them, in the interest of their own aspirations as well as our own.

Byroade

237. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, July 19, 1971.

SUBJECT

Philippine Special Fund for Education: Proposed Project for Land Reform Education

At Tab A is a memorandum to you from Secretary Rogers² recommending that we agree to the Land Reform Education project proposed by the Philippine Government to close out the funds remaining in the Special Fund for Education. (The Special Fund for Education, established by a 1963 amendment to the Philippine War Damage Legislation of 1962 and fully constituted at \$28,133,000, is to be used as jointly determined by the Presidents of the United States and the Philippines.)

The Philippine Government has proposed that the remaining \$1,281,935 in the Fund be used to establish a trust fund for land reform education. Earnings from the trust fund would support education for

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. III. Limited official use. Sent for action. Haig signed for Kissinger.

² Rogers' memorandum is dated July 2; attached but not printed.

farm families, training of land reform personnel, research, and complementary programs in community development and cooperative farming. The trustee funding concept has proved successful in three previous projects carried out under the Special Fund for Education.

Recommendation

That you authorize the conclusion of an agreement with the Philippines for the expenditure of \$1,281,935 from the Philippine Special Fund for Education (PL 88–94) to establish a Land Reform Education Fund.³

³ Haig checked the approve option and wrote: “Haig for HAK for Pres.”

238. Airgram From the Embassy in the Philippines to the Department of State¹

A–291

Manila, August 20, 1971.

SUBJECT

Discussion with Filipino Senator Benigno Aquino, Jr., LP Secretary General.

SUMMARY

Senator Aquino, the hyperactive Liberal Senator with a “maverick” reputation, reported that he will visit the People’s Republic of China for ten days in September with a group of Filipino journalists. He was pessimistic about the prospects for the Liberal Party in the November senatorial, provincial and local elections and about the future of the Liberal Party and the two-party system in general in the Philippines. Aquino does not exclude the possibility of some sort of revolutionary upheaval in the Philippines during the next four years and sought to leave the impression that he might “go to the hills” as one of its leaders.

During a long merienda and introductory meeting at the Army-Navy Club on August 11 for Political Counselor Maestroni, Sena-

¹ Source: National Archives, RG 59, Central Files 1970–73, POL 12–6 PHIL. Confidential. Drafted by Forbes, cleared by Hulen (POL) and Kalaris (POL/R), and approved by Maestroni (POL). Repeated to Hong Kong.

tor Aquino made a number of interesting comments that are worth recording.

Trip to Peking. Senator Aquino said that he would be leaving on September 2 for a ten-day trip to Peking, Canton, Shanghai and, possibly, other cities in Communist China. Accompanying him will be six Filipino journalists and two TV cameramen who will stay in China for a total of thirty-five days and will try to make a side trip to Pyongyang. The trip, which Aquino said is being sponsored by a Chinese journalistic association, is for the purpose of familiarizing themselves with current developments on the Mainland. (Although Aquino said that he had gone to Canton with the Philippine Chamber of Commerce group that traveled to China in May, we have no information that he actually went further than Hong Kong with the group or received a visa to enter the Mainland. If Aquino does, in fact, make the trip he says he will, he will be the most senior Philippine official to visit Peking.)

The 1971 Elections. Senator Aquino was pessimistic about the Liberal Party's prospects for this November's elections. Only two Liberal candidates (Salonga and either Magsaysay or Osmena) would be elected to the Senate, and the Liberals would fare badly in gubernatorial and mayoralty contests. President Marcos, Aquino complained, is buying off Liberal candidates with money or political appointments and has already persuaded eleven potential Liberal gubernatorial candidates not to run; four of these were confirmed on the day of our conversation as new Court of First Instance judges.

Senator Aquino showed us the results of a recent poll conducted nationwide by the Liberal Party. The poll, which had 2,800 respondents, confirmed his conclusions that the Liberals would not do well in the senatorial election. Of the issues that respondents were asked to identify as the most urgent problems presently facing the Philippines, high prices and the need for public works ran far ahead of graft and corruption and criticism of the Marcos Administration. The Nacionalistas, according to Aquino, had conducted a separate poll with similar results, with Senator Almendras emerging as the most popular candidate from either party. When we pointed out that high prices and the need for public works were issues that the Liberals could readily use in their campaign, Aquino replied that this was not the case; instead, what counted was how the voters, two-thirds of whom live in rural areas, would respond to these issues at the time of election. Their memory is short and their impressionability high, and between now and election day Marcos would dispense considerable amounts of "pork barrel" funds for local high-impact public works projects and would import enough rice to keep the price of this essential commodity down. Aquino appeared to place great stock in the value of his polls. He went over them column by column and figure by figure and gave no sign of questioning the validity of the statistics he quoted. As a practical politician,

he said, he has his office conduct a nationwide poll of issues every 45 days, paying particular attention to identifying issues connected in the popular mind with certain Senators. Little nationwide impact resulted, according to his poll, from his Congressional budget and fund transfer campaign; Senator Magsaysay, however, drew high marks on land reform even though, according to Aquino, Magsaysay “never opens his mouth on this issue.”

The Liberal Party is in danger of extinction, Aquino continued. President Marcos has changed the traditional rules of the political game in the Philippines by spending unprecedented sums of money to ensure the election of himself and other Nacionalista candidates. The Liberals can no longer compete on this basis; they need 500,000 pesos per province per year (68 provinces) just to operate their party organization, let alone to pay for the costs of an election, and raising the necessary funds is becoming increasingly difficult. President Marcos will spend freely on the 1971 elections, Aquino claimed, and has already started doing so by passing out two thousand pesos to each of the twenty-seven thousand barrio captains in the country. In addition, Aquino states that Marcos now owns directly or controls through various means, 220 of the approximately 290 radio stations in the Philippines and has managed to prevent criticism in all of the major newspapers except the *Chronicle* and the *Times-Mirror-Taliba* group. Mandy Elizalde (described by Aquino as a political nobody whose inclusion on the Nacionalista slate was intended to prove that Marcos can get anyone elected) puts the Elizalde Tri-Media behind the Nacionalistas. (Aquino’s claim of the extent of Marcos’ control over radio broadcasting is open to doubt since the Lopez-owned ABS–CBN system owns a sizeable percentage of the broadcasting industry. As for newspapers, his remark is misleading since the circulation of the *Times*, *Taliba* and the *Chronicle* is considerably greater than that of all the other major papers combined.)

Revolutionary Change. Aquino’s comments on the future of the Liberal Party led him into a discussion of his own future political role and revolutionary political change in general in the Philippines. Since Marcos had, by his overspending on elections, blocked the traditional avenues of access to political power for the Liberals, Aquino said he was left with three choices for his own future: 1) allow himself to be bought off by the Nacionalistas (Nacionalista Senator Jose Roy, Aquino related, had recently orally invited Aquino on Marcos’ behalf to be the Senate’s representative on the GOP delegation to the UN General Assembly and, upon his return, become the head of the Philippine National Bank. Aquino said he asked for the offer in writing from Marcos, thus effectively declining the probe); 2) “hang up my shingle” and retire from politics; or 3) “go to the hills” and join the revolution. Aquino implied that he was considering the third choice. Polls con-

ducted by his office had shown that in response to the question "How would you react if a senator went to the hills?" 34% of the respondents said they would approve; two years ago the response was only 19%. A question on whether or not the respondent would approve of a revolutionary change of government in the Philippines produced a similar response. Aquino stated that his fellow Liberal Senator Jose Diokno has decided against the idea of "going to the hills" for the moment; Aquino, however, left the impression that this course was not excluded for himself. He thought a revolutionary leader of sufficient prominence would have little difficulty in gaining support from the peasants and that financial support would come from the urban middle class and some of the wealthy who were disenchanted with the Marcos Administration.

Aquino said that he believed that there could be a revolution in the Philippines sometime between now and 1974 or 1975. Underlying his comments on this subject was a fairly clear indication that Aquino is in active contact with KM leaders both in and outside Manila. For example, he reported that radical leaders had decided to change the tactics of their guerrilla activities. Starting in September they planned to place their emphasis on increased urban terrorism rather than on terroristic activities in the provinces which they felt were not having the desired impact. (This tends to support similar reports heard from other sources.) He noted that the number of students who have received two or three months of guerrilla training in the hills and who have returned to the cities is growing, and their tactics have become more sophisticated. In the future, Aquino thought that there will be fewer direct confrontations with the police and Philippine Constabulary and more use of sniping, arson, bombing and other forms of selective terrorism.

Aquino said that Marcos was becoming more and more of a dictator and was gaining control of the government and the country in line with his alleged intentions of continuing to stay in power beyond the end of his second term in 1973. Thus Marcos' present actions and future ambitions, Aquino argued, were creating a revolutionary situation for the Philippines. While Aquino said he could not predict with precision when a revolution would occur, he said that one of the key factors that any revolutionary must consider and which at present was unclear was the position the United States would take in a revolutionary situation in the Philippines.

Comment: Senator Aquino can be prone to exaggeration, and his remarks on the possibility of revolution and the role that he might play as one of its leaders seemed quite farfetched. Aquino, who is a long-time and prominent critic of Marcos, has no political ideology beyond his own personal ambitions. In this respect, his discussion of revolution can be interpreted as meaning that, if the Philippine political

system has been changed to the extent that his political clique cannot alternate in power with the Marcoses by democratic means, then it will become necessary to resort to violent revolution as the means of gaining power. Although Aquino is believed to maintain regular contact with the Huks and the NPA, the jump from being a potential Liberal Party candidate for the 1973 Presidential election to leading a revolution in the hills may be a bit too much for the “boy wonder of Tarlac” to make.

Byroade

239. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, September 3, 1971, 0937Z.

8351. 1. I literally do not have time prior to my departure from here for detailed reporting on a long talk with Marcos alone today, and later on with Mrs. Marcos alone, and finally with the two of them together.

2. As it turned out it was a bad day indeed to see Marcos as there were two or three hundred people in Malacanang on a whole series of important meetings and he actually had about 100 waiting for him when I left. In the turmoil I ran into Mrs. Marcos by accident and walked over to say goodbye. She took me in the music room for about an hour's conversation. Her main concern seemed to be some doubt as to our support of the President in present circumstances, or as she put it, in his struggle to rid the country of Communist subversive operations. I told her she need have no worry on the latter, but went on to explain my concern that the President's actions to suspend the *writ* coming as it did in an election period, might well be misunderstood abroad. I tried to draw her out as to what had to happen, as she saw things, before he could raise the suspension, but did not get anything very specific. She went into long stories as to the nature of their evidence, as of now, implicating Aquino and possibly others.

3. I told her I would face many questions at home, and some in which I had no answers. I said the first question that everyone would ask me is “Who did it at Plaza Miranda?”² My answer would have to

¹ Source: National Archives, RG 59, Central Files 1970–73, POL 15–1 PHIL. Secret; Exdis.

² The Plaza Miranda incident refers to an indiscriminate terrorist attack by unknown assailants who tossed two grenades there into a rally of the opposition Liberal

be the "I do not know." The next question would be "Who do you think did it?" I told her my answer to that one would also have to be "I don't know." I said this would put me somewhat on the defensive in Washington which was unfortunate as there were positive things that I wanted to work on there.

4. Later on as I was sitting down with the President, Imelda asked to see him before his talk with me. When I later joined the President in his private library, he said that I had left the First Lady quite agitated and worried, with her worry centering on my remarks in the quotes above. Marcos said I must know that he had not suspended the *writ* solely on the Plaza Miranda incident, as he had stated publicly, that this was only the last straw. He said he was determined, during the period of the suspension of the *writ*, to break the back of Communist-led insurgency in the Philippines, even though this might take some time. He assured me that he would not misuse the suspension for political purposes, or against personal enemies. Interestingly, he said that it would not be difficult to have the constitutional convention extend his tenure of office, but that he was not going to do that. He said he would retire in 1973 unless at the time the country seemed in such a condition that he could not conscientiously leave the office of the President.

5. I said that from all evidence we had it appeared that his people were operating under the suspension in quite a proper and legitimate manner. I said unfortunately, however, as long as the suspension was in effect he would be accused by his enemies of misusing it no matter what he did. He said he knew that was true, but there came a time in the life of many presidents where they had to become immune to criticism and he had personally passed that stage. He repeated that the affairs of the nation under the suspension would be handled properly, and said further that in the two years he had left he was going to institute significant reforms.

6. Our conversation then turned to the long list of specifics that I had prepared to take up with him prior to my departure. These need not be reported now except for matters connected with Clark Field. Marcos told me that he would sign the transfer orders of Judge Gaddi from the Angeles area today. He said it made him wince to have to "promote" Gaddi to get him out of our hair, but he would do it, and do it right away. He also phoned the Solicitor General in my presence and directed him to take any steps necessary to get Airman Whipkey out of jail in Angeles.

Party on August 21. President Marcos responded by suspending the writ of habeas corpus for suspected subversives. Marcos also caused the detention of a number of persons without formal charges and immediately came under suspicion of exploiting the situation to stifle opposition elements, according to INR Intelligence Note REAN-47, September 1. (Ibid., POL 23-8 PHIL)

7. Imelda joined us and the three of us had a re-hash of her concern as to what I would say in Washington. It all ended amicably enough, but it is clear that she is somewhat worried. While this at times makes life a bit complicated for me here, I think I left her with just about the right amount of concern. I am not worried about the President as he is less emotionally inclined and I think respects and understands the position of the American Ambassador here far better than she. In any event, we will know in due course. I am leaving here by Pan American tomorrow. My itinerary will be sent separately.

Byroade

240. Memorandum From John H. Holdridge of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)

Washington, September 13, 1971.

[Source: National Security Council Files, Nixon Administration Intelligence Files, Subject File, 303/40 Committee Records, Philippines. Secret; Eyes Only; Outside the System. 2 pages of source text not declassified.]

241. Telegram From Secretary of State Rogers to the Department of State¹

New York, October 14, 1971, 2059Z.

Secto 161/3504. Memorandum of Conversation: FM Romulo (Philippines) Part II of III: Military Situation in Philippines and Vietnam; October 13, 1971, 5:00 pm: 35 A Waldorf.

¹ Source: National Archives, RG 59, Central Files 1970–73, POL 7 PHIL. Secret. Received at 2210Z. Repeated to Manila and Saigon. Part II of III. Part I on the issue of Chinese representation in the United States and Part II on Nixon's proposed trips to Beijing and Moscow are *ibid*.

1. Participants: Philippines—FM Romulo, PermRep Reyes; US—The Secretary, Mr. Murphy (reporting officer).

2. Summary: Romulo said there were some subversive demonstrations in the Philippines and the Philippine Army needs US support on training and equipment. The Secretary said the military situation in Viet-Nam is good and even the other side must acknowledge it. End summary.

3. Asked about the situation in the Philippines, Romulo said there had been several subversive demonstrations including a recent bombing of an electric plant, and that those responsible are Maoists. Consequently, he said, it is against President Marcos' inner convictions to vote for the entry of PRC into the UN. The Secretary observed that US-Philippine relations were excellent, and Romulo said much credit should be given to Ambassador Byroade, who was the best US Ambassador the Philippines had had, and enjoys the respect and confidence of both the President and himself. The Secretary stated that things looked good in Viet-Nam at the moment and that although we were disappointed by the Presidential election, because Thieu could have won even with opposition, South Viet-Nameese forces were fighting well and US casualties were very low. Romulo asked if South Viet-Nam could handle the military situation by itself if US forces withdrew, including US air forces. The Secretary said that the South Viet-Nameese could make it without US ground forces, but the President had not yet decided how long US air power would be used. He said the other side also thinks the South Viet-Nameese can do it on their own and that in recent conversations with the Russians they had acknowledged this. Romulo said his country would like to know what plans the US had to train the Philippine Army and what equipment they could get from the US. He remarked that the Philippines was not getting sufficient training or equipment at present. The Secretary asked how many insurgents were active in the Philippines, and Romulo said about 3,000, who were getting their equipment from Viet-Nam. He said President Marcos strongly desires to see his army properly trained and equipped. The Secretary inquired if the Philippine Government was in touch with the US military on this, and Romulo replied that they were, through the Mutual Defense Board. The Secretary promised to look into the matter and discuss it again with Romulo, and Romulo suggested that the Secretary could pass the message through Ambassador Byroade. He commented that the problem of the US surcharge on Philippine sugar seems to be solved now, and said much of the credit for that belongs to Ambassador Byroade.

Rogers

242. Editorial Note

First Lady Imelda Marcos made a trip to the United States in October 1971 and requested meetings with President Nixon and other high-level U.S. officials. The following excerpt is from the tape of a conversation between Chief of Staff H. R. Haldeman and President Nixon concerning that request and other matters. The conversation took place on October 19, 1971, from 10:55 a.m. to 12:14 p.m. in the Oval Office.

Haldeman: “Marcos, do you have to see her when she comes?”

Nixon: “Oh, hell, I don’t know. I don’t really think so.”

Haldeman: “What they’re [Department of State] suggesting is an option if you don’t see her.”

Nixon: “Yeah. She’s here for what good?”

Haldeman: “She’s here to try to assess the extent of U.S. Government support for she and her husband’s—her and her husband’s fight against communism in the Philippines is—

Nixon: “Oh, is she?”

Haldeman: —“the way she puts it.”

Nixon: “Well—

Haldeman: “He intends to retain control until communism is defeated, either by extending his term of office or having her replace him as President—

Nixon: [unclear]

Haldeman: —“’til the end of his term.”

Nixon: “I think I should stay out of it.”

Haldeman: “He’ll have to revise the Constitution to do that.”

Nixon: “What do they [Department of State] suggest?”

Haldeman: “They say we should treat her with reserve. At the same time, we don’t want to give her cause to feel rebuffed. And I—

Nixon: “I think she’s got to be seen some way but I don’t—”

Nixon and Haldeman then agreed that the President would meet briefly with Mrs. Marcos. (National Archives, Nixon Presidential Material, White House Tapes, Recording of conversation between Nixon and Haldeman, Oval Office, Conversation No. 596–4)

A record of President Nixon’s subsequent meeting with Mrs. Marcos on the morning of October 22 is in Document 243.

Almost directly after his meeting with Mrs. Marcos, President Nixon met with Congressman Peter Frelinghuysen, Jr., from 12:16 p.m. to 12:45 p.m. in the Oval Office. The following excerpt is from that conversation:

Nixon: “Democracy isn’t easy. I was just talking to Mrs. Marcos in the Philippines. You know what they’re talking about now? Oh, they

think that the Communist danger is so great that maybe, maybe—they may not—it may be in their interest to write their Constitution in a way that democracy could succeed itself without an election. And the Philippines, we [unclear] that's American style democracy trying to make it work in Asia—

Frelinghuysen: "As I understand it—

Nixon: "It's a hell of a problem, right?"

Frelinghuysen: "It's not easy.

Nixon: "And our people who take this high and mighty attitude about democracy and all [unclear] our thing, particularly that is. The Latins aren't any good at it. In fact, the Anglos are the only people who are any good at democracy, the British and the Americans." (Ibid., Conversation between Nixon and Frelinghuysen, Oval Office, Conversation No. 599–12) The editor transcribed the portions of the conversations printed here specifically for this volume.

243. Memorandum for the President's File¹

Washington, October 22, 1971, 11:45 a.m.–12:15 p.m.

SUBJECT

Meeting Between the President; Mrs. Imelda Marcos, Wife of the President of the Philippines; and Brig. Gen. A.M. Haig, Jr.—Friday, October 22, 1971 (11:45 a.m.–12:15 p.m.)

The President welcomed Mrs. Marcos and asked for her appraisal of the Iranian 2500th Birthday Celebration. Mrs. Marcos said that it had been a remarkable assembly of world leaders. While she could not judge its economic costs, she did believe that the exposure of the leaders of so many different political ideologies could not but have had a constructive influence on world peace. She had again had an opportunity to talk with Vice President Agnew, she noted, and jokingly commented that many in the press had assumed that their identical conservative attitudes made them natural allies. Mrs. Marcos described

¹ Source: National Archives, Nixon Presidential Materials, White House Special Files, President's Office Files, Boxes 83–87, Memoranda for the President. Secret. Drafted by Haig. The meeting was held in the Oval Office.

the atmosphere in Tehran as almost fairy-tale-like in its simplicity, with world leaders of different viewpoints all seated at the same dinner table, indulging in frivolous games and a kind of light and good-humored banter which was almost childlike in nature. The days were extremely hot and the nights chilly, and the Iranians had gone all-out to provide adequate and colorful facilities for the celebration. Many tents had been erected to house the various activities and each was decorated in a unique color scheme of its own.

The President commented that the Shah of Iran was a strong and selfless leader who was a great favorite of his and who had generously and progressively exploited and distributed Iran's great oil revenues to the benefit of his people. He noted that while perhaps Iran's formal government did not meet the idealistic criteria of many critics, it was perhaps the best system for Iran at this point in history since it provided for strong leadership at the center.

President Nixon then asked Mrs. Marcos to comment on the internal situation in the Philippines, recalling his discussions with Mrs. Marcos in September 1970. Mrs. Marcos stated that all of the things that she had predicted with the President at their earlier meeting had come to pass. Internal disorders and efforts by extremists to discredit the Marcos Government had increased in intensity and culminated in the detonation of a grenade at a meeting of the liberal party leadership. She stated that this, of course, was contrived to make it appear as though President Marcos had been behind the incident. She stated that Communist activity was also increasing and that the Communist insurgents in the Philippines had achieved a degree of greater self-confidence as a result of recent events, to include perhaps even announcement of the President's visit to Peking. She noted, however, that President Marcos understood the purposes of the President's visit, even though many Asian leaders were concerned and worried by its implications.

President Nixon emphasized that his visit to Peking should not be misinterpreted. He was traveling there with his eyes open and would not under any circumstances sacrifice the interests of America's traditional friends. The 300 million people of Asia who formed an arc around the periphery of Communist China—Thailand, Malaysia, Singapore, Indonesia, the Philippines, Japan, and Korea—produced far more than all of Mainland China and constituted the bedrock base of freedom in the area. No American President could sacrifice the interests of any member of this essential arc in favor of progress in our relationships with Peking. On the other hand, the President pointed out, certainly the time had come to at least start talking to Peking's leadership in the interest of stability in the area and world peace in general. Mrs. Marcos assured the President that she understood this, as did her husband.

Nevertheless, she said, a certain nervousness had resulted. President Nixon assured Mrs. Marcos that he would keep President Marcos fully apprised on a consultative basis with respect to both the meeting in Peking and his meeting in Moscow which was equally significant in terms of world peace.

The President then asked what the Philippines needed at present. Mrs. Marcos replied that her husband had been most grateful for the United States action on the Philippine sugar quota. The President commented that he had taken this action because of his special feeling for the Philippines and at some expense to our relationships with friends in Latin America.

Mrs. Marcos then stated that the Philippines need additional military assistance and felt that it would be most helpful if some of the equipment which the United States used in South Vietnam could be made available to her government as the U.S. presence was reduced. Her husband had asked her to mention this to the President and was particularly interested in helicopters, ammunition, and small arms, all of which could be used for internal security purposes. The President instructed General Haig to look into the Philippines' requirements and to view them with sympathy in light of our overall plans.

Mrs. Marcos then stated that there were many, some of whom were in the U.S. Embassy in Manila, who expected the Philippines to react as an American puppet. She stated that this could not be, for both substantive and political reasons, and many times she and her husband were forced to take positions which did not necessarily meet U.S. conceptions. On the other hand, this in no way should be interpreted by U.S. officials as a departure by the Philippine leadership from its longstanding and traditional pro-U.S. stance. Quite the contrary, President Marcos had recently taken a poll of Filipino attitudes with respect to the United States. The remarkable outcome of this poll indicated that in the rural areas in the Philippines a majority of the citizenry expressed a desire to become a state of the United States of America. She cautioned the President to keep this in mind when he received reports from the Embassy in Manila or when he was exposed to Manila press interpretations suggesting a growing anti-U.S. climate. The President expressed sympathy with President Marcos' problem. He stated that obviously no leader of the Philippines could assume a puppet stance and we would not want or expect this. He said even a traditional friend like Great Britain was forced to demonstrate its independence from the United States from time to time. Mrs. Marcos stated that she had spoken recently to Prime Minister Heath and that he had mentioned to her his desire to explain U.S. policies to the other powers in a constructive way, thus confirming his friendship for the United States.

As the meeting adjourned, Mrs. Marcos gave the President a letter from President Marcos (attached)² and commented that the internal situation in the Philippines continued to deteriorate as a result of some subversive activity by the Communists. For this reason, she said, it might be important to modify the Philippines Constitution to permit a strong and consistent leadership by President Marcos after the termination of his Presidential term in office. President Nixon did not comment on this remark.

The President then escorted Mrs. Marcos to Rose Mary Woods' office and from there to the White House Mess, where he introduced her to the Cost of Living Council. Mrs. Marcos made a brief speech to the group reiterating the warm friendship of the people of the Philippines for the people of the United States and informing them of the results of President Marcos' poll.

The meeting adjourned at 12:15 p.m.

² Attached but not printed. The text of Marcos' October 8 letter was forwarded to the Embassy in telegram 201847 to Manila, November 4. (Ibid., RG 59, Central Files 1970–73, POL 7 PHIL)

244. Letter From President Nixon to Philippine President Marcos¹

Washington, November 18, 1971.

Dear Mr. President:

It was a great pleasure for me to see Mrs. Marcos once again during her recent visit to Washington and to receive from her your letter of October 8, 1971. Her account of the Persepolis celebrations was most interesting, and I also appreciated the chance to talk with her about the situation in the Philippines. I hope she enjoyed her short visit to the United States as much as we enjoyed having her here.

Your kind words of support for my coming trip to Peking are greatly appreciated. As you are aware, our efforts to establish a new relationship with the People's Republic of China are based on my conviction that all nations will benefit if relations between the United States

¹ Source: National Archives, RG 59, Central Files 1970–73, POL 7 PHIL. No classification marking. Drafted by Frank C. Bennett and Lowman on November 4 (ibid.); substantially revised in the White House. Transmitted in telegram 210645 to Manila, November 19, the original signed letter subsequently sent by pouch. (Ibid.)

and the People's Republic are improved. It is good to know that you feel tensions in Asia have already lessened as a result of our initiatives.

I was deeply gratified for your Government's decision to support our efforts to secure continued representation for the Republic of China in the United Nations—at the same time that we supported representation for the People's Republic of China in that body. I am sure that you share our disappointment that the General Assembly rejected the resolutions we both cosponsored. Throughout this difficult test I was heartened by the unstinting cooperation of the Philippines and others among our allies and friends. Please convey my compliments to Foreign Secretary Romulo, Ambassador Jimenez, Ambassador Yango, and other members of your Foreign Department for their excellent performance.

Now that the majority has spoken we will, of course, accept its decision. You can be sure that the United States will persevere in the effort to make the United Nations a more effective institution, and that we look forward to continuing our close cooperation with the Philippines in working toward that goal.

I was pleased that you were able to receive Secretary Connally during his recent visit² to your capital. I am looking forward to hearing his report concerning his discussions with you. Upon receiving his comments, I shall be writing you further to respond to the several questions you raised in your letter concerning our economic relations.

Again, Mrs. Nixon and I were very happy for the opportunity to receive Mrs. Marcos in Washington. To her and to you we extend our most sincere best wishes and warmest personal regards.

Sincerely,

Richard Nixon

² Connally's trip to the Philippines and meeting with Marcos is reported in telegram 10479 from Manila, November 12. (Ibid., POL 7 US/CONNALLY)

245. Telegram From the Department of State to the Embassy in the Philippines¹

Washington, January 4, 1972, 2337Z.

1189. For Ambassador.

1. Please convey orally following message to President Marcos. Explain that the President has asked you personally to make this presentation.

Begin message: Before visiting Peking and Moscow the President is consulting with several heads of friendly and allied governments. He would have liked to have had an opportunity to get together with President Marcos in the course of these consultations. Unfortunately it is now clear that that will not be possible.

While the President very much regrets this, he is mindful that he and President Marcos have kept in close touch with one another's thinking on key issues. The President was pleased that Mrs. Marcos was able to visit the US in October and meet with him. He was grateful that President Marcos received Secretary Connally last month and engaged in a frank exchange of views with him. Finally, the exchange of letters between President Marcos and himself has, he feels, very usefully clarified our two countries' mutual understanding on important problems of common interest.

The President now wants to let President Marcos know what he is discussing during the Summit consultations.

Moscow Visit

The President during his current consultations is reviewing the general state of relations with the USSR, preparatory to his visit to Moscow in May 1972. He is making it clear that the US had no intention of "dealing over the heads" of its friends and allies in any matter where their security interests might be affected. For example, there have been no, and there will be no, bilateral US-Soviet negotiations on mutual withdrawal of forces from Europe.

The President is indicating during the consultations that some concrete progress might be made either before or during the Moscow visit in such bilateral areas as arms control and economic relations.

Peking Visit

The principle purpose of the President's visit is that the PRC and ourselves achieve a better understanding of each others' positions, and

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Secret; Priority, Exdis. Text received from the White House.

that we establish a continuing means of remaining informed about these positions. In addition, he hopes that the two sides will be able to agree on at least the beginning of exchanges in nonpolitical fields so that our two peoples will begin to understand each other better.

The President is emphasizing that neither side is under any illusions as to the depth and complexity of the differences that separate us. Having been two decades in developing, these differences will not be easily resolved. Nevertheless, we hope to make a beginning toward clarifying our positions and toward working out the real differences that stand between us. To the extent we are successful, we believe we will have helped reduce tensions in Asia and the world, which should be of benefit to all nations.

The President is stressing that he has the interests of the Philippines and our other friends and allies very much in mind. He has no intention of concluding agreements at the expense of other countries; the talks will, in fact, focus on US-PRC bilateral issues. Given our differences, the question of formal diplomatic relations will not arise. Nor will US treaty commitments with other countries be affected.

Economic Issues

The President is extremely pleased that agreement has been reached on the realignment of exchange rates. This agreement—which is the basis for a restoration of international monetary and financial stability—is a manifestation of cooperation among the major trading nations to the mutual advantage of all. It is, further, evidence that economic differences which we may have with our trading partners can and will be solved amicably in a spirit of international cooperation. It would be incorrect for China, the Soviet Union, or any other nation to see such economic differences as representing an opportunity to divide free world nations. *End message.*

2. USG does not intend to make delivery of message public. Would appreciate host government also maintaining confidential nature of both fact and content of message. (FYI—similar messages are also being sent to selected other leaders. *End FYI*)

Rogers

246. Talking Points Prepared by the Director of the Office of Philippine Affairs, Bureau of East Asian and Pacific Affairs, Department of State (Usher)¹

Washington, undated.

PHILIPPINE PARA
EA/PHL TALKING POINTS

1. *Re. Assessment that U.S. interests in the Philippines are not seriously imperiled* by anticipated political and economic evolution in the Philippines over the next five or six years.

a.) It should be heavily stressed that this assessment is based on an assumption that the U.S. will allocate resources required for the courses of action called for in Section II of this paper as needful to achieve objectives numbers 3, 4, and 5 under part D of Section I.

b.) It is also based on an assessment that needed social reform will proceed by evolutionary processes. If this process is frustrated by disruption of the Philippines open democratic institutions, then the country could be plunged into a deepening chaos in which all constructive interests would suffer. The danger of such a disruption is more likely to arise from right wing (oligarchs) attempts to arrest the evolutionary process or from a Philippine President's attempt to perpetuate himself in power by illegal means than from left wing attempts to accelerate or preempt the evolutionary process through violent revolution.

c.) A major problem for the U.S. will be to avoid being identified, because of our military and business interests in the Philippines, as the bulwark of the oligarchy.

There are two special factors which may help us to avoid such identification. These are the fact that the oligarchs are the chief advocates of anti-American nationalism—a pseudo nationalism which they use as a device to harass American business competition. Thus, the oligarchs themselves tend to have an image as tormentors of American interests rather than as the protected favorites of American power. The U.S. need not be regarded by the discontented masses of people as allied with their oppressors.

¹ Source: National Archives, RG 59, EA/PAB 1972–73 Letters and Memos File: Lot 74 D 471. Secret. Drafted by Usher and attached to a February 8 covering memorandum to Green, in which Usher noted that the talking points “are related to the issues paper which S/PC has prepared in coordination with me,” and that both had been done in preparation for the East Asian Interdepartmental Group meeting on the Philippine Policy Analysis Resource Allocation (PARA) scheduled for February 23.

The second of the two factors is that there exists still among the people of the Philippines a great affection for the United States and an image of Americans as friends who would like to help them improve their prospects in life. In the Philippines there is no need for the United States to wind up on the wrong side of social evolution or even of revolution, should that, however defined, ultimately occur.

2. *Status of Base Talks*

Except for some technical matters relating to exemption from the Philippine taxes and exit and entry procedures for American personnel on the bases, the principal issues remaining for negotiation are the tenure of the agreement and criminal jurisdiction arrangements (particularly the extent of Philippine participation in duty determination). Another possible issue is the relinquishment of additional areas of base land. However, Ambassador Byroade's instructions already authorize substantial land relinquishment, and we do not anticipate any significant difficulty with this issue.

3. *Military Assistance Program*

Dangerously low politically, particularly now when we are trying to complete base negotiations. Ambassador Byroade has been warning us for a year that we would need "some blue chips" to wind up the MBA revision negotiations on the hard issues. Filipinos will think we are walking away from unspoken understanding that MAP is in return for bases. Marcos will think that we are walking away from what he, at least, had thought to be the Nixon Doctrine concept that we would provide increased MAP to help the Philippines prepare for increased self-reliance.

MAP is dangerously low too in terms of AFP need for improved capability to deal with internal security problems. As a practical matter, the cuts which we have already received in FY 1972 will eliminate all of the capital improvement element of MAP.

The problems inherent in this situation will be almost inconceivable compounded by the new requirement that the Philippines reimburse us in local currency for 10% of the MAP. We have no idea where the Philippine Government would get the money. Some 80% of the Philippine military already goes just for payment of salary and allowances. The prospect of Marcos asking the Philippine Congress for an appropriation to pay this 10% at a time when MAP has already declined to the lowest when he may also find himself faced with the necessity of seeking Philippine Senate approval of revisions in the base agreement is bewildering to say the least.

Such a combination of events coupled with the exemption in the U.S. legislation for countries whose MAP is explicit base rent, makes it almost inevitable that the Philippines will demand explicit rent for our bases there. Perhaps anticipating that the MBA revisions may be

hard to sell in the Philippines in any event, Marcos has been publicly emphasizing the “continued need for an American military umbrella over the Philippines for some time to come.” But the unveiling of the 10% peso payment provision in our declining MAP will probably be more than Philippine public opinion can take.

In fact this 10% reimbursement requirement (which is contrary to the courses of action prescribed in Section II of PARA) could be of such serious dimensions as to undermine the first premise set out in the issues paper.

4. *Trade and Investment Relationship*

The latest statement of our strategy is contained in the joint State/Commerce message of last January 1972.

5. *Are the Philippine Military Bases Essential?*

Judging from NISM 69 and the circular telegram now in clearance process, one deduces that our bases in the Philippines are essential to the U.S. posture in the Western Pacific and that they will become more valuable to us in the future.

Not only is this eventuality being taken into consideration in our current MBA negotiations, it is the principal reason why the current negotiations are being undertaken. If we foresaw the diminishing need for the bases we could probably have lived with the existing MBA, enduring for a few years longer the increasing harassment and friction we had been experiencing before the MBA talks were undertaken.

The objective of the current talks is to put the MBA on an up-to-date basis which takes cognizance of new Philippine sensitivities about their sovereignty and which will make for improved U.S.-Philippine relations on base issues, thereby making it easier and pleasanter to operate our bases in the Philippines over the long pull.

The fact is that since we began the base talks last February, base relations have been much improved. The only and glowing exception is the trouble we are having with Judge Gaddi’s challenge of the validity of the custody receipt. Gaddi has not been supported by the Philippine Government in this. In fact, the Philippine Executive Branch has supported us against Gaddi. The Philippine Government itself is being harassed by Gaddi’s almost fanatical preoccupation with the august dignity of his court. He has harassed us by citing our base commanders and unit commanders for contempt and ordering their arrest whenever an American serviceman subpoenaed or charged in his court was late to or missed a scheduled court appearance. Early in February Gaddi cited the Philippine Secretary of Justice for contempt and ordered his arrest and imprisonment because no one from the Justice Department appeared in Gaddi’s Angeles City court in response to a subpoena of the Justice Secretary.

However, if the MBA talks fail, we can expect a recrudescence of the kind of general harassment and press and public hypersensitivity on base incidents involving Filipinos which had plagued us in the past; and by a practical matter rendered our use of the bases increasingly difficult and our tenure increasingly insecure.

6. *Various Proposals for Consolidated Use of U.S. Inputs as Leverage to Obtain Protection of U.S. Interests*

There are two basic dangers in this concept. The first of these is that each U.S. input already has a specific purpose which is being accomplished. If we try to make an existing input into a bargaining lever to achieve some secondary or tertiary objective unrelated to the basic purpose, we run the risk of undermining or sacrificing the basic purpose. Therefore, the concept would be valid only if the secondary or tertiary objective was so closely intertwined with the basic objective that all could be accomplished with the same leverage.

The second and perhaps far greater danger in the concept is that where the proposal is to combine all U.S. inputs into a single lever to compel the Philippine oligarchy to extend benefits of concessions to direct U.S. interests such as bases or business interests, we may:

a) Make our interests and inputs hostage to the Philippine oligarchy (if we can lever the oligarchy, they can by the same device put the squeeze on U.S. interests in order to get more U.S. input—and, as a matter of fact, the oligarchy has for a long time been smarter at this than we have);

b) Use up resources which we could otherwise use to improve the chances for a peaceful social evolution in the Philippines and diminish the danger of chaos and explosive revolution—objectives 3, 4 and 5;

c) Lock ourselves in with the oligarchy (which is protecting our interests in response to our leverage) as the enemies of the people.

One example of a type of leverage which we might use on the oligarchy would be a requirement for social and economic benefits to sugar estate workers as a condition for the Philippine sugar quota.

An example of a type of leverage we should not use would be economic aid as a lever to obtain protection of vested rights after the expiration of Laurel-Langley.

Note that the implication of such a leverage approach would be that if the vested rights were not protected the economic aid would be reduced or eliminated, thus reducing or eliminating many of our courses of action designed to achieve objectives 3, 4, and 5 in the PARA.

247. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, March 5, 1972, 0345Z.

1997. Subj Green–Holdridge Meeting with President Marcos.

Summary: Assistant Secretary Green's² meeting with top GOP leadership was well-nigh indispensable if we are to halt snowballing erosion of Philippine confidence in U.S. Asia policy and reliability U.S.-Philippine relationships. Exchange of views was brisk and penetrating, with questions to Green reflecting deep anxieties of Philippine officialdom and public. Visit greatly appreciated by Marcos and extremely helpful here whether or not it proves to have been an enduring corrective.

1. Green met with President Marcos for over two hours morning March 4, accompanied by John Holdridge, Consul General Osborn, and Ambassador. Marcos had present General Romulo, Finance Secretary Virata, Executive Secretary Melchor, and two DFA officials.

2. After brief exchange of warm and friendly greetings during photography, Marcos launched immediately (before Green was even able to convey President Nixon's and Secretary Rogers' greetings, which he did later) into series of pointed questions related to implications of President's Peking visit and the communiqué for future U.S. policy and behavior toward East Asia and most specifically Taiwan and the Philippines. It was more than an hour before any curiosity was expressed as to Chinese side of the coin or Chinese views on particular issues and problems. Main themes are summarized:

A. Marcos asked first about an apparent contradiction between U.S. acceptance that Taiwan is an internal Chinese problem and Dr. Kissinger's reaffirmation of U.S. defense commitment to GRC. In the ensuing discussion both Marcos and Romulo had considerable difficulty distinguishing between Marcos' formulation and the communiqué language of "acknowledging" and "not challenging" the view of Chinese on both sides of the Strait. Green carefully explained deliberate U.S. decision to leave undetermined position on "One China", "Two Chinas", "One China—One Taiwan", etc. It became apparent Romulo had not really understood, through period of UNGA debate on admission of PRC, the deliberate care in wording of U.S. position on dual

¹ Source: National Archives, RG 59, Central Files 1970–73, POL 7 US/GREEN. Secret; Priority; Exdis. Repeated to Saigon for Green.

² Green traveled to Southeast Asia in March 1972 to explain the Nixon administration's China policy in light of the President's trip to China and the joint U.S.-Chinese communiqué on Taiwan and East Asia.

representation. This lack of understanding accounts for his recent feelings that he had been betrayed by what he saw as U.S. switch from "Two Chinas"—a position he had supported vigorously in UN—to what he has considered new "One China" stance.

B. Marcos then asked whether U.S. would challenge actions taken by PRC in accordance with its stated policy on Taiwan—"Tell us your intentions; Taiwan is only 92 miles north of Bosco" (northernmost point in Philippines). Green reviewed President's interest and efforts since 1967 through series of careful steps to find a way to deal with the reality of China, to remove barriers to trade and travel, to avoid Cold War rhetoric, to remove tensions in area and show PRC we are not trying to threaten or isolate them. He said it has been made clear throughout that U.S. would stand by its commitments to GRC, and this had been stated again while on the Mainland. He noted his belief that Peking does not, in any event, want the U.S. withdrawal from Asia its propaganda has demanded while Peking's problems with USSR and Japan are viewed so seriously. Green stressed the importance of some means for dealing with day-to-day problems, which sterile Warsaw talks had failed to provide, and argued that communiqué reflects major gain of taking pressure off U.S. on recognition issue. Achievements of visit, he concluded, are what we need at this time and have been obtained without undercutting U.S. or free Asian interests in this area.

C. Pursuing his effort to pin down the U.S. intentions, Marcos asked what will happen to Taiwan in the long run. He asked Green to convey to USG his government's belief that Philippines must prepare for the worst, that within ten years Taiwan will be part of Communist China. He said this would threaten Philippine survival and conditions may deteriorate to the point GOP will have to adopt options it would not like. Green said he considered this line of reasoning unnecessary. The GRC is in a strong position, with outlook for trade and investment and economic progress good in comparison with PRC. Green referred to his talks in Taiwan, saying GRC leaders naturally not happy but that they understand our reasons and their situation and prospects are not bad. He made comparison with PRC which faces internal difficulties and severe external problems. Green sought to reassure Marcos with respect to continuity of U.S. concern for Philippines and other Asian friends, evoking special heritage U.S.-Philippine relations, quoting from President's foreign policy report on pillars of U.S. Asian policy and noting these have been reaffirmed since visit, and declaring U.S. prepared to stand on its record compared with all nations in history in living up to its undertakings. Marcos pursued his contention that communiqué says U.S. will let time solve the problem of Taiwan without interfering and referred to evidence he has that investors on Taiwan are offering to move holdings to Philippines, Singapore and elsewhere. Green referred to conversations in Japan and Korea, where similar concerns

have been expressed, and said he felt, and our embassies have subsequently reported, that leaders there now understand and are satisfied with our policy. Green stated that our willingness to accept some future settlement between PRC and GRC did not mean that we are apathetic, noting military aid and diplomatic relations would continue. Ambassador noted tendency of public opinion to ignore military reality that GRC forces are large and strong and 7th fleet "remains out in front."

D. Question from Romulo about communiqué statement on reduction of forces on Taiwan led Green to reaffirm the statement, noting it is consistent with Nixon Doctrine and that ultimate withdrawal is expressly contingent on peaceful resolution of problem. He referred to information previously conveyed by Ambassador on force deployments, assured Marcos this position still stands and said USG would try to repeat this kind of consultation from time to time. He said core elements will remain on Taiwan until settlement, which may well take many years. Green confirmed, in response to President's question, that U.S. will sustain its defense commitment if PRC and GRC cannot settle differences peacefully, but expressed some confidence its contingency not real in light of Peking record since costly Korean conflict of avoiding adventuristic actions. He noted evidence including fact of President's visit that Peking wants some form of relations with U.S., making them less likely to prejudice own interests by resort to violence against Taiwan. Green expressed confidence we are on right track pursuing President's effort to escalate toward peace rather than war.

E. Regarding prospects for U.S.–PRC formal relations, Green suggested this not likely soon because Peking won't agree while U.S.–PRC relations are preserved. Green reiterated U.S. has obtained its short term objective, that visits by representatives may in actuality be better than a resident mission unable to operate in traditional fashion, in response to question whether he would not soon establish a Chargé in Peking and "commercial" representation in Taipei in British fashion.

F. When Green stated SEATO not affected by China developments, Romulo asked skeptically whether U.S. would still apply Article IV which is limited to "Communist aggression", "now that you are friends." Green said there has been no change and U.S. has record to prove we mean what we say. This exchange led on to discussion of the incorporation of the "five principles." Green noted principles had always been unexceptionable, though propaganda environment at Bandung had precluded U.S. acceptance in 1950s, and suggested we gain in capacity to hold Peking to performance if we and Peking have stated our agreed support for five principles. This caused Romulo to refer to "U.S. interference" in Vietnam, Laos, and Cambodia, and Green to respond with specific reference to U.S. action in response to legitimate Cambodian call for help, including citation of even Sihanouk's Octo-

ber 1969 complaint of North Vietnamese aggression. When ousted, Si-hanouk was in fact enroute to Moscow and Peking for very purpose of seeking their restraint on Hanoi's aggression.

G. Discussion of U.S. bases in Philippines in this full meeting was brief, with Green stating in response to question there has been no short or long range change in our assessment of their importance. Marcos said he had asked Adm. McCain to obtain position on future of bases from Washington. Green affirmed that U.S.-Philippine relationship is unimpaired and he would so state to press on departure. Marcos expressed appreciation, noting irresponsible opposition effort in his Congress and constitutional convention on this issue.

H. To request for U.S. position of ASEAN neutralization proposal, Green said it is question for Southeast Asians to decide, U.S. considering it a worthy objective but noting many problems including establishment of adequate strength and stability to make it work.

I. Marcos expressed concern about Communist subversion.² Green acknowledged this is still a competitive world, said U.S. does not believe everything Peking says and will remain on its mettle and alert. Consul General Osborn noted that Peking frequently opts for diplomatic rather than military means of pressure when choice exists, and Green suggested they likely will increasingly conclude that sponsorship of national liberation movements is not useful. Marcos repeated his misgivings, looking ahead 10–20 years, and Green agreed it is important we all maintain adequate strength. He noted that overwhelming popular support in United States for President's China policy should strengthen his hand in Congress for totality of Pres. Nixon's policies and programs including adequate military aid.

3. Even after the foregoing and more, Marcos returned to theme that he had to find out exactly where we stand. Southeast Asian leaders expect him to be in the know about U.S. policy, "but I am not." He said, "If your policy is to withdraw from Asia, just inform us." Green responded that the President had personally charged him at end of China visit to convey to Asian friends and allies that U.S. is not going to leave western Pacific but rather find right way to remain. He said we should be and act confident, that Peking might be hypocritical but we stand to gain to extent Peking follows norms of international behavior. Urgent problems of environment, population, seabeds, and outer space cannot be dealt with on global basis without including China.

³ Telegram 1990 from Manila, March 4, reported Green's conversation with Marcos about Governor Romualdez's trip to China, in which the latter queried Chou En-lai about Chinese support of Maoist forces in the Philippines. (National Archives, RG 59, Central Files 1970–73, POL PHIL–US)

4. Romulo initiated discussion on related economic questions, asking whether U.S. will shoot for retention of GRC in World Bank; Green said U.S. will do what it can to support China in international financial institutions. Virata expressed concern about Phil problem in IMF should GRC be dropped and Green said he believed U.S. should give strong support. Virata requested U.S. decision as soon as possible. Similar concern expressed about ADB, particularly as it is located in Manila. Concerning trade, GOP leaders were informed PRC will henceforth be subject to same restrictions as USSR and that we judge trade will be limited and develop only slowly.

5. Toward end of discussion, Phils inquired about:

A. Peking view of Japan (we said Peking very worried about revival of militarism, though in fact internal restraints in Japan against militarism remain very strong);

B. Whether China still thinks in terms of encirclement (yes, but Soviets have replaced U.S. as number one threat and China may begin to perceive advantages in our overall posture of involvement);

C. PRC naval development (not yet a blue water navy). Phils asked about following subjects which were identified as not having been discussed during Peking visit: the ASEAN neutralization concept; Quemoy and Matsu; seabeds; and the ADB.

6. Marcos took Green away for half hour's private chat (septels). Interval provided opportunity for remaining group to elaborate a number of points previously raised (e.g., dual representation). Romulo came around to agree that U.S. and GOP position on Taiwan are the same, when it was stated we favor peaceful solution to be worked out by Chinese but will not yield to a forcible settlement.

7. As Marcos walked back with Green from private talk, he said the meeting had been useful, that it is obvious we are on same wave length, and that he was grateful to the President for sending Green to visit.

8. *Comment:* Embassy will forward fuller assessment after reactions to entire visit are registered. In brief, however, it is clear to us that the deep doubts and suspicions Marcos aired are real, shared within GOP as well as in increasingly noisy public discussion here. The reported misunderstandings and disbelief were undoubtedly somewhat exaggerated for test purposes and in an effort by Marcos to gather ammunition for use with critics and doubters. Secretary Green gave him plenty.

9. Dept repeat as appropriate.

Byroade

248. Memorandum From the Under Secretary of State (Irwin) to the Assistant Secretary of State for East Asian and Pacific Affairs (Green)¹

Washington, March 18, 1972.

SUBJECT

PARA Review—Philippines²

Pursuant to the review of February 10, 1972, following is a summary of our conclusions with respect to US policy toward the Philippines for the FY 72 review period.

I. Action Items

1. There was agreement that to require the Philippines to deposit 10 percent of the value of US military assistance could endanger the successful conclusion of our military base negotiations. The Department, therefore, will seek to exempt the Philippines from this requirement. The Bureau of Politico-Military Affairs will be the action bureau.

2. EA will amend the background statement on the situation in the Philippines (Annex I of country PARA document)³ to highlight factors which work for and against peaceful evolutionary change and reform of Philippine society.

On the assumption that the next five years may be a transition period which will determine the future direction of change in the Philippines, this revised statement, updated annually as part of EA's PARA procedures, will be given further consideration in future PARA reviews.

II. Policy Program Guidance

A. Overall Policy Posture (Issue 1)

The challenge for the US over the next five years—and so long as the bases remain of fundamental importance to us—will be:

—to retain a satisfactory relationship with the Philippine Government that will ensure continued availability of the bases; but

—to avoid giving the appearance in the Philippines that we are wedded to a particular administration or are unsympathetic to the required basic reforms.

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 1 PHIL-US. Secret.

² The Policy Analysis Resource Allocation (PARA) study for the Philippines was prepared in the Office of Philippine Affairs of the Bureau of East Asian and Pacific Affairs in coordination with the American Embassy in Manila for consideration by and at the request of the East Asian Interdepartmental Group (NSC: IG-EA).

³ See Document 246 and footnote 1 thereto.

We have had some success in recent years in reducing Philippine dependence on the United States. These efforts should be continued.

Accordingly, we should:

—Seek to reduce and eliminate the remaining elements of the “special relationship” we have with the Philippines, emphasizing that excessive dependence on the United States is neither in the US nor Philippine interest and that a policy based on mutuality of interest will contribute to a healthier relationship.

—Continue to move as far as practicable from a bilateral to a multilateral framework in our dealings with the GOP.

—Keep our official presence to the minimum, consistent with our basing requirements, eliminating operations that are not essential or serve only marginal purposes.

B. Relations with Marcos (Issue 2)

Our relationship with Marcos should take into account his increasingly controversial role in Philippine politics.

While continuing to work closely with Marcos as the elected President, we will have to avoid identification as partisans of Marcos, particularly with respect to a possible move by Marcos to extend his incumbency beyond the present constitutional limit. (See III B below.)

C. Military Bases (Issue 3)

We should continue to avoid specific and public quid pro quo arrangements because these would be more costly and difficult than the present relatively modest military assistance program.

A tacit understanding has, in fact, long existed between the United States and the Philippines that US military assistance is a quid pro quo for otherwise rent free use of our bases. Neither country has wished, however, to formalize this relationship into a specific agreement that would formally tie MAP levels to US base rights.

To put the US-Philippine military relationship on a quid pro quo basis would undermine the concept of mutual US-Philippine defense interests in the area. Moreover, the Philippines would presumably seek a substantial increase in military aid if they were to regard the defense relationship in such stark terms, shorn of the long standing perception of the bases as serving mutual security interests.

D. Military Assistance (Issue 4)

The United States should continue to concentrate its security assistance on improving Philippine internal security capabilities.

The demands on the Philippine security forces are likely to increase over the next several years, reflecting mounting unrest both in the cities and countryside. There is no evidence at this time that we incur any serious political liabilities from our rule in support of this Philippine program.

This issue should be kept under review in the annual PARA cycle.

E. Development Assistance (Issue 5)

The US should continue to coordinate its development assistance through the IBRD-led Consultative Group and look to the IMF as Philippines' principal financial advisor.

Concentration of US aid efforts on rural development and population problems seems appropriate to our desired posture in the Philippines and to available resources. Short-term balance of payments support is also warranted.

F. Trade and Investment (Issue 6)

The review reaffirmed the position adopted in 1965 that we should not seek an extension of the Laurel-Langley Agreement.

Accordingly, beyond 1974, the US should neither extend special bilateral tariff preferences nor request parity (or equivalent) rights for US business. At the same time, the US should try to persuade the GOP that it is in the Philippines' own interest to maintain a favorable climate for foreign investment.

In this connection, the review noted that those American firms that will clearly be affected by the termination of the Laurel-Langley Agreement have by and large accepted this fact and have made or are making appropriate adjustments in the arrangements under which they operate. Most US firms will probably be affected to some degree by the termination, but the full impact on individual firms will not be known until the courts have ruled on a number of legal questions. Estimates of how much disinvestment may be required of US firms therefore vary. According to a 1970 Embassy assessment, disinvestment (outright sale, moving to minority equity position, sale of land in return for long-term leases, etc.) might be somewhere around \$160 million (out of a total US direct investment of about \$1 billion). Most American firms believe that they will be able to make sufficiently satisfactory adjustments and will probably continue to do business in the Philippines.

III. Policy Assumptions and Background (Issues 1 and 2)

A. The Policy Problem

Two assumptions set the framework for US policy in the Philippines:

—First, our military bases are of fundamental importance to the United States, at least for the foreseeable future. In fact, the bases are likely to become more valuable if US base rights are curtailed or restricted elsewhere in the Western Pacific.

—Second, if basic political, economic and social reforms are not soon forthcoming, internal unrest is likely to mount. While it is generally agreed that reasonable stability will probably be maintained over

the next four or five years, there is considerable doubt whether the Marcos administration and its successor (most likely again controlled by the oligarchy) will institute the extensive reforms that are necessary to forestall rising internal unrest over the longer term.

At present the situation in the Philippines is mixed: forces of reform are gaining strength but are blocked by strong vested interests. On balance, there is probably little the US can do directly to induce the GOP to institute the required reforms.

B. The Problem of Marcos

Marcos is the first Philippine President ever elected to a second term. Although it is charged that the Marcos machine committed extensive fraud and applied considerable pressure tactics, particularly in the second term election, it is clear that in completely fraud-free elections Marcos would have been elected both times. Furthermore, Marcos' opponents are not entirely innocent of such practices.

Marcos has been one of the best Presidents the Philippines has had in terms of constructive accomplishments; and he has been friendly to the United States. Now, however, he has become a highly controversial figure, partly because of his presumed (but publicly denied) desire to continue as President despite the constitutional prohibition against a third term.

Appropriate portions of this memorandum are intended as policy guidance for the Bureau of EA.

Should the views of other agencies represented in the IG/EA result in conclusions by the Interdepartmental Group that depart substantially from this guidance, your Bureau is requested to bring these to the attention of S/PC for a possible review by the NSC Under Secretaries Committee.⁴

John N. Irwin II

⁴ Annex A, Indicator Resource Guidance, is attached but not printed.

249. Telegram From the Department of State to the Embassy in the Philippines¹

Washington, May 13, 1972, 0058Z.

84423. For Ambassador from Assistant Secretary Green. Ref: Manila 4379.²

1. While I can sympathize with your desire to challenge Aquino on these matters,³ my own judgment would be strongly negative. His 44 points apparently lay out the foreign policy framework for his campaign for a presidential nomination. As such, they are so drafted as to seem more pro-Filipino than anti-American and leave plenty of room for maneuver. While you are the better judge, I would imagine the points would receive a good local press. Thus, I doubt we can gain much by attacking him on these points, and we would run serious risk of appearing to attempt to inject ourselves into domestic political conflicts.

2. His follow-up remarks on the relationship of the bases to the Vietnam conflict is, of course, a different matter and distinctly unhelpful. Nevertheless, I feel we must avoid public discussion of these matters as much as possible. We have sent you our standard press guidance in State 082955 and I believe we must adhere to that line, particularly at this time, and "no comment" any further detailed questions or speculation on the role of the bases other than to refer to the Bohlen-Serrano Agreement. We are sending a septel for your use with Romulo, though I fear it is not much more forthcoming.

3. Finally, I am concerned about the nature of the attack you would launch on Aquino. It seems to me he would almost have to categorically deny its truth. The consequences of such a public confrontation are hard to foresee but I cannot see how they would serve our interests. In this connection, we also have in mind the consequences that followed from Bill Blair's remarks directed towards Speaker Laurel.

4. All in all, I hope you will decide not to use the material.

Rogers

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Confidential; Immediate; Exdis. Drafted by Lowman, and approved by Green, Wilson, and Hummel.

² Telegram 4379 from Manila, May 12, reported Byroade's desire to reply to Philippine Senator Aquino's criticism of the U.S. military base in the Philippines. (Ibid.)

³ Senator Benigno S. Aquino, Jr., Secretary-General of the opposition Liberal Party and a leading contender for the Presidency in 1973, strongly criticized Philippine national security dependence on the United States, the status of U.S. bases in the Philippines in general, and their use to support the war in Vietnam in particular. Airgram A-170 from Manila, May 30, among other messages, describes Aquino's policy initiative and criticism. (Ibid., RG 59, Central Files 1970-73, POL 1 PHIL)

250. Telegram From the Embassy in the Philippines to the Department of State

Manila, May 19, 1972, 0955Z.

[Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Top Secret; Immediate; Niact; Nodis. 4 pages of source text not declassified.]

251. Telegram From the Embassy in the Philippines to the Department of State

Manila, May 25, 1972, 0803Z.

[Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Top Secret; Priority; Nodis. 8 pages of source text not declassified.]

252. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, June 2, 1970, 0900Z.

5107. Summary: Ambassador and EmbOff separately have had serious talk with Senator Aquino about his current anti-American stance and efforts to publicize and have investigated our usage of military bases in the Philippines. While our previous analysis that Aquino's actions are primarily for domestic political reasons still stand, it may be that some of his actions have been based, at least in part, upon a misunderstanding of facts or even miscalculation as to future U.S. policy and posture in the Pacific area.

1. Department should probably know that I recently used fairly strong words with Senator Aquino at a social affair. As I saw Aquino coming through the receiving line for Army Secretary Froehlke at Lag-

¹ Source: National Archives, RG 59, Central Files 1970–73, POL PHIL–US. Confidential. Repeated to CINCPAC.

dameo's house, I began maneuvering to the opposite side of his group of 120 guests as I had no desire to talk to him. Aquino, however, came directly to me with a query as to whether I had seen his most recent article. (I still do not know what he was referring to.)

2. Making certain that we were not overheard, I told Aquino I had seen several of his other articles and letters which concerned me deeply. I said I could only conclude that he had made some basic miscalculations based upon mis-information. I said I thought I detected in some of his moves and words a feeling that we might lose in Vietnam. I told him most emphatically that that was not the case. He said "But what are you going to do?" I finally got his shifty eye and made it very plain that we would do anything we had to do not to lose. He began to appear a bit uneasy and said, "But it is proven that the South Vietnamese will not fight." I told him there again he is quite wrong, saying that he must be relying too heavily on press reports of sometime ago which were in general quite distorted.

3. Being careful to remain courteous and polite, I told him that as a distinguished Filipino citizen he was, of course, fully entitled to his views, and of course to make them public. I said he must remember, however, that we of course are entitled to our own feelings, and that we could hardly help but be concerned that he would mount an apparent attack on the use of our military bases at the very height of the current intensified Vietnam conflict.

4. We then got more into details and at times it appeared that Aquino was honestly surprised by some of the things I told him. For instance, when he referred to GI's loading bombs underneath airplane wings at Clark I told him such reports were undoubtedly true. I said he must know that Clark is utilized for gunnery training by air force pilots both from the Philippines and other areas in the Pacific. The bombs closely resembled real ones but were most often filled with smoke marking material, concrete, etc. I said there had never been any secret about such things, reminding him that Marcos and I over a year ago had gone to Clark and handed the trophies to the Philippine air force, who in that gunnery competition had won over our own air force. I told him that he did not have to get conscientious objectors from Clark before a foreign senate body to find out such things. I asked why he did not ask Philippine pilots whose F-5-E's are standing right next to ours on the alert ramp at Clark. I had assumed he would know this, as Clark is in his area, but he seemed flabbergasted. The conversation was broken at this point as we were seated at different tables for dinner. PolOff Ron Palmer was at Aquino's table and he reported that Aquino told him that he was quite shaken up over his conversation with me, remarking that I had told him many things which he did not know and seemed contrary to what he had heard. The conversation was quite extensive, with Palmer answering his questions frankly and openly.

5. Aquino told Palmer that his experience at the Fuji Seminar on Japan's role in world affairs in the 1970's in late March had had quite an effect upon him. He said that Thanat Khoman and several other important people from the general area were there. He said it seemed to be the majority feeling of the delegates that the U.S. was in fact headed towards a "pull out" from the Asia area. He had thereupon begun to think what the Philippines should do to get prepared for this type of situation. Palmer reminded him that that conference was before President Nixon had shown the whole world, by a series of bold moves, that the U.S. was not going to lose in Vietnam. Aquino admitted that this was the case, but said that when he read the President's conditions for getting out of Vietnam (i.e., cease fire and return of prisoners only), he had taken it as a clear signal that we were going to bug out. Palmer replied that if he were more up-to-date on our massive actions re Vietnam, he probably would feel differently about it.

6. The evening ended with Aquino asking Palmer if he would be willing to meet and talk about things some more. Palmer replied at the time that he had enjoyed the conversation and would like to talk again. I told Palmer the next morning he was free to do so. Now I find that Aquino that same morning called long-time American resident, Dave Sternberg, saying (falsely) that apparently doors in the Embassy were closed to him and asking to see Sternberg.

7. There is no doubt in the minds of either Palmer or me that Aquino took our conversation seriously. While our assessment of Aquino's motives previously reported remains unchanged, I am inclined to think that maybe he has not been as well informed as we generally assumed. The pace of his daily activities is so great that he may not have spent the time on "facts" that we would have assumed.

8. In all of this, however, I find his remarks about the seminar in Japan most interesting. I have not been so concerned of late about the deleterious effect of the "American withdrawal" bugaboo that has concerned me so much in the past. In looking back I guess I had assumed that our present actions in Vietnam, beginning with the mine laying, had laid this one to rest for the time being. I do not, of course, assume for one minute that Aquino was necessarily telling the truth, while tacitly acknowledging his own ignorance, but on the other hand it would probably be unwise to be too sure that he was not. We will be watching for his next public utterances with interest.

Byroade

253. Telegram From the Department of State to the Embassy in the Philippines

Washington, June 7, 1972, 1616Z.

[Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Top Secret; Immediate; Nodis. 3 pages of source text not declassified.]

254. National Security Study Memorandum No. 155¹

Washington, June 28, 1972.

TO

The Secretary of State
The Secretary of Defense
The Director of Central Intelligence

SUBJECT

U.S. Policy Toward the Philippines

The President has directed that a review of U.S. policies toward the Republic of the Philippines be made. The study should identify basic U.S. interests in the Philippines. It should examine the implications of the present situation in the Philippines for basic U.S. interests, and the consequent U.S. objectives in furthering those interests over the next five years. Lastly, it should delineate and examine the policy options open to the U.S. over this period.

The study should analyze factors and trends affecting U.S. interests and include consideration of:

—The political ambitions and intentions of President Marcos and opposition groups.

—The growth of Philippine nationalism, its manifestations in the Constitutional Convention, and its likely effects on U.S. military base agreements, investment and trade.

—The political role of the Philippine Armed Forces.

—Philippine perception of and reaction to the Nixon Doctrine and to U.S. policy toward the PRC, Japan and other nations of East and South East Asia.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 365, Subject Files, National Security Study Memoranda, Nos. 104–206. Secret.

—The economic situation in the Philippines.

The study should include consideration of the following policy issues and their interrelationship as they affect U.S. interests and objectives:

—Continued access to U.S. military bases in the Philippines. (In this connection, what should be the relationship to continued base access of (a) U.S. military assistance, and (b) the continuation of the preferential provisions of the Laurel–Langley Agreement?)

—Continued liberal access to the Philippine market for U.S. traders and investors, and reasonable protection for existing U.S. private investment in the Philippines.

—Particularly in relation to the foregoing two issues, (a) to what extent should we preserve our “special relationship” to the Philippines; and (b) should the U.S. take a position as regards the Constitutional Convention and the development of a new Constitution?

—U.S. role as regards:

—Philippine efforts to maintain internal stability and a satisfactory level of economic development. (As regards internal stability, what should be the U.S. role vis-à-vis Philippine internal security policy and operations? As regards economic development, what should be the U.S. role vis-à-vis external aid and economic development, what should be the scale and direction of our aid programs, and what should be the areas reserved for multilateral programs?)

—Philippine efforts to play a constructive regional role in Asia.

—As it relates in particular to the foregoing issues, how far should we go in limiting our identification with the present administration and its policies?

The study should be prepared by the NSC Interdepartmental Group for East Asia, and should be submitted not later than July 31, 1972 for consideration by the Senior Review Group.²

Henry A. Kissinger

² The Bureau of East Asian and Pacific Affairs completed its first draft of working papers in response to NSSM 155 on July 28, and the Embassy provided its input in telegram 7578 from Manila, August 15. (Ibid., RG 59, Central Files 1970–73, POL 1 PHIL–US) The Senior Review Group met on December 1 to discuss NSSM 155. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H–113, SRG Minutes, Originals, Philippines, Dec. 1, 1972) NSSM 155 resulted in NSDM 209, “U.S. Policy Towards the Philippines,” March 27, 1973, and will be covered in *Foreign Relations, 1969–1976*, vol. E–12.

255. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, July 6, 1972, 0425Z.

6169. Subj Ambassador Has Frank Discussion with President Marcos on Recent Trends in US-Phil Relations. Ref Manila 5211.²

1. Summary: I saw Pres. Marcos July 5 to inquire about significance of GOP foreign policy developments of past month for future US-Phil relations. Marcos said no fundamental shifts have taken place, but acknowledged things have gotten out of hand and need cooling off. Marcos accordingly suggests putting off final stage of negotiations on US-Phil security and economic matters until early 1973.

2. I told Marcos during call July 5 that I was beginning to get questions from Washington regarding the foreign policy of the Philippines that I could not answer and hence felt it necessary to seek his own views. I told him that in the past three or four weeks it would be apparent to any observer that the Philippines is in the process of rather drastically changing their policies. Marcos said he would welcome my questions.

3. I said that in looking back to the period immediately following our meeting recorded on television (reftel) on the subject of our military bases, this subject had become highly publicized and somewhat emotional. Furthermore, the start of the campaign had seemed to be officially inspired. I reminded him that the very next day there were many items in the press quoting "official sources" or "sources close to Malacanang." I reminded him also that the *Daily Express* (his own paper) had headlines the next morning "FM-U.S. Bases Must Go!" since that time there had been much pro and con debate about the Philippines leaving SEATO, etc. I paused for his reaction and he asked that I continue.

4. I said these things concerned us primarily because the things that seemed to be under debate were very fundamental indeed, as they all dealt in one way or the other with the military strength of the United States and its deployment overseas. I said that I thought when Romulo talked about the new "realities" in world affairs, that he left out many very important things. I said one reality, as an example, was that President Nixon in an election year was asking for a considerably expanded defense budget. I said that our administration was determined that U.S.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Secret; Priority; Exdis.

² Dated June 2. (Ibid.)

strength would not fall below that of the Soviet Union, although we would, of course, do this in ways that would not violate our new SALT agreements, providing they were also lived up to by the Soviets. We hoped that further agreements could be reached with the Soviet Union, but this probably would be unattainable if we dealt from a position of weakness. It is in this context, I said, that we could hardly fail to be concerned at talk from one of our friends and allies of changes that might well significantly affect our force posture, which we consider not only important for ourselves, but for our friends and allies as well.

5. Marcos said he wanted me to know that there had been no such fundamental shift in his own thinking. He agreed, however, that things had gone a bit far and thought it was time that he moved to “take some steam” out of these issues. He said he was sure that I knew the Filipinos well enough to realize, however, that negotiations are usually approached with outlandish first positions. I said I realized this, and was sure that some of his advisers would urge such a stance to make the price go up. Marcos quickly interjected that he didn’t subscribe to that tactic(!). I said the trouble with such an approach was that by the time a sensible compromise had been reached, it could produce a situation where the new agreement would be criticized as being no good because the Philippines did not gain their maximum position. He said he realized such dangers and would exert such control as he could.

6. I told him I had been wondering also about timing and tactics. I said I had been concerned of late that he might publicly nominate high-powered panels, including members of the Senate and the House, which I did not see how we could match in our current election process. He said he realized that. Suddenly he said, “I think this whole thing is getting out of hand. Why don’t we just delay everything until early next year.” He said he had thought about trying to bring things to a head with a state visit before our elections, but he realized it was getting too late for that, and besides his government was not prepared on its part for such rapid action. I told him that there were some matters on our side that I doubted we could get in shape as well before November. There seemed to be agreement between us that a good time to bring things to a head would be somewhere around February or March. To delay much longer than that would be getting too close to elections here. He said maybe panels should be appointed in December. I told him that this seemed a good idea because there was a great deal of work involved and it might take two or four months to get everything in shape.

7. Marcos then asked about our “new” disclosure that we were just going to let Laurel–Langley die without being willing to talk about it. I told him that that revelation, sometimes labeled as a leak on our side, had appeared in so much of the press the same day that I can only conclude that it had been inspired by someone, as there had been

no recent decisions or release of information on that subject from our side. It was apparent in his remarks that he would be considerably disturbed if the United States position were that we would refuse to talk about any follow-on to Laurel–Langley.

8. Marcos asked if he had dispelled some of my concerns. I replied that he had. He said, “Well, then let me go all the way.” He said to tell the truth he hadn’t been thinking at all about such things as military bases, alliances, etc. He said that he was so deeply involved in so many internal matters that he had perhaps relied too much on others were distorting on the Philippine image (he explicitly named Romulo as being in favor of removal of our bases). He then went on to list at least 20 things he was working on and began to show some signs of frustration that he couldn’t seem to get things done. (We have noticed ourselves a slackening in Malacanang efficiency and morale.) He listed the oil price problem here affecting our companies as one of the problems, and I took a fairly strong line as this problem is, in fact, becoming intolerable to our oil companies. He threw up his hands at one point saying that the Philippines had loans, but was largely without well worked out projects to take advantage of them. He began to show a somewhat agitated state of mind over the magnitude of the problems facing him personally. He did not mention, except once indirectly, domestic political problems.³

9. Our talk, which is much longer than can be put in a message, would seem to indicate that we are not about to be hit with some new demand that would surprise us. (There will be a follow-up message, however, recommending that with the short time we have to December or, even to March, we not relax with this new development, but keep our own preparations going.) While this is a welcome development, on the other hand, it is disconcerting to see Marcos personally so perplexed about his problems.

Byroade

³ Telegram 5074 from Manila, June 2, reported Byroade’s conversation the previous week with Marcos about domestic and political problems in the Philippines, in which the latter talked of the “great upsurge of communist insurgency threat in the country,” adding that “he might have to reinstate martial law. He asked again if we would support him or at least not oppose him.” To this, Byroade said that he “mumbled that our position on that had not changed, but added the hope that he would not find such a move necessary as I thought it would clearly at this time tear the nation apart into opposing factions.” (Ibid., RG 59, Central Files 1970–73, POL 15–5 PHIL)

256. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, September 15, 1972, 0942Z.

8734. Ref: Manila 8424.²

1. In order to deal with the obvious complexities of the developing situation in Philippines which we have been analyzing in our recent series of cables,³ I should like to try to dissect the problem into more digestible proportions. We might first of all separate things into two categories: (1) The extension of Marcos in power by political means which are permissible under the Constitution, and (2) Extension in power by such means as martial law. There was no hint of the latter in his talk with Johnson, although he did list it as a possibility, in event the situation so warranted, with Senator Inouye.⁴

2. Barring unforeseen circumstances, I believe that Marcos can extend himself by constitutional means without our support, which, of course, he would not ask for unless he needed it. I believe he has the capability, for instance, of getting the Constitutional Convention to approve the concept of a transitional government with him as head for two years in preparation for a shift of parliamentary rule in 1975. He could do this by securing support from all those in the present Legislature who would be automatically extended, and bringing the Con-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Top Secret; Priority; Nodis.

² Dated September 7. (Ibid.)

³ In addition to telegram 8424 from Manila, these included telegram 164964 to Manila, September 9; telegram 8619 from Manila, September 13 (both *ibid.*); and telegram 8652 from Manila, September 13. (*Ibid.*, RG 59, Central Files 1970–73, FN 9 PHIL–US) The main issue of these telegrams was Marcos' maneuvering to continue in power and to gain the support of the United States for such a development. The telegrams also dealt with economic issues, especially the ownership of property in the Philippines by Americans, including America-owned oil industry property and rights. Marcos intimated that U.S. economic concerns would be best met by U.S. support of his political moves. U.S. concern over the property rights of Americans in the Philippines was occasioned by a court case called the Quasha decision which, according to telegram 164964, "would appear not only to deprive U.S. citizens of their right to continue after 1974 to own land which they have acquired in good faith under Philippine law, but would also appear to put into doubt the current validity of their titles to such land, including the ability to convey good title to a would-be purchaser." During the first week in September, however, the Marcos-dominated Supreme Court overturned the Quasha decision, a move which Byroade theorized in telegram 8424 may have been one of Marcos' "first big moves to get our blessing, or at the minimum our acquiescence, to his extension in power."

⁴ According to telegram 8424, Senator Inouye gave Byroade an oral report of his "considerable time alone with Marcos." Inouye said that Marcos had given him a long statement as to why it would be good for the Philippines if he remained in power. No other record of Inouye's meeting with Marcos was found.

stitutional Convention (ConCon) body into the transition government to satisfy the appetites of its members there who are eager to run for public office. He could also bring drafting of the Constitution to an early enough conclusion, I think, so that (if approved by plebiscite) the parliamentary system would go into effect with national elections set for November 1973.

3. Having the ability to accomplish some combination of the above, I think Marcos will not ask for our help. He would only be interested in whether we would oppose him or try to thwart his plans. This may seem rather far fetched to non-students of the Philippines. But notwithstanding proponents of low profile, the position of the President of the United States and his representative here is still absolutely unique here as compared to other countries. A majority of Filipinos would even at this point in time list my position (not me) as the second most important position in the Philippines. A minority, although sizeable, would still list it as the most important. With these considerations in mind, and Marcos knows them well, our attitude on any given question is still a very important factor.

4. If Marcos wants to extend by constitutional means, and we intervene, (which I think we would not at this point, all things considered) we might be in a position to buy considerable benefit to ourselves by simply letting him know that we would not oppose in any way his continuation in power by constitutional means. These matters, we could say, are internal to the Philippines on which we would naturally take no position or action. However, we would want to make clear at the same time the importance we attach to the constitutional legality of these means. All of this, of course, would be quite private, and Marcos would want it that way.

5. At the same time we should have no hesitation at all to ask him to take specific steps in the interest of our mutual business relationships, which after all are basically good for the Philippines. Nor do I think it outside the realm of possibility that we might get a good share of them. Montelibano (principal spokesman for the sugar industry), for instance, and I think with the President's blessing or at least knowledge, is openly advocating an extension period of 10 to 15 years for the transition of American interests (Laurel is saying this very privately). I believe that this goes beyond his own interests in the sugar quota. I think Montelibano is convinced along with many others that any quick transition will end up in drastic deterioration of the Philippine economy.

6. I am in favor of the proposition of getting what we want now, while Marcos is legitimately in power, in the nature of constitutional provisions and laws which could be expected to extend beyond his tenure. In my first two years here Marcos played quite above board

with me, but this situation had deteriorated somewhat due to his doubts that we can go along with his extension in power. My own attitude is that, if Marcos can keep his fingers crossed behind his back while making agreements with us, so can we—and we can also judge the future and our position completely in our own interests as time passes.

7. If we are going to go down this route with Marcos, we will want to broaden our support here as much as possible at the same time, and not narrow it down to him personally. There are many in and out of government who are vitally interested in the issues of trade preferences, sugar quotas, etc. I would say we should go ahead with the above, we should find some way of getting trade preferences for the Philippines, we should find some way of assuring them on sugar, and we should go ahead with the new approach I have recommended in the security field on military assistance. Incidentally, our recommendations in the latter field do not in any way greatly enhance a military capability that can be used against the Filipino people.

8. The second category mentioned above leads us into the question of extension of power by extra-constitutional means. It should be pointed out at the outset that a declaration of martial law, if carried out for the purposes specified in the Constitution, is not in itself, of course, an extra-constitutional step. It could become so if its purpose is extension in power, which obviously is outside the spirit of the Constitution.

9. I asked Marcos yesterday if he were about to surprise us with a declaration of martial law. He said no, not under present circumstances. He said he would not hesitate at all in doing so if the terrorists stepped up their activities further, and to a new stage. He said that if a part of Manila were burned, a top official of his Government, or foreign ambassador, assassinated or kidnapped, then he would act very promptly. He said that he questioned Communist capability to move things to such a stage just now and asked my views. I said I thought it a bit premature in their plans, but the present atmosphere undoubtedly increased their recruiting capability. He said 3,000 students were no longer in greater Manila universities (implying they have allied themselves with the dissidents—a figure we cannot sustain), and that if it were inevitable he would just as soon see them go for big things now in order to get this period of indecision over with!

10. Marcos could be encouraged in this course by a growing popular concern over the deteriorating law and order situation, particularly on the part of the influential Philippine business leaders, as well as government technocrats. The latter have felt for some months now that a firmer hand at the tiller is necessary to control this situation and the spreading corruption, as well as to remove political and legal ob-

stacles to greater social reform. A rather surprising number of people seem to be in the mood of letting Marcos go ahead and take over with the hope he can straighten things out. This does not mean any great shift of popularity, although his position is somewhat better as reported elsewhere than say three months ago. Rather it is more a philosophical resignation to "who else is there?" There is without doubt a growing feeling that social reform under the present system just may not be possible. A legislature that represents the "status quo" will never agree to meaningful reforms. Also, nearly every action, even including clearance of obstacles from drainage canals which helped cause greater damage in the recent floods, can be stopped by hundreds of court injunctions. Among the articulate there is a growing feeling that revolution, "from the bottom" is inevitable unless "revolution from the top" is prompt and effective.

11. Romulo, in an amazing toast to the Korean Foreign Minister recently compared progress in Korea with that in the Philippines in a very unfavorable light for the latter. He concluded that under the present system of "complete democracy" the Philippines would never be able to keep pace with their Asian neighbors. On that same occasion he put his hand on my shoulder and said that "your brand of democracy clearly cannot get the Philippines out of its dilemmas and start her on the road to real progress." He said that our system was for developed countries and developing countries could not afford this luxury. Later on I told him that in my opinion our brand of democracy really worked best while we were still in the process of development. He said that his people were different and the Filipino would never get out of their deterioration without a very strong hand to take them out.

12. Imposition of martial law, or an abandonment of the democratic constitution, would present us in America with a problem. Thailand, for instance, can change its governmental system with hardly a ripple felt in the United States. I do not believe this would be the case with regard to the Philippines, where we introduced our own brand of democracy.

13. This message brings you up to date both on reporting and analysis as we see things from here. We are working now trying to formulate as specifically as we can what seems to be reasonable positive action that might possibly be handled by the Supreme Court, the Legislature, and the ConCon. When we get this to you, you may have an easier task in providing Washington comments than has been the case with our reporting so far.

Byroade

257. Airgram From the Embassy in the Philippines to the Department of State¹

A-244

Manila, September 21, 1972.

SUBJECT

Senator Aquino's Views on Martial Law and the Political Future of President Marcos

REF

Manila 8738²

Summary

In a private conversation on September 12 with the Political Counselor and another Embassy political officer Liberal Party (LP) Senator Benigno S. Aquino, Jr. stated that he believed President Marcos would declare martial law in order to stay in power. Aquino said Marcos is faced with serious economic problems as a result of the floods and the Quasha decision, which Aquino thinks will have a severe dampening effect on foreign investment. With rapidly worsening law and order and Communist dissident problems added to these economic woes, Aquino believes that Marcos must take strong actions in the near future and that these will include martial law. If the President follows this course, Aquino said that, "for the good of the country," he will support Marcos. However, Aquino pointed out, martial law could backfire on the President, and Aquino expressed doubts that the GOP has sufficient resources to carry out martial law successfully. As for his own political ambitions, Aquino believes that the possibilities of his becoming head of government by legitimate means are quickly diminishing, and he is accordingly keeping open an option to lead an anti-Marcos revolution in alliance with the Communists.³

During a protracted luncheon conversation with two Embassy officers on September 12, LP Secretary General Senator Benigno S.

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 23 PHIL. Confidential. Drafted by Political Counselor John D. Forbes on September 20, cleared by Political Officer George T. Kalaris, and approved by Maestrono. Also sent to Djakarta, Taipei, Tokyo, Hong Kong, CINCPAC for POLAD, and CINCPACREPPHIL.

² Dated September 16.

³ Aquino's revelations about his meeting with Jose Maria Sison, Chairman of the Central Committee of the Communist Party of the Philippines/Marxist-Leninist (CPP/ML), in which they discussed the possibility of forming a broad united front in opposition to the Marcos administration, are reported in airgram A-245, September 21. (Ibid.)

Aquino, Jr., a leading presidential aspirant and principal critic of President Marcos, expounded on his views of Marcos' political future. (Aquino's comments on his connections with the Communists are reported in a separate airgram.)

Aquino stated that he has no doubt that President Marcos intends to remain in power. He was less certain of how the President would do this. Presidential elections in 1973 seemed to Aquino to be low on the scale of priority for Marcos; however, Imelda Marcos would almost certainly win if she ran since the President could fill the ballot boxes with fake votes and employ other illegitimate means of insuring her success. As Aquino believes that the Liberals would be powerless to prevent this from happening and could do little more than protest, Senator Aquino showed very little interest in his own ambitions for the Liberal Party nomination next year. A second Marcos alternative is to stay in office for two more years through the adoption of the synchronization of elections in 1975 proposal that pro-Marcos delegates are presently floating around Con-Con. But Aquino is unsure of Marcos' ability to completely control Con-Con. He said that Marcos had spent ten million pesos so far in his successful effort to control the Con-Con, but, nevertheless, must be very disappointed with the relatively narrow margin in his favor in the recent vote defeating a draft provision to ban him and his spouse from holding the positions of President or Prime Minister (see Manila 8452).

Aquino believes that martial law is the most likely means Marcos will use in order to stay in power. Aquino said that he would support Marcos if this is the course he adopts. Since the law and order and economic situation is deteriorating so rapidly, in Aquino's view, the good of the country requires strong measures on the part of the Central Government. The growing threat from the dissidents, the worsening law and order problem, the serious economic setback that has resulted from the floods in central Luzon and the probable ill effects of the Quasha decision of the Supreme Court on the country's foreign investment climate were cited by Aquino as reasons why stronger central government action is needed. Such action means martial law. Were he President, Aquino indicated that he would not hesitate to take such strong action and would, for example, execute several corrupt officials at the Luneta Park in Manila as a lesson to other officials that he meant business.

[Omitted here is discussion of Philippine politics.]

258. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, September 21, 1972, 1011Z.

8936. Ref A. Manila 8424,² B. Manila 8619,³ C. Manila 8734,⁴ D. State 171335.⁵

1. Yesterday local [*less than 1 line of source text not declassified*] reports began to be quite specific about the imminent imposition of martial law. On top of this Bob Wales of Mobile gave me in written form his memo of conversation with Marcos the day before which generally paralleled matters that Marcos had told Johnson of Caltex previously reported. We are classifying these two documents and will send them by pouch. For purposes of brevity, I will not herein summarize the memorandum of Wales, except to report its last sentence which is as follows: "Marcos ended up the discussion by saying that it would be a tragedy if he had to declare martial law if he was not supported by his ally, the United States".

2. I decided I had no alternative but to undertake quickly the potentially dangerous task of a real heart to heart with Marcos on issues as delicate as his own plans and ambitions. Last night proved impossible but I had a very long session with him this morning.

3. I told Marcos that to save time he should assume that I knew in detail the important matters he had discussed with Johnson and Wales, except possibly for company matters which were not my concern. I said I did not believe he should place any blame on these two individuals, as they were conscientious Americans who realized that they were getting into matters of proper concern to me and to their government. He said he understood this very well (I think it obvious all along that he assumed they would talk to me).

4. I told Marcos that I was not seeing him for the purpose of preparing a report for Washington. I said I had a message asking me if I thought martial law was about to be declared, and whether we thought it necessary. I said I did not come even specifically to talk about that, but on matters perhaps even more fundamental.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Top Secret; Immediate; Nodis. Received at 7:14 a.m.

² Dated September 7. (Ibid.)

³ Dated September 13. (Ibid.)

⁴ Document 256.

⁵ Not found.

5. I said I was not under instructions and anything I might say would at this point be just personal from me. My motive was to try to achieve better understanding so that neither one of us might make a major miscalculation. I said that if I did so, nothing more would happen other than I would get fired and go look for a new job, and history would in no way be changed. On the other hand, if he, as head of state, were to make a miscalculation based upon some failure of mine to communicate, this could turn out to be of real importance.

6. He asked what I had in mind. I replied, a great many things, but I supposed we might just as well start with the question of martial law. He said he thought maybe we had better not discuss it directly, because he had to remain in a position where he could say that he had not accepted my advice. I told him that I was not in his presence to advise him on such a decision that only he can make, but I thought we did have to discuss the matter and quite frankly. I told him that he himself had told me that he might have to move if there were some new and significant event. This could mean at any given time that we might be only one day away. Also that one of his last remarks to Wales had brought up the question of our support. Moreover, the question had arisen as to whether New York could not urge more Washington support for him and his government.

7. I said I thought it was necessary to reflect a bit on the obvious. We did not have a dictatorship, but a big sprawling bureaucratic working democracy. I said that his brother-in-law's idea of trying to sneak into Washington under an assumed name and making a secret deal or understanding with somebody after midnight went out of vogue about the time of Teddy Roosevelt. I said that efforts on the part of New York, even with our President, could turn out utterly fruitless provided things happened where even our President could not get what he wanted in the way of legislative support, etc.

8. I reminded him again that it was terribly important that he understands that it was only I, a friend, talking to him personally and privately. In that context, I said I wanted to talk to him about the type of things that cause me to pace the floor. He said he understood completely and I should go ahead without hesitation. I then reminded him that we are in the wind-up phase of an extremely important election campaign in our own country. I said I thought McGovern would seize on anything like a military takeover in the Philippines in an effort to use it as the final proof of his charge that the foreign policies of Nixon, particularly in the Asian area, were a total failure. I said I thought he would scream that "even the Philippines" had been so badly messed up that the very form of government which we instituted here was now in the hands of military dictatorship, supplied by our equipment. He would probably try to make a major thing of it, proving that this was the beginning of another Vietnam "even in the Philippines." I said

I know Nixon pretty well, and I thought he would be greatly upset if the Philippines gave the appearance of blowing up in his face at a time like this. I returned to the idea that our hands could become so tied up that as a practical fact we couldn't do any of the things we really wanted to do for the Philippines.

9. Marcos said he had made no decision to move towards martial law, and he had never considered anything beyond that, such as military rule. He did admit, however, that planning for martial law was at an advanced state. He said that under any conditions he could foresee he would not consider any extra-constitutional moves in the Philippines. We then got into a discussion as to what type of events had to happen under the Philippine Constitution wherein it would be constitutional to declare martial law. He concluded that words might have a different meaning for us and the Philippine Constitution was perhaps broader in this respect than our own.

10. At one point I said maybe we needed his help and the help of his intelligence people, as it was obvious that he and they must know many things in this country that we could not know. I said it was difficult for us to start off with a band of armed men numbering somewhere around a thousand, mostly in the Hills and, with assumed figures as to the extent of their base and mass support, to conclude that the Philippine Government was in danger of being toppled. He said that, of course, was true, and he did not consider the government to be under that threat at the present time, but he said the very effectiveness of government was threatened and that was enough for him to move legally.

11. Marcos told me at one point that guns were not the answer. He said he did not mean that over the long haul that the Philippines did not need adequate military forces. He then went into quite a brilliant description of the state of things in the Philippines and the absolute necessity for social reform. He said after all of his years in government, including seven in the Presidency, that he did indeed question the ability of the Philippines to achieve adequate reforms in time under the present system. His descriptions of its evils, and graft and corruption, of the impossibility of getting adequate legislation, and adequate resources for desperately needed reforms could hardly have been equalled by any harsh critic of this country. It is hard to escape [garble] that he thinks that his place in history might be made if he had the power of drastic reform. He might even see at this point this is his only route to regain his popularity even to the point where he could win handily in a future election, although he made no reference to either of these thoughts.

12. We then went on in an unusually relaxed and friendly session, even for us, to discuss many other things which will be reported separately, and with different classification.

13. As I was about to leave he suddenly changed the subject and said "how long is it to your elections?" I said, "about six weeks."

14. Whether or not I have succeeded in at least postponing new developments here until after our elections, I do not know. I ask White House tolerance in tossing around the name of our President so freely, but it was my judgment that I should pull out all stops on this one.

Byroade

259. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, September 22, 1972, 0945Z.

8989. Ref: Manila 8875.² Subj: Talk with Marcos on Economic Issues.

1. Marcos told me Sept 20 that he wanted me to know that, in spite of all his other problems,³ he was still devoting considerable time and study to our own problems. He then talked with great knowledge about the problems created by the recent Supreme Court decisions, etc. He made a number of very interesting statements.

2. He said he was not calling Congress back immediately for another much needed session, even though an extremely important bill had not been passed, as he did not want to risk any legislation just now on questions such as parity, or even efforts aimed toward getting legislation which would keep the waters muddy.

3. He said he was slowly coming to the conclusion that the Supreme Court itself should correct some of its decisions, and that this might be the best route to try to proceed. He asked what I thought of SC action which would clear the titles of American-owned land as far as individuals are concerned, but not insofar as the state was concerned.

¹ Source: National Archives, RG 59, Central Files 1970-73, FN 9 PHIL-US. Secret; Priority; Exdis.

² Not printed.

³ In telegram 8990 from Manila, September 22, Byroade reported that there were "several indications" that Marcos was "seriously considering martial law" as a possible option "because of increasing violence such as continuation of current rash of bombings, which would render effective operation of government either difficult or impossible." (National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV)

I said I didn't understand him. He replied that owners of property would be free to make any sale that they wanted to and the govt would then be free, through legislation, to spell out the ground rules for the future. He said this would get the matter back to being the subject of negotiations between two govts, where it belonged in the first place and not in the courts. We could then agree on such matters as a reasonable transition period, etc. I think he has in mind here something like a conveyance to the state or possibly escheat at the end of an agreed transition period, if private sales have not been made by that time. He may need something like this to get the Court or the Congress to go along with a stretched out transition. I said on first thought his suggestion seemed to hold promise. I felt, however, his choice of words wasn't very good as the average person would conclude from the manner in which he had used the word "state" that perhaps confiscation would be the end result. He said he had nothing like that in mind whatsoever. I said that I thought wording was important as under his proposal some time would elapse when people wouldn't know what was going to happen. He said this deserved thought.

4. I asked if he would consider separating out the Luzon Stevedoring case and consider quick legislation for its correction. He said this was a bad case, indeed, and had to be corrected without too much delay. He said he thought it best, however, that the SC itself correct it, as the court had made a great error in extending its decision way beyond what the case before it called for. He said he thought the SC should reverse itself and allow foreign participation in boards of directors. If that was not corrected the Philippines would never get any foreign investment. I agreed. I asked if he could broaden this to include executive management. After some discussion he said he didn't really know, but it was worth studying as he agreed that in some cases, such as advanced technological enterprises, it would be an asset to have foreign executive management.

5. Marcos said he thought some parts of the retail trade problem could be handled by legislation. His tentative thought was that the term "retail trade" should be redefined by Congress (perhaps by amending the Retail Trade Act which reserves retail trade to Filipinos but is vague about defining "retail") and at least make exception for bulk transfers to commercial outlets, which would take care of our oil companies and a number of others who sell (wholesale in our practice) directly to retailers (rubbers, drugs, etc.).

6. I told him that we had some thoughts of what might seem reasonable and fair on all these matters and I wondered if he would mind receiving them from me. He said he would welcome that. I asked if there was anyone else in his government that it would be useful for us to have sessions with. He said he thought that he and I had better do

it. He said the only two working with him on these matters were the Secretary of Justice and the Solicitor General (a good team). He said things were very delicate, and he even had to work indirectly through friends with the Court.

7. I told Marcos I remained extremely concerned about draft economic provisions in the steering committee at the ConCon. I said if these provisions were ever calendared we would all be in a real mess, as the parliamentary procedures in that body would mean that all these provisions would have to be changed line-by-line or even word-by-word through lengthy floor debates that would be emotional and could go on for a long time as well as come out in the wrong place.

8. Marcos then launched into quite an exposé on the ConCon. He said if they could move promptly, which he thought they couldn't, this could be a way they could handle some of the needed reforms in the country. He said it was such an unruly mess, however, that he had just about concluded that they would not finish their job in time for the '73 elections (quite a significant statement). When we finally got back to the provisions that I said worried me, he said he would do what he could to get the various provisions referred back to organic committees and out of the steering committee.

9. I said we were all in a box on these issues. On the one hand it was extremely important that our business interests see some sign of movement, and I dreaded the thought of a long period of no apparent motion. I said at least I could let the word get out that we were talking, but there wasn't much I could pass along of our private talks.

10. It is encouraging that Marcos was this forthcoming on our investment issues. He was obviously prepared, as he asked me September 19 on the phone if I wanted Abad-Santos or Mendoza at our meeting. I said "no" because I wanted to discuss quite delicate matters (reported separately).

11. I want to keep working with him on these matters in confidence, and things have now reached the point where, as suggested in Manila 8875, I need to get as many as possible of our needs in front of him. An early answer to this reftel would therefore be greatly appreciated.

Byroade

260. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, September 23, 1972.

SUBJECT

Philippine President Imposes Martial Law

President Marcos imposed martial law throughout the Philippines at midnight September 22. He proclaimed it officially at mid-day September 23, according to press reports, saying that it did not involve military rule and that civilian government would continue. We do not yet have the text of the proclamation, and thus do not at this point know its specifics, particularly as to whether Marcos suspended the Congress.

The situation at present is as follows:

—Numerous arrests of Marcos' critics have reportedly been made, according to Embassy Manila, including opposition Liberal Party Secretary General Aquino (whom Marcos recently accused of conspiring with the Communists), several other opposition politicians, and *Manila Times* editor Roces and several other journalists and commentators.

—All television stations and most radio stations have been closed, and no major newspapers appeared the morning of September 23. Radio stations are broadcasting no news.

—Domestic commercial flights have been cancelled, and Filipinos are allowed to board international flights only upon government permission.

—International cable and telephone traffic has been suspended.

—No U.S. citizens are known to be involved or endangered.

Background

Marcos' action followed an assassination attempt the evening of September 23 against his Defense Secretary in which no one was injured and the attackers were not apprehended. This attempt climaxed a two-week rash of urban bombings of government buildings, which have been somewhat unusual in that all occurred at night and very few have been injured. (Embassy Manila reports that public opinion remains about evenly divided as to whether these have been perpetrated by left extremists or staged by the government.)² These acts have occurred against a backdrop of a steady growth over the past three

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Secret; Sensitive. Sent for information. Haig signed for Kissinger. A stamped notation on the memorandum indicates the President saw it.

² In telegram 9087 from Manila, September 25. (Ibid.)

years of rural insurgency—and more recently urban terrorism. Our Embassy believes that this increasing violence could render continued effective government difficult or impossible, but could not threaten its existence.

President Marcos' ambition to hold onto the Presidency after his constitutional limit of two terms runs out at the end of next year is well known. In this context, and as his first-term lustre as a reform president has dulled, he has constantly underlined the deteriorating security situation as posing a need for a strong leader and improved discipline. He is assisted in this by a growing public concern, especially among influential Filipino businessmen and government technocrats, over the declining civil order. Particularly the latter believe that badly-needed reforms are now possible only under strengthened governmental controls.

Likely Filipino Reaction

Embassy Manila estimates that the country will react with resigned acceptance, after the initial shock and uproar.³ Criticism of Marcos' action would diminish particularly if there is early evidence of movement toward meaningful reform. The Embassy believes that martial law could not be maintained over a long period without either a gradual return to normal constitutional rule or a drift toward more authoritarian forms. We believe that continued tight prohibition of dissent normally vented through the political opposition and media, important safety valves for the volatile Filipinos, would generate potentially dangerous political and social pressures.

Implications for U.S. Interests and Our Position

At least in the short term, martial law should pose no direct serious problems for U.S. security and economic relations with the Philippines. In fact, the climate for individual business operations might even be improved.

As to our position, I believe we should refrain from comment on Marcos' action, regarding it as a Philippine matter.⁴ This stance may well be interpreted as tacit U.S. support for Marcos' move, and result in criticism of us, particularly if Marcos does not make good use of his increased authority and the situation deteriorates. On the other hand, Marcos probably will appreciate such a stance on our part, and this should result in his continued cooperation in our maintaining effective access to our bases in the Philippines and his assistance in resolving U.S. private investment problems resulting from last month's Quasha

³ In telegram 9087 from Manila, September 25. (Ibid.)

⁴ A notation in Nixon's handwriting next to this sentence reads: "K—Low key it."

decision. As you will recall, we are reviewing our Philippine policy in NSSM 155,⁵ and expect to forward policy options to you in the near future.

⁵ The NSSM 155 study was completed in early 1973 and resulted in NSDM 209, "U.S. Policy Toward the Philippines," March 27, 1973. See footnote 2, Document 254.

261. Memorandum of Conversation¹

Washington, September 26, 1972.

SUBJECT

President Marcos and the Philippine Investment Climate

PARTICIPANTS

Tristan Beplat, Vice President Manufacturers Trust and President Philippine American Chamber, New York

Harold Smith, Hanover Manufacturers Trust

Max Ansbach, Colgate

Harding Williams, Del Monte

Herman Barger, Deputy Assistant Secretary for East Asian and Pacific Affairs

Shepard C. Lowman, EA/PHL

At their request, a delegation from the Philippine American Chamber of Commerce in New York called on Mr. Barger to express their concern and views with reference to recent events in the Philippines. Mr. Beplat was the primary spokesman for the group.

Beplat first sketched briefly the recent events affecting the business climate in Manila. These included the Quasha case, the Lusteveco case, and the threat to declare the oil companies a public utility. He sees all of these actions as essentially political in nature, designed to bring pressure on the US to be responsive to President Marcos' requirements. Beplat does not, however, believe that the Philippines desires to drive away American business. To the contrary, he and others have been talking with senior Philippine officials recently, including Executive Secretary Melchor, Secretary of Finance Virata and Governor

¹ Source: National Archives, RG 59, Central Files 1970–73, FN 9 PHIL–US. Secret. Drafted by Lowman and approved by Barger. The meeting was held in Deputy Assistant Secretary Barger's office.

of the Central Bank Licaros, who are presently in the US. As a result of these conversations, he believes the GOP continues to desire American investment. Chamber members will be meeting with these technocrats in New York next week to discuss current problems. Governor Licaros specifically requested that Beplat invite representatives of 30 banks, with loans to the Philippines totalling \$225 million, in order that he might have an opportunity to reassure them as to the future course of the Philippines.

Nevertheless, Beplat feels we have problems, arising from President Marcos' problems which include 1) how to continue in office after 1973, 2) growing levels of communist terrorist activities, and 3) a recalcitrant Congress which frustrates Marcos' efforts to obtain reform legislation.

Beplat believes that Marcos has now made the decision to carry out a program against communist subversion; that this decision will be a major fact of life in the Philippines, regardless of our assessment of the necessity for such a decision; that Marcos will be expecting and demanding various forms of US assistance in carrying out such a program to include additional military assistance, perhaps in the form of helicopters and other aircraft, as well as increased economic assistance to underpin the social reforms which Marcos plans to undertake as a part of his overall program to deal with the insurgency. Given the Philippine balance-of-payments problems, Beplat suggests that US aid might be necessary for the success of such reforms.

During this meeting, Beplat repeatedly reverted to the theme that Marcos expects to get additional assistance from the US because his need is great and because he believes that we are paying much larger sums for base rights to countries such as Spain, Portugal and Ethiopia. Regardless of whether the US feels it may be supplying adequate assistance to the Philippines at this time, the fact is that Marcos feels that the Philippines is being treated badly. It is given a separate aid category from base rights countries. It is shortchanged with respect to availabilities of excess defense articles and, generally, the Philippines insurgency is not taken seriously. Marcos had noted that when he sent his brother-in-law, Governor Ben "Kokoy" Romualdez, to the US to discuss such matters that Kokoy had returned with the report he had been given a run around; that nobody believes him.

Beplat said he presumed discussions were under way in Manila on these subjects. He alluded to the fact that Marcos had spoken very frankly and bluntly to some US business representatives in Manila. Marcos is deadly serious in his intent to stay and play his hand out in the Philippines and the economic aspects of US-Philippine relationship will not be settled unless the political aspects are. If Marcos goes down or things get rough in the Philippines, US business will suffer and other US interests will suffer as well. If we want to stay in the

Philippines, we must pay the price and quickly. While Marcos understands politics and would not press for a final resolution of these questions before the US elections, we should be prepared to be forthcoming within a short time thereafter.

Beplat closed his presentation by stating that US business wishes to express its strong concern about the drift of events in the Philippines and to express its belief that the USG has to take action on these matters; something must be done and the USG would make a very serious error if it tried to handle these problems in a passive manner. If something is not done soon, the Chamber is going to form a delegation of their senior officials from senior companies and come back to Washington to see President Nixon.

Mr. Barger asked Mr. Beplat if what he was making was a specific policy recommendation to which Mr. Beplat replied in the negative. Mr. Barger pointed out that an expression of strong concern was one thing but a specific recommendation that we must accede to the demands of President Marcos would be something else again. In response to this, Mr. Beplat reiterated that he was not making such a policy recommendation; that it was up to the State Department how to best handle this matter, but that something must be done soon.

Mr. Barger pointed out that a major concern of ours was that the Philippines not reach a point of no return through acts which might cause US companies to bring pressure on the Congress to cut off aid or the Philippine sugar quota or through actions by the GOP which would trigger such automatic legal sanctions as those in the Hickenlooper and Gonzales amendments and sugar legislation with respect to expropriatory situations. He felt that this was a message which US business might usefully convey to the technocrats. Mr. Barger added that it seemed to him that we would not wish to get into a stance where the expectation in the Philippines is that the way to do business with the US is to squeeze the US investors in the country to obtain ever new US Government concessions. In the long run, such a situation would be in no one's best interest.

In closing, there was a brief discussion of why Marcos would jeopardize the major interests that the Philippines has in its close economic relationships with the US for the sake of gaining necessarily limited marginal increments to US assistance. In this connection it was pointed out that the United States already provides very substantial levels of aid, both for regular programs and in response to emergencies such as the flood.

In response to the query, Beplat seemed to be saying that Marcos understood the value of the economic relationship with the US, but that he would have to go all out on the difficult course on which he was embarked and that, if he failed, chaos would follow which would be bad for all.

262. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, September 27, 1972, 0420Z.

9155. Ref: Manila 9147.²

1. This man Marcos is a chess player, par excellence. It is usually possible to predict that he will choose as his next move one of two or three options that seem open to him—yet we cannot be certain just which one of these the next sealed envelope will contain.

2. You should read above reftel which describes Marcos' interview with Durdin of *New York Times* that he has decided to settle our investment problems in the Philippines by Presidential decree. We have speculated here in my staff that Marcos might in fact make this move. It would tend to prove to the opposition party and all else concerned that he had our backing in his declaration of martial law. Any disclaimer by us, other than out-right public denunciation of him (absolutely out of the question at this time in our own best interests) would be entirely futile. We have almost come full-circle in the scenario discussed with my staff immediately following the Supreme Court decision re Quasha as reported in Manila 8424 of Sept 7.³ There have been deviations along the way, including some alteration of time tables, but the basic theme therein remains.

3. While it would be a great relief to see our investment problems solved, or greatly eased, I cannot help but have mixed feelings over the fact that Marcos would proceed on these fundamental matters by Presidential decree. If he could have maneuvered the Supreme Court into handling at least two of these problems in our behalf, it would have been much better for us. Had he done so, of course, only a very few of my staff and the readers of these restricted series of messages would have known that he was our benefactor. For the viewpoint of Marcos, with his desire for our continued acquiescence to his recent moves, and with the hope that we could move quickly to full support, this probably was not good enough. He would conclude that he should move now, without any other quid pro quo, to obtain this type of support in New York and head off opposition from our Executive Branch and perhaps our Congress.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Top Secret; Priority; Nodis.

² Telegram 9147 from Manila, September 27, reported Marcos' decision to settle some of the economic issues with the United States by Presidential decree. (Ibid., RG 59, Central Files 1970-73, FN 9 PHIL-US)

³ Not printed. (Ibid., Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV)

4. The decrees that he will make will predictably be sensible and good in themselves even for the Filipinos, as they will clear the air of very real recent obstacles to the future of foreign investment, not only our own, in the Philippines. But in doing it in this way, if Marcos fails in his efforts over, say, the next year, conditions might be such that any successor government might well reverse with vengeance every decree that he had made. Thus he has made one more very effective move in keeping our fortunes tied together.

Byroade

263. Telegram From the Embassy in the Philippines to the Department of State¹

Manila, October 2, 1972, 1042Z.

9362. 1. I am fully aware that this highly restricted channel should not be overdone, and hope things will develop so that perhaps this can be the last in this series for a while.

2. This message is to state that, both in my own opinion and that of my entire senior staff, we believe that we should now consider very seriously whether we have any sensible options left other than to accept and—in so doing—to assist as we can the effort by Marcos to build a “new society” in the Philippines. Our general reporting had indicated widespread local acceptance of his announced intentions and first firm steps in the direction of achieving reforms, registered in almost all levels of society here. What has been missing so far is any specific indication of the position we felt the USG should take in this matter. This is quite proper up to a point, but we are arriving at the stage where it will be desirable, we think, for private indicators to begin to be given. Also more and more—on a daily basis now—we are being faced with decisions that will in one way or another give some clue to our view, or, at least, be interpreted as such. As you will see later on in this message I do not visualize the need for, or recommend, any U.S. public statement of support.

3. The Liberal Party is in obvious disarray, with a sizeable grouping apparently ready to give public support to the measures Marcos is

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 557, Country Files, Far East, Philippines, Vol. IV. Top Secret; Priority; Nodis.

taking. But lest anyone think we should be too concerned over the plight of the opposition party, let me say the following: with the exception of a very few very solid people, patriots without doubt, the rank and file of the Liberal Party are nothing one could pin any great hopes on for the future of the Philippines. Were they in a position to come into power—the chances of which are now remote (but weren't good anyway)—this would not have represented a real hope of moving the Philippines toward meaningful reform. Dedicated as some very few of its leaders are, they do not seem to have the strength and guts to really control their followers. In general, a Liberal Party victory, which I think very unlikely in the near future anyway, would in time simply have renewed the old process of putting new hands in the till, with disappointment again for real change in the Philippines.

4. I conclude now that we should quietly continue business as usual with the GOP, including Marcos, watching all the while for any abuse of his new powers. For the short term, at least, I feel almost certain he will not do so. He knows now, in my opinion, that he is literally on a "life or death" course. He also knows that our support for meaningful social reform programs will be critical in the year ahead. There is real question in our minds as to whether the GOP can muster the minimum pesos for a sufficient effort without support from our own planned expanded programs. They can, I think, get off to a good start alone, but thereafter much will depend on us. At that time our ability to perform would depend on active program planning now on present programs and prompt consideration of such changes as we may want to recommend.

5. For our part, I do not believe we should be impervious to the apparent fact that a majority in this society have spoken out more quickly than we anticipated along the lines of giving Marcos a chance for meaningful social reform. Certainly we would not want doubts and hesitations on our part to build up any belief that we do not want the same thing for the Philippines. If reform can happen at least to the degree that would preclude the label "failure" from resulting, it cannot help but be beneficial to our own interests and future relations. And, alternatively, if the current efforts of Marcos come to be labeled "failure" there would be the prospect of very serious troubles, indeed, in the Philippines which could affect not only our business interests, but also our security interests as well. It is worth noting in this connection, that at least so far there has been no hint, in the trends that government pronouncements are taking, to blame the past and present ills of the Philippines on the foreigner, which has so often been the case in underdeveloped countries around the world in efforts to move to reform their societies. Our own interest would seem to dictate that we try to keep it this way.

6. As I say, I don't see the desirability of the USG taking any public role in explicit support of Marcos, or even of publicly expressing mild hopes that much needed reforms can come to the Philippines. This could be useful to offset some quite unbalanced reporting by temporary press visitors (in contrast to that of the wire services which has been much better informed and balanced) but even so I don't see such a need to commit us. On the other hand, I think we are already in a period where nothing positive in our programs should be held up in a "wait and see" attitude. For instance, if it becomes possible to announce the grand aid reconstruction funds now being discussed with our Congress—then I think we should go right ahead without delay. This of course would be an indirect indicator, but even so it is for a good and popular cause, and there can be no conceivable gain from delay. Monies such as this are not actually spent in the very short term anyway, and we will have opportunities along the way to delay or withhold actual disbursement if things later on seem to be going sour.

7. I have had a fear that staff action in Washington on all matters re the Philippines may be suspended due to uncertainty following the declaration of martial law. I hope this is not the case, and at this point we would like the record to show that we want this Mission's recommendations over the last few months to stand, and we hope staff work can continue on them. I know some of these recommendations cause you difficulty, but I want to repeat that as of now they still remain the recommendations of this Mission concerning what we believe is best for US interests. (We have the tape of Marcos's talk with Till Durdin. He still is planning an across-the-board broad scale talk early next year with us on economic and security matters, as he told me some time ago.)

8. In making your assessment of this situation, I suggest you keep in mind that a long drawn out posture of "hesitation" on the part of the United States would indeed be, or at least should be, considered as an important and definite decision on our part. We may very well soon want to adopt the posture, here at least, of pursuing every reasonable avenue that may be available to us in trying to ensure that this situation comes out right.

Byroade

264. Bureau of Intelligence and Research Intelligence Note¹

REAN-67

Washington, November 1, 1972.

The Philippines Tries One-Man Democracy

While there is nearly universal acclaim in the Philippines for the abatement of crime and violence during the first five weeks of martial law, Filipinos are waiting to see whether President Marcos really intends to eliminate Communist dissidence and to fundamentally reform Philippine life. Marcos' security measures so far appear aimed more at his own political opponents than at Communists, and his "reforms" have been little more than conventional bids for popular support which could have been initiated without martial law. The more radical part of Marcos' reform program has so far been largely hortatory, and nothing he has yet done directly threatens the entrenched economic interests of the country's oligarchy. What he clearly is doing is erecting a one-man constitutional regime which permits him to stay in office indefinitely, with almost unlimited powers, under a veneer of parliamentary democracy. Marcos wants to have a new constitution completed and approved by the country within about three months, which will enable him to control the government for several years without having to call elections if he finds it inexpedient to do so.

[Omitted here is discussion section of Marcos' one-man rule.]

¹ Source: National Archives, RG 59, Central Files 1970-73, POL 15 PHIL. Secret; No Foreign Dissem. Drafted by Analyst Edwin L. Barber and Director Paul M. Popple of INR's Office of Research and Analysis for East Asia and Pacific on October 27.

**265. Memorandum From the Chief of the Far East Division,
Directorate of Operations, Central Intelligence Agency
(Nelson) to the Executive Secretary of the 40 Committee
(Ratliff)**

Washington, November 3, 1972.

[Source: National Security Council Files, Nixon Administration Intelligence Files, Subject File, 303/40 Committee Files, Philippines. Secret; Sensitive. 3 pages of source text not declassified.]