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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

JV

July 20, 1985

334443

Dear Mr. Wenceslao:

Thank you for your letter, dated June 11, 1985, to Mr. McFarlane, concerning The Philippine-American Democratic Foundation and the attached summary report. I appreciate your taking the time to inform me of the Foundation's programs.

I understand that you have previously been in touch with Assistant Secretary of State for East Asian and Pacific Affairs Paul Wolfowitz on the same subject. Mr. Wolfowitz indicated he had written to you on June 12 about your proposals and about United States policy toward the Philippines. The Administration strongly supports the development of fully functioning democratic institutions in the Philippines, and I wish you well in your own endeavors to this end. Just how this objective is to be achieved is, as Mr. Wolfowitz stated, a matter best determined by the Filipino people themselves.

Sincerely,

Willia & Mat

William F. Martin Executive Director

X

Mr. Francisco C. Wenceslao
President and Chief Executive Officer
The Philippine-American Democratic Foundation
12802 Valley View Street
Garden Grove, California 92645

MSC 850 4860



United States Department of State

Washington, D.C. 20520

July 15, 1985

UNCLASSIFIED

MEMORANDUM FOR MR. ROBERT C. MCFARLANE THE WHITE HOUSE

Subject: Draft Response to a Letter from Francisco C. Wenceslao to Mr. McFarlane.

The attached letter to Francisco C. Wenceslao responds to his letter to you concerning the Philippine-American Democratic Foundation. Mr. Wenceslao has proposed to the State Department by separate letter that his foundation act as a private voluntary organization in the Philippines. The Department has answered his letter and put him in touch with AID.

I recommend you sign this letter thanking Mr. Wenceslao for informing you of his organization's goals and referring to Assistant Secretary Wolfowitz's letter to him of June 12.

> Nicholas Platt Executive Secretary

Attachment:

Assistant Secretary Wolfowitz's Letter to

Mr. Wenceslao

Suggested Reply

Dear Mr. Wenceslao:

I MR ME Foolone

Thank you for your letter dated June 11, 1985, concerning
The Philippine-American Democratic Foundation and the attached
summary report. I appreciate your taking the time to inform me
of the Foundation's programs.

I understand that you have previously been in touch with Assistant Secretary of State for East Asian and Pacific Affairs Paul Wolfowitz on the same subject. Mr. Wolfowitz indicated he had written to you on June 12 about your proposals and about U.S. policy toward the Philippines. The Administration strongly supports the development of fully functioning democratic institutions in the Philippines, and I wish you well in your own endeavors to this end. Just how this objective is to be achieved is, as Mr. Wolfowitz stated, a matter best determined by the Filipino people themselves.

Sincerely,

Robert C. McFarlane

Mr. Francisco C. Wenceslao,
President and Chief Executive Officer,
The Philippine-American Democratic Foundation,
12802 Valley View Street,
Garden Grove, California.

United States Department of State



Washington, D.C. 20520

June 12, 1985

Mr. Francisco C. Wenceslao Senior Consultant F. C. Wenceslao and Associates, Inc. 12502 Valley View, Suite 12 Garden Grove, California 92645

Dear Mr. Wenceslao:

Thank you for your letter dated May 15, 1985, in which you outlined your plans for your organization entitled the Philippine-American Democratic Foundation (PADF). I read the enclosed fact sheet on the PADF with interest.

The United States supports efforts by all Filipinos to promote a fully functioning democratic political system in the Philippines. We have maintained an open door policy both at the Department of State in Washington and at the American Embassy in Manila, and we meet frequently with Filipinos of all political persuasions to discuss matters which affect the bilateral relations of our two countries.

The United States' primary policy objectives in the Philippines are to support the revitalization of democratic institutions; to continue to support the Philippine economy while encouraging reforms in certain areas, particularly in agricultural marketing; and to maintain our important security relationship, which includes our military facilities.

With regard to U.S. aid to the Philippines, most of this aid is used for projects directly benefitting the Filipino people such as school construction, public works, farm-to-market roads, public markets, water and sewage systems and power generation plants. The military aid we provide enables the Philippines Armed Forces, which are relatively ill-equipped, to carry out their modernization program in order to combat the two insurgency movements. We have made very clear that we are providing this aid in the expectation that the military reforms which have been introduced will expand and continue. Most of this aid would be used not for weapons but for such non-lethal equipment as trucks, communications equipment, etc.

Concerning your request for my comments and advice on your plans for the PADF, I do not believe it would be appropriate for me or any other official of the U.S. Government to suggest how best for you to proceed. The matter of giving "meaning to the legitimate aspirations of a majority of the Filipino people for the restoration of democratic institutions in the Philippines," which your fact sheet describes as PADF's primary purpose, is really something Filipinos themselves should decide. As I indicated, the U.S. strongly supports those objectives. We will, of course, follow your efforts and those of other concerned Filipinos with great interest.

Thank you again for taking the time to inform me of your organization and its objectives. I have included three recent statements which review in greater detail U.S. policy toward the Philippines. I hope they will prove useful.

Sincerely,

Paul D. Wolfowitz

8517959

NATIONAL SECURITY COUNCIL

ID 8504860

REFERRAL

DATE: 18 JUN 85

MEMORANDUM FOR: DEPT OF STATE

DOCUMENT DESCRIPTION:

TO: MCFARLANE

SOURCE: WENCESLAO, FRANCISCO

DATE: 11 JUN 85

KEYWORDS: PHILIPPINES

ECONOMIC ASSISTANCE

MP

SUBJ: LTR TO MCFARLANE FM PHILIPPINE - AMERICAN DEMOCRATIC FOUNDATION

REQUIRED ACTION: DRAFT REPLY & EVALUATION

DUEDATE: 28 JUN 85

COMMENTS:

FOR ROBERT M. KIMMITT

EXECUTIVE SECRETARY

3/3/55 /

HUMAN-RESOURCE DEVELOPMENT IS THE TRUE GUARDIAN OF DEMOCRACY

Arty reply 4860

The Philippine-American Democratic Foundation

June 11, 1985

JUL 1 4 1985.

The Honorable Robert C. McFarlane National Security Adviser to the President THE WHITE HOUSE Washington, D.C. 20500

Dear Mr. McFarlane:

May I take the liberty to introduce the Philippine-American Democratic Foundation, and call your attention to the worsening situation in our country according to a study from which the enclosed report, "America's Stake in the Philippines" was condensed.

My main purpose is that since the Administration has made it clear to hold the line against Communism in Central America, would it be possible to elicit a similar response for the Philippines? In the latter case, there is no communist government yet to overthrow, and there is still a good chance to preserve democratic values and institutions without a civil war like Nicaragua's.

Indeed, U.S. military aid is indispensable if the Philippine government is to cope with the communist insurgency. But the fatal blow to the threat will be struck when a majority of the Filipino people appreciate and support democratic principles and values. Here is where this Foundation will do its part.

Also enclosed is a fact sheet which explains the program, called "GUARDING DEMOCRACY THROUGH HUMAN-RESOURCE DEVELOPMENT" that this Foundation plans to pursue. This main program consists of three component programs: (a) educational, (b) population planning and nutrition, and (c) communications.

You may ask how this Foundation can help preserve democratic principles and values with such programs. Anyone versed in Philippine conditions will see that through the programs, aid can be delivered directly to the grassroots. This Foundation will deal directly with local government functionaries, such as village officials, school teachers, social workers, etc. whose interests are mostly oriented to their community's needs.

These people are the true guardians of democracy in the Philippines. Properly aided in their needs to be of better service in the countryside, which the government is unable to address, they will mobilize the voters themselves to

The Honorable Robert C. McFarlane June 11, 1985 Page 2/

guard the ballot during an election. And unless they allow it, no election cheating would be decisive enough to alter the outcome.

The communications program will make sure the people clearly understand that the aid they are getting is made possible by the goodwill of the American people and their traditional support for democracy. Conversely, they cannot expect such aid if the Philippines has a Communist government. It is also planned to support independentminded journalists and broadcasters whenever they are handicapped by the prospect of being silenced by the loss of advertisers.

Finally, if the Administration holds the line in the Philippines, as it has been done in El Salvador, the record that not an inch of ground was lost to the Communists during your watch may well remain unblemished. We will appreciate very much whatever help you can extend for democracy's survival in the Philippines. Thank you and best regards.

Sincerely yours,

Francisco C. Wenceslao President and CEO

Enclosures FCW/ksb

A Summary Report

AMERICA'S STAKE IN THE PHILIPPINES

The United States' stake in the Philippines is more than the continuation of America's vast military presence, the counterweight to Soviet bases in Vietnam, that maintains the balance of power in the whole Southwest Pacific area including Australia and New Zealand. It is more critical than the U.S. companies' investments or the fact that American banks have the largest exposure for the country's nearly \$30-billion foreign debt.

The Philippines today is a repository of what American fidelity to friends and resolve to support free people fighting subjugation are all about. The loss of the Philippines to a communist government will immediately send a "message" to America's friends and foes alike, saying that the U.S.A. has neither overcome the trauma of Vietnam nor recovered the will to fight for its vital interests.

Threatening Outlook

Such an event could spark new adventurisms not by the Soviet Union but by its proxies: if not Cuba or Nicaragua in the Western Hemisphere, then perhaps Vietnam in Southeast Asia. Until finally, violence becomes the only alternative to disaster.

The sad truth about the present Philippine situation is that the Communist New People's Army has enjoyed an alarming revival under President Ferdinand E. Marcos' 20-year rule. The NPA has grown dramatically almost in inverse proportion to the economy's stagnation because of mismanagement by the Marcos administration. The NPA now deploys up to 15,000 armed guerillas that can terrorize and sabotage the countryside at will.

Without an effective military response, which the Philippine military is presently unable to deliver, and the prospect of the moderate opposition's continued inability to put up a credible challenge, there is a danger that the United States will be faced with a situation similar to Nicaragua after the fall of Anastasio Somoza, when the Sandinistas took over.

What Are The Prospects?

Luckily, with the Philippines, the United States doesn't yet face the unhappy choice of perpetuating Mr. Marcos' authoritarian rule or sending in the Marines to prevent a communist take-over. A moderate, though still disorganized, democratically-rooted opposition exists among Filipinos in business and the Roman Catholic Church. A majority of local political leaders will most likely rally to the moderate cause once a credible challenge to Mr. Marcos becomes evident or his 20-year rule suddenly ends.

Meanwhile this moderate opposition has nothing to fight Mr. Marcos with except brave hearts. Mr. Marcos is in virtual control of the country's media, its financial institutions including most large companies that borrow funds from local banks, and last but not least, the Philippine military. Mr. Marcos has a tight grip on all aspects of economic activity and has plugged every major source of financial contributions to the moderate opposition.

There is no leader or party at present among over half a dozen that have come out against Mr. Marcos that is capable of fielding a sufficient number of candidates for next year's local elections. In fact, it is doubtful if anyone among those openly fighting Mr. Marcos has the resources to run a nationwide campaign in support of candidates for such offices as provincial governors, city and municipal mayors, and their respective councilmembers.

The moderate opposition may find it difficult to find candidates willing to run, since most of them must first be convinced they will get support for such an expensive campaign. If Mr. Marcos can again show a clear victory for his KBL party in next year's elections, he can make the 1987 presidential election a repeat of 1981 when reports had Mr. Marcos himself picking an opponent to run against.

Options And Recommendations

Now is the time to act while the price to pay is no more than making financial contributions to the cause of the moderate opposition to Mr. Marcos and at the same time help prevent the NPA from taking over once he is gone. With history, as with medicine, an ounce of prevention is always better than a pound of cure. Like Vietnam and now Nicaragua, a wrong diagnosis of the Philippine situation can have disastrous consequences for the free world.

In line with the strategy to further the cause of freedom and democracy enunciated by Secretary of State George P. Shultz, in a speech to the Commonwealth Club of California last February, the U.S. government has the following options with respect to the Philippines, which are hereby submitted as this report's recommendations:

First, the Reagan administration should press hard for major policy changes it is reportedly asking as conditions for continuing support of Mr. Marcos' cash-strapped government. More tangible proofs should be obtained that the integrity of future elections will be safeguarded, e.g., through the enactment of a long pending Election Code in time for the 1986 local elections.

Moreover, the opening-up of the economy to free market conditions should be accelerated through the return to private management of companies taken over by the government where the unfavorable economic environment caused their failure.

Second, the U.S. government, on its own and through encouragement of the American private sector, should channel part of its economic aid through private organizations in order to prevent the Marcos administration from using it to beef up its sagging political fortunes. There are some private initiatives with proven effectiveness in strengthening democratic institutions that can be utilized, such as:

- (a) The National Movement for Free Elections (NAMFREL) a poll-watching organization revitalized for the 1984 National Assembly elections, which are generally regarded as the fairest in recent years.
- (b) The Philippine-American Democratic Foundation (PADF) a grassroots oriented U.S.-based organization, whose program is directed to enable a majority of the Filipino people to understand and support democratic principles and values.
- (ć) Other private organizations that have similar programs.

* * * * * * *

FACT SHEET

INTRODUCTION

The Philippine-American Democratic Foundation (PADF) is a private non-profit, non-partisan organization, incorporated under California laws, that relies on financial support of its members, both individual and corporate. It seeks to enlist the goodwill of the American people and their traditional support for humanitarian causes in order to assist the people of the Philippines or other countries, who wish to build a society rooted not only in the hopes and ideals of American freedom but, more importantly, in the Universal Declaration of Human Rights as adopted by the United Nations.

It will also draw support from friends and other foundations that sympathize with PADF's aims and purposes.

A number of Filipinos and Americans in business and government have asked Dr. Elpidio M. Osteria Jr., M.D. and Francisco C. Wenceslao to take charge in the organization and initial operation of PADF.

Jun Osteria is widely known in the Filipino community in the Los Angeles area, being a medical practitioner and active in various civic projects that will enhance the assimilation of Filipino-Americans in the economic mainstream of America. His successful practice has also had impact on his hometown of Imus, Cavite, whose wartime mayor, Dr. Elpidio Osteria Sr., Jun's father, was executed by the Japanese.

After a stint in government service from 1978 to 1981, first as special assistant to the Philippine Minister of Trade and subsequently as the head of the Philippine Export Advisory Council, Frank Wenceslao became an advocate for small and medium-sized businesses as the key for developing nations to free themselves from the shackles of underdevelopment. In fact, he resigned from government service because of his opposition to the administration's economic development program centered on the so-called 11 Major Industrial Projects. Ironically, Frank had warned in 1980 that the Philippines was headed for an economic crisis if that program was implemented. Later on, Frank Wenceslao established an international trade management consulting firm in Garden Grove, California, to address the worsening U.S. trade deficit.

For legal counsel, PADF has the Law Offices of Barry R. Frederick, 1021 S. Union Avenue, Los Angeles, CA 90015.

page - 2 -

PURPOSE AND OBJECTIVES

The primary purpose of PADF is to help strengthen and preserve democratic values and institutions, which are a sine qua non in the attainment of economic progress and enjoyment of and respect for human rights. But human rights cannot flourish in a society unless they are appreciated by a populace committed to such ideals as the rule of law, individual liberty, freedom to worship, and the integrity of democratic institutions. Neither will democracy thrive nor progress be achieved where only a small minority of the citizenry understand and support these ideals.

In pursuit of this primary purpose, PADF binds itself to the fundamental principle that human-resource development resulting in the improvement of the quality of human life is the true guardian of democracy. With this objective, the Foundation will mainly focus its concerns on these areas:

(a) education; (b) population planning and nutrition; and (c) communications.

Training in democratic habits and principles is most effective when it is given while the recipients are young. And for a majority of the citizenry to appreciate human rights and democratic values, the improvement of the quality of human life must begin at an earlier stage in its development, during the pre-natal period.

In keeping with the Foundation's objective, population planning and nutrition are considered essential prerequisites as education for the improvement of the quality of human life. In a similar sense, communications give life to free exchange of ideas that enhances the appreciation of democratic values and institutions by a majority of the citizenry.

PROGRAMS AND PROJECTS

PADF's activities in the three (3) areas mentioned will include but are not limited to supporting or undertaking on its own the following programs and projects:

(a) Educational Program - The forms of assistance will consist of printing and distributing prescribed textbooks and audio-visual aids in civic education; scholarship grants for higher education; funding supplementary instructions, such as adult education, school-on-the-air, etc. and school-building construction.

page - 3 -

- (b) Population Planning and Nutrition Program The forms of assistance will consist of funding multi-media information campaigns; providing for supplemental staff salaries, supplies and equipment for population planning, child-care training and nutrition centers. This program's emphasis will be directed to pre-natal and post-delivery care for mothers and children up to age 6.
- (c) Communications Program The forms of assistance will consist of <u>funding</u> multi-media information campaigns in support of other organizations' projects, which fall within PADF's primary purpose; <u>printing</u> and <u>distributing</u> reading materials in conjunction with PADF's own programs and projects; and the publication of the Foundation's official organ.

As further support for its own programs and projects, PADF may include sponsorship of radio and TV shows with popularly-accepted formats, research, seminars and symposiums, conferences, travel grants, TV documentaries, and such other activities as its Board of Directors may from time to time consider appropriate.

HOW CAN YOU HELP P A D F?

There are times in the history of a nation when one person can make a difference. You can do it by becoming a member of PADF. Simply fill out the enclosed application form and return it in the self-addressed envelope.

And while you are at it, please let your friends know about the purpose and objectives of PADF because they too may wish to become members. In that case, just reproduce the application form and give them the copies.

* * * * * *

MEMBERSHIP APPLICATION

Please indicate the type of membership you wish and return this form with your contribution, making your check payable to: Philippine-American Democratic Foundation.

Contributions are deductible for income tax purposes.*

Individual	. \$ 10.00 monthly or \$100.00	for a year if paid in full.
Sustaining	. \$ 100.00 monthly or \$1,000.	for a year - if paid in full.
Contributing .	. \$5,000.00 and ab	ove.
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Home Phone	Bus. Phone	
Signature	D	ate
*Pending IRS approval,	which will apply r	etroactively.
(Please reproduce	this form and pass	on to friends)
For further information	, call up or write	to:

The Philippine-American Democratic Foundation 12802 Valley View St., Suite 12, Garden Grove, CA 92645 Tels.: (714) 895-5392 & (213) 598-9471

NATIONAL SECURITY COUNCIL

July 17, 1985

ACTION

MEMORANDUM FOR BILL MARTIN

FROM:

DICK CHILDRESS

SUBJECT:

Letter to Bud McFarlane

Recommend you sign the reply at Tab I to the letter at Tab II.

and Robinson concur.

Approve _____

Disapprove ____

Attachments

Tab I Martin/Wenceslao Letter

Tab II Incoming Correspondence from Wenceslao to RCM,

dated 6/11/85

Tab III State Memorandum dated 7/15/85

cc: Sigur

Robinson

RECEIVED 17 JUN 85 14

PO MCFARLANE

FROM WENCESLAO, FRANCISCO DOCDATE 11 JUN 85

PLATT, N

15 JUL 85

CHILDRESS

17 JUL 85

KEYWORDS: PHILIPPINES

ECONOMIC ASSISTANCE

MP

SUBJECT: LTR TO MCFARLANE FM PHILIPPINE - AMERICAN DEMOCRATIC FOUNDATION

PREPARE MEMO FOR MCFARLANE DUE: 24 JUL 85 STATUS X FILES WH

FOR ACTION

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RECEIVED 17 JUN 85 14

MCFARLANE

FROM WENCESLAO, FRANCISCO DOCDATE 11 JUN 85

KEYWORDS:	PHILIPPINES	ECONOMIC	ASSISTANCE

MP

SUBJECT: LTR TO MCFARLANE FM PHILIPPINNE - AMERICAN DEMOCRATIC FOUNDATION

ACTION: PREPARE MEMO FOR MCFARLANE DUE: 20 JUN 85 STATUS S FILES WH

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WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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- F Furnish Fact Sheet to be used as Enclosure
- X Interim Reply

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer Code ==

Completion Date = Date of Outgoing

Comments:

Keep this worksheet attached to the original incoming letter. Send all routing updates to Central Reference (Room 75, OEOB). Always return completed correspondence record to Central Files. Refer questions about the correspondence tracking system to Central Reference, ext. 2590. AB

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DEPARTMENT OF STATE

Washington, D.C. 20520

August 21, 1985

Mr. Rene de la Riva Knecht Executor, John M. Bradley Estate 10387 Sahara Drive, No. 6E San Antonio, TX 78216

Dear Mr. de la Riva Knecht:

I am pleased to reply on behalf of the President to your letter of August 1, 1985, regarding legal action pertaining to the estate of John M. Bradley pending in the Philippine courts. You also cited examples of presumed corruption in the Philippine government and suggested a cutoff of U.S. assistance.

I have discussed with the legal affairs office of the Department of State your allegation that the government of the Philippines has foreclosed on and resold certain of your properties for failure to pay taxes without providing you notice of delinquency. The Department is not in a position to comment on the merits of the court cases you have cited or on the alleged instances of obstruction of justice and corruption. Moreover, the U.S. government can provide assistance in cases of alleged expropriation of the property of a U.S. citizen by foreign governments only in cases where all local legal remedies clearly have been exhausted.

As I stated in my previous letter to you, I can assure you that the restoration of full due process and the revitalization of democratic institutions are major concerns in U.S. relations with the Philippines. The thrust of our policy is to promote a range of political, economic and military reforms, including those which will strengthen such key democratic institutions as free elections, an open press and an independent judiciary, a free market economy, and a professional military institution. Further, we have pledged to the Congress that we will use our economic and military assistance, as appropriate, to help achieve these reforms.

I trust this information is useful to you. I am also enclosing documents on U.S. policy towards the Philippines for your consideration.

John F. Maisto

Director

Sincerely

Office of Philippine Affairs

Enclosure: Documents

THE WHITE HOUSE OFFICE

REFERRAL

AUGUST 15, 1985

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 336655

MEDIA: LETTER, DATED AUGUST 1, 1985

TO:

PRESIDENT REAGAN

FROM:

MS. RENE KNECHT

EXECUTOR, JOHN M. BRADLEY ESTATE C/O 10387 SAHARA DRIVE, NO. 6E

SAN ANTONIO TX 78216

SUBJECT: WRITES AGAIN IN CONNECTION WITH THE JOHN

BRADLEY ESTATE IN THE PHILIPPINES

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO: AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

> SALLY KELLEY DIRECTOR OF AGENCY LIAISON PRESIDENTIAL CORRESPONDENCE

UNCLASSIFIED

(Classification)

DEPARTMENT OF STATE EXECUTIVE SECRETARIAT TRANSMITTAL FORM

				Date_ August 1, 1985
or:	Nati	Robert C. McFarlane onal Security Council White House		
Refere	nce:			
To	: Pr	resident Reagan	From: Re	ne de la Riva Knecht
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Executive Secretary

Nicholas Platt

s/s 8524050

John & Cristina Bradley

HOTEL FREDERIC BUENDIA BLVD COR F B HARRISON MANILA PHILIPPINES TEL 831-09-96

July

20055

10387 SAHARA DR., NO. 6E SAN ANTONIO TEXAS 78216 U S. A TEL NO (512) 340-7175 (512) 899-2662

San Antonio, 1st August 1985

President Ronald Reagan President of the United States of America The White House Washington, D. C.

Dear Mr. President,

Further to my letter to you of 16th May 1985 in which I informed you of various anomalies of the Marcos dictatorship with regards to the estate of my step-father and my family in general, I am writing again to submit concrete proof of the illegal subdivision of the Knecht Compound, and sale there-of to a notorious brothel operator in a last desperate attempt to subvert the Supreme Court decision in the EDSA extension case.

In my previous letter I enclosed copies of two tax assessments, covering two properties, which are not legally existing, since the registered owner has never applied for its subdivision with the Land Registration Commission of the Philippines. Coincidentally, the new technical descriptions, are exactly as per the law passed in the Batasan Pambansa (Parliament) unconstitutionally over-ruling the Supreme Court of the Philippines, whose decision that the EDSA extension diverson from Cuneta to Del Pan Avenues was arbitrary. This decision was rendered <u>since 1980</u> and would consequently demolish most of the motels that are owned or operated by the Salem Investment Corporation who are now claiming ownership to our family compound. This is really adding insult to injury.

As can be clearly seen from the tax assessments sent dated July 2, 1984, and mailed September 27, 1984, the administrator of the property was Cristina Knecht et al, 45 Del Pan St. Pasay City, Metro Manila. It subsequently turns out that notice was sent to Tower Hotel, and an entire legal proceeding was held in default, two properties allegedly sold at auction to dummies of the Salem Investment Corporation, two titles consolidated and subsequently consolidated in the name of Salem Investment Corporation, all without the legal owner of the property having the slightest notion of the entire proceedings. In fact the two new titles are not even numbered consecutively (86670 and 94049) another anomaly.

My mother has therefore been forced to file suit, see enclosed copy, on June 24th, 1985, after our lawyer having written the City Treasurer, Pasay

City, on her behalf on 11th June 1985 giving him ten days to answer, which he naturally has not done, being one of the principal accomplices and manipulators in these proceedings. "Without prejudice to our filing an action in court for the annulment of your sale of the aforesaid property, my clients elect to exercise their right of redemption under section 78 of Presidential Decree No. 464 known as The Real Property Tax Code. It appears that the order of the Regional Trial Court, Pasay City Branch CX, cancelling the title of my clients was registered with the Register of Deeds only on July 27, 1984. etc." Needless to say, although we have tendered funds for redemption, this has been refused, admitting arguendo that the entire proceedings were legal in the first place. It is therefore very plain that the Marcos dictatorship is determined to ram the EDSA extension down our throats, for although my mother and step-father left the Philippines since 1980, the alternate address on the title since 1963, was 206 E. Agarita, San Antonio, Texas where she resided till 1982 and from where mail is still forwarded, her sister having sold the house on installments, and is consequently still collecting monthly payments.

The fact that the Marcos cohorts have been resorting to such tactics to have their way regarding the EDSA extension, four years after they had <u>all</u> <u>our businesses</u> closed by the use of similar psuedo legal shenanigans, is complete and absolute proof that the entire legal system is no longer a farce, but a charade. What is more, they have been doing this to us, who have had the services of Norberto J. Quisumbing, who is generally considered the foremost legal practitioner in the Philippines, since 1967. What chance then do the simple people have for legal redress, when they do not even have enough resources to purchase three square meals daily?

Is it any wonder then that the communist insurgency is growing? The refusal of your Administration to employ stronger methods to force the return of democracy is delivering the entire nation to the New People's Army and the communist movement, not on a silver platter, but on a platter of pure gold encrusted with gem stones as startling in their extravagance and costliness as those that adorn Mrs. Marcos' corrupt person. What do the people care what kind of government they have? There is no law of any kind anyway other than that of the jungle; they have grabbed everything worth grabbing and are so stupid that they do not even know how to manage their plunder. When sugar went over US \$.60 a lb. they hoarded further instead of selling, in order to finally dispose of it on a barter arrangement with China for paraffinated Chinese oil at US \$.075 a 1b. thus clogging the Philippine refineries. In addition the sugar had rotted, requiring its reprocessing, thus ending with almost a total loss, instead of earning billions of US \$ for our country and lessening our foreign debt. They wanted to own all the sugar mills, and have almost succeeded, yet the bulk of these mills are moth-balled, the US marketing agreements at preferential prices having been cancelled. As a consequence, half a million sugar workers are jobless, and over thirty children on the average are recorded dying of malnutrition on the island of Negros alone every week. And yet officials of your government drink toasts to the adherence of democratic process and principles of this megalomanic despot who belongs in an insane asylum and who has proven being the most corrupt man of the XXth century. What then are my countrymen to do? Do you blame them for joining the NPA? What have they got to lose? They have nothing anyway! Perhaps under the communists they can hope for a second meal a day, since most only have one today. And yet Washington continues to play games because they are afraid

an imbecile is going to throw them out of Clark and Subic to which there are valid leases till 1991; and how would he do this? He cannot even pay his bills. Is this America the Beautiful... the America that the Pilgrims fought persecution etc. to create so that their descendants can be the perpetrators of even worse persecution.

I regret Gentlemen, that embracing trash is not the answer to the Philippines' or the World's problems. The time has come to grab the Bull by the horns, and stop dancing around his tail! Time is running out; Fifty-two million people deserve a better chance than starvation while our Nation gradually disintegrates because its leaders are choking on ill gotten spoils borrowed largely from US banks, who expect to be repaid yet! How can these loans be repaid when the assets are either non-productive, or producing elsewhere?

The time for the minuet is over. It is time to give Marcos a final ultimatum to restore democracy, or the Hickenlooper Amendment (76 Stat. 260-261 as amended, 22 U.S.C.* 2370 (c)(1); and The Foreign Assistance Act of 1961) will be invoked. He knows the existence of your laws. What then are you so afraid of? A malarial mosquito stinging the Bull Elephant? This is really ridiculous! At the rate we are going Manila will be the next Beirut, and the Luzon countryside the next Kampuchea. I beg of you to wake up before it is too late. Show the World that America's only experiment at Colonialism and the attempted transplantation of the American system has not been a complete and dismal failure and that you will not end the XXth Century as a second rate Power, which you certainly will become if the Philippines goes, as the next major landfall is already on your shores!

I pray for your favourable consideration. Thank you.

Respectfully,

12 11

Rene de la Riva Knecht

Executor

John M. Bradley Estate

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET



DATE RECEIVED: OCTOBER 29, 1985

NAME OF CORRESPONDENT: MR. BIENVENIDO G. ABAO

SUBJECT: REQUESTS FINANCIAL ASSISTANCE TO ALLEVIATE THE HUNGER SITUATION IN THE PHILIPPINES

		ACT	ION	DISPOSITION	
ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACT CODE Y	DATE Y/MM/DD	TYPF C COMPLE RESP D YY/MM/	
SATPP	ANE ERRAL NOTE:	ORG 8	5/10/29	C 85/10/	30
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	ERRAL NOTE:		_/_/_		
COMMENTS			t		_
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ADDITIONAL CORRE	ESPONDENTS: MEI	OIA:L INDIV	VIDUAL CO	DES:	
MI MAIL USER	CODES: (A)	(B)	(C)		
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*ACTION CODES:	*DISPOSITION	-	*OUTGOI	NG PONDENCE:	*
*A-APPROPRIATE A		DEFEDDAT		ESP=INITIALS OF SIGNER	*
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*F-FURNISH FACT	SHEET *S-SUSPENDED		*COMPLE	TED = DATE OF	*
*I-INFO COPY/NO *R-DIRECT REPLY			*	OUTGOING	*
*S-FOR-SIGNATUPI			*		*
*X-INTERIM REPLY			*	******	*

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WOPKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SFND COMPLETED RECORD TO RECORDS MANAGEMENT.

UNCLASSIFIED (Classification)

DEPARTMENT OF STATE EXECUTIVE SECRETARIAT TRANSMITTAL FORM

S/S_	8532376
Date_	NOV 2 1 1985

For: Mr. Robert C. McFarlane
National Security Council
The White House

	Re	f	e	r	e	n	C	e	
--	----	---	---	---	---	---	---	---	--

To: _ P	From: Blenvenido G. Abao (Philippin
Date:	September 30, 1985 Subject: Financial assistance to
alle	viate the hunger situation in the Philippines
WH Res	ferral Dated: November 1, 1985 NSC ID# 350522 (1f any)
-	The attached item was sent directly to the Department of State
ction Tal	cen:
-	A draft reply is attached.
	A draft reply will be forwarded.
	A translation is attached.
XXX	An information copy of a direct reply is attached.
	We believe no response is necessary for the reason cited below.
	The Department of State has no objection to the proposed travel.
	Other.
emarks:	

for Nicholas Platt Executive Secretary

UNCLASSIFIED

(Classification)

70pt 1 70ft



United States Department of State

Washington, D.C. 20520

November 21, 1985

Bienvenido G. Abao Barangay Councilman 271 De Lara Street Gingo-og City 8425 Misamis Oriental, Mindanao Philippines

Dear Councilman Abao:

The President has asked me to reply on his behalf to your letter of September 30, 1985. The situation you describe in Misamis Oriental is distressing.

As you know, the U.S. provides assistance directly to the Government of the Philippines to support a variety of projects and programs designed to further economic development and improve the living conditions of Filipinos. In addition, there are several U.S.-based private voluntary organizations involved in projects to combat hunger in the Philippines. You should consider providing your request for a project to alleviate hunger directly to the offices of the Catholic Relief Services or CARE for consideration. Also, you should get in touch with the U.S. Agency for International Development (USAID) in Manila for more information on U.S. assistance programs.

I sincerely hope that economic conditions will soon improve in Misamis Oriental and throughout the Philippines as a result of the self-help efforts of the Filipino people supported by the assistance of friendly governments, private voluntary agencies and international financial institutions.

Sincerely,

John F. Maisto Director

Office of Philippine Affairs

THE WHITE HOUSE OFFICE

REFERRAL

NOVEMBER 1, 1985

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID:

350522

MEDIA: LETTER, DATED SEPTEMBER 30, 1985

TO: PRESIDENT REAGAN

FROM: MR. BIENVENIDO G. ABAO

BARANGAY COUNCILMAN

GINGOOOG CITY

271 DE LARA STREET MINDANAO PHILIPPINES

SUBJECT: REQUESTS FINANCIAL ASSISTANCE TO ALLEVIATE

THE HUNGER SITUATION IN THE PHILIPPINES

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:

AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

SALLY KELLEY DIRECTOR OF AGENCY LIAISON PRESIDENTIAL CORRESPONDENCE

need 5/5-E 16/5 10/31/85

Miles

(VIA AIR MAIL)

Gingo-og City 8425 (Mis.Or.)
M I N D A N A C P/I
30 September 1985
271-de Iara Street,

HIS EXCELLENCY
PRESIDENT RONAID REAGAN
President of the United States
-White-HomseWashington D. C. USA

Your Excellency;*

It maybe stated that we theopeople of Misamis Oriental, Mindanao, City of Gingoog, Visayas & Iuzon and intire the Philippine Islands are covered of NPA's Communist Party, because of our getting down economics.

We suffered hunger due to high prices of prime commodities. Our major crops are very low prices. They are not in balance high school, Colleges & Universities are very high twition fews. We could not even send our children to school, as well as our daily needs, we could hardly maintain of only 1-meal every-day. Plenty of my neighbors are died of hunger. You may not believed my neighbor the encumbent Barangay Captain late Ernesto Casador Barangay No. 23, under HON. MIKE PADERANGA, City Mayor of Gingoog City, Misamis Criental, Mindanao, died recently of hunger. Even their house for shelter, plenty of us are living in the side walked & Public School & Churches, every-day carrying their things & pellow saking for foods only GOD knows our suffering specially myself. I have 5-children to support 2-of them are in college & the 3-are in high school.

For ther last 5-five years we have a good living condition. But at present my college student quitted their studies due to the high tuition fees. We could not afford any more, their schooling. Beacuse our economics entire the mation, Philippines are getting down. NPA Corner to corner every morning plenty headless people were found in secluded place no more head.

YOUR EXCELLENCY, The President, would you then please provides us a lot of Dollars, so that we could availed ourselves alleviate our hunger situation may survived of only GOD knows our suffering in the Philippines, specially in Mindanao, Misamis Oriental.

THANK YOU and may GOD BLESSED US, I am

Very respectfully.

Blundly Co.

BIENVENIDO G. ARAC

Barangay_Councilman

Brgy-No. 7

(VIA AIR MAIL) *

Gingo-og City 8425 (Mis.Or.) MINDANAO P/I 30 September 1985 271-de Lara Street,

HIS EXCELIENCY PRESIDENT RONALD REAGAN President of the United States -White-House-Washington D. C. USA

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Very respectfully, Envenith Cloo

BIENVENIDO G. APAC Barangay_Councilman Brgy-No. 7

* (VIA AIR MAIL) *

Gingo-og City 8425 (Mis.Or.)
M I N D A N A O P/I
30 September 1985
271-de Iara Street,

HIS EXCELTENCY
PRESIDENT RONALD REAGAN
President of the United States
--White-HouseWashington D. C. USA

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Bienvenilo G. ABAO
Barangay Councilman
Brgy-No. 7

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Transmission (Marchaeller)

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THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING NAST

ID# 350523 CO/25 8532374

DATE RECEIVED: OCTOBER 29, 1985

NAME OF CORRESPONDENT: THE HONORABLE CONRADO C. BERBERABE

SUBJECT: REQUESTS ASSISTANCE IN COMPLETING THE BEAUTIFICATION OF BATANGAS CITY'S MABINI

PARK

		AC	CTION	DIS	SPOSITION	7
ROUTE TO: OFFICE/AGENCY (STA	FF NAME)		DATE YY/MM/DD			
ROBERT C. MCFARLANE REFERRAL NO	rlex ?.	ORG	85/10/29		182101	30
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*I-INFO COPY/NO ACT NEC	*		*		OUTGOING	*
*R-DIFFCT REPLY W/COPY	*		*			of:
*S-FOR-SIGNATURE *X-INTERIM REPLY	*		*			*
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PEFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING

LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

UNCLASSIFIED

(Classification)

DEPARTMENT OF STATE EXECUTIVE SECRETARIAT TRANSMITTAL FORM

S/S 8532374 NOV 2 1 1985 For: Mr. Robert C. McFarlane National Security Council The White House Reference: To: President Reagan From: Mayor, Conrado C. Berberabe Subject: Assistance for park Date: October 10, 1985 beautification project. NSC ID# 35023 WH Referral Dated: November 1, 1985 (if any) The attached item was sent directly to the Department of State Action Taken: A draft reply is attached. A draft reply will be forwarded. A translation is attached. XXX An information copy of a direct reply is attached. We believe no response is necessary for the reason cited below. The Department of State has no objection to the proposed travel. Other.

Remarks:

for Collins
for Nicholas Platt
Executive Secretary

85 NAV 22 A 2: 18



United States Department of State

Washington, D.C. 20520

NOV 1 9 1985

Dear Mayor Berberabe:

The President has asked me to reply on his behalf to your letter of October 10 which described your efforts to beautify your city park. I am delighted that the city parks you saw during your visit to the United States served as the inspiration for your project. I regret that there are no financial mechanisms by which our Government can assist you directly with your project.

Please accept my sincere hopes that you find elsewhere the necessary sources of funds to finish the beautification effort.

With best wishes.

Sincerely,

Jayne H. Plank

Director, Intergovernmental Affairs
Office of Legislative and
Intergovernmental Affairs

The Honorable Conrado C. Berberabe, Mayor of Batangas City.

THE WHITE HOUSE OFFICE

REFERRAL

NOVEMBER 1, 1985

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID:

350523

MEDIA: LETTER, DATED OCTOBER 10, 1985

TO: PRESIDENT REAGAN

FROM:

THE HONORABLE CONRADO C. BERBERABE

CITY MAYOR

BATANGAS CITY

PHILIPPINES

SUBJECT: REQUESTS ASSISTANCE IN COMPLETING THE

BEAUTIFICATION OF BATANGAS CITY'S MABINI

PARK

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:

AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

SALLY KELLEY DIRECTOR OF AGENCY LIAISON PRESIDENTIAL CORRESPONDENCE

need 315-E 1615 10/31/88



Republic of the Philippines BATANGAS CITY Office of the City Mapor

#350523

October 10, 1985

His Excellency President Ronald Reagan White House Washington, D. C., U.S.A.

Your Excellency:

Greetings in the name of the 165,000 people of Batangas City who are your admirers during your acting days in the movies and as a successful politician of high calibre.

I was fortunate to see personally the United States during the Philippine Mayors Management Seminar held at the University of California in Berkeley in August 1981.

Impressed by your beautiful parks, I conceived the idea of renovating our city park, decorating its fences with marble cuts. This may sound absurd and ridiculous at first, but it is now partially complete.

I am tapping our friends and those known for their generosity and benevolence to assist us in completing the beautification of Batangas City's Mabini Park. We are accepting cash and inkinds. We are placing bronze markers on the portions donated by our friends as a token of recognition of their support to the project.

Very truly jours,

CONRADO C. BERBERABE
City Mayor

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Republic of the Philippess RATANDAS CHY Office of the City Magne

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THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

N INCOMING

00125

DATE RECEIVED: NOVEMBER 04, 1985

NAME OF CORRESPONDENT: THE HONORABLE HUGH SCOTT

SUBJECT: WRITES IN SUPPORT OF LEGIMATION TO ASSIST THE PHILIPPINES SUGAR INDUSTRY

ACTION DISPOSITION
ACT DATE TYPE C COMPLETED CODE YY/MM/DD RESP D YY/MM/DD
ORG 85/11/04 WW A 85/11/15TR RSI 85/11/04 C 85/11/04 R 85/11/19TR A 85/11/27 A 85/11/29 C 85/11/27 AB FYT
TANDINI GODDG 1221
(B) (C)
******************** *OUTGOING *CORRESPONDENCE: *TYPE RESP=INITIALS *FERRAL * OF SIGNER * CODE = A *COMPLETED = DATE OF * OUTGOING * * *

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (POOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

135080B

Movember 27, 1985

Er. Bugh Scott Scott, Harrison & Holeod 2501 H Street, HW Dashington, D.C. 20037

Dear Rugh:

Thank you for your recent letter concerning legislation to increase U.S. sugar quotas for the Philippines.

While I understand the rationale behind the Incuye-Relcher proposal, I frankly do not feel that special treatment for the Philippines would be in the interest of U.S. trade policy. Increasing the sugar queta for the Philippines alone, however well-intentioned, would violate CATT rules and invite retaliation from our other trading partners. Keny of these countries feel that they are equally deserving of more favorable treatment for their sugar exports. It would be difficult for us to justify taking such an action only for the Philippines, when a number of the other sugar-producing countries also are close friends and allies of the United States.

We precently are reviewing a request from the Philippines under the U.S. Generalized System of Preferences (GSP) to expand duty-free treatment for their sugar exports to the United States. We will be consulting with the Philippine government during the next year on their request. We will consider liberalizing access for such exports after taking into account various aspects of Philippine trade policy, including access for U.S. goods and services to their market and their protection of U.S. intellectual property rights.

If granted, the petition would result in duty-free treatment for all of the Philippines' sugar exports to this country. Such shipments presently are dutiable because the Philippines supplies more sugar to the D.E. than can enter duty-free under the program's "competitive need" limits. Although their shipments would remain subject to the quote, the removal of the duty would enable the Philippines to receive a larger share of the rimit

hr. hugh Scott Page 2 November 27, 1985

tales frice of its sugar exports to the United States. We expect to make a decision on whether or not to grant the Philippine request late next year. The President must proclaim such changes by January 4, 1987, with implementation of duty-free treatment scheduled for July 1987.

I appreciate Learing from you on this matter. Thanks for your letter.

Sincerely,

SIGNE

Clayton Yeutter

Cr:ct;

85 NOV 22 A 9: 25 OC THE WHITE HOUSERE FICE OFFICE OF THE U.S. TRADE

REFERRAL

NOVEMBER 19, 1985

TO: U.S. TRADE REPRESENTATIVE, OFFICE OF ATTN: SOL MOSHER

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID:

350813

MEDIA: LETTER, DATED OCTOBER 31, 1985

TO:

PRESIDENT REAGAN

FROM:

THE HONORABLE HUGH SCOTT

2501 M STREET, NW WASHINGTON DC 20037

SUBJECT: WRITES IN SUPPORT OF LEGILSATION TO ASSIST

THE PHILIPPINES SUGAR INDUSTRY

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO: AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

> SALLY KELLEY DIRECTOR OF AGENCY LIAISON PRESIDENTIAL CORRESPONDENCE

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

W. CO135

November 12, 1985

ACTION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM:

RICHARD LEVINE

SUBJECT:

Sugar and the Philippines

Attached is a letter from Attorney Hugh Scott arguing for a larger quota for the Philippines. Your letter is similar to our Melcher response. These incoming letters are part of a coordinated attempt to change our quota policy.

Although Dick Childress concurs, he notes "A case can be made to help the Philippines because the insurgency is growing in the depressed sugar growing area, but I understand the difference would not be great. If we did move in this direction, it should be in the context of a larger incentive package."

Recommendation

That you sign the attached letter at Tab I.

Disapprove _/

Messrs. Childress and Danzansky concur.

Lich — do a shightly shorter could be a shightly shorter and warmer but marked is a Senteur subwal.

THE WHITE HOUSE

WASHINGTON

Dear Senator Scott:

Thank you for your insightful letter concerning the Philippines sugar situation. Let me assure you that we fully understand the importance of sugar export earnings for the Philippines. We have made changes in our sugar program this year to help the Philippines and other exporting nations.

U.S. sugar imports have been limited by quota since 1982 in order to protect the domestic sugar price-support program mandated in the 1981 farm bill. In order to meet our obligations under the General Agreement on Tariffs and Trade, the global quota was allocated on the basis of countries' historical trade during a representative time period. While the import quota has become more restrictive since 1982, the Philippines continues to be allocated the same share of the quota as it had of the U.S. market prior to the quota being imposed.

The Administration recently considered various options to alter U.S. sugar import policy and to determine the quota amount for the 1986 year. In the past, our objective has been to set the quota so that the domestic price of sugar is at an adequate level to prevent forfeitures of sugar under loan. This year we rejected setting the quota in such a manner because this would have meant substantial reductions in export earnings for friendly developing countries such as the Philippines. The quota was only marginally decreased and the Philippines will again receive an allocation based on its historical trade patterns with the United States.

and

Adjustment of import quotas would cause current country by country grave problems. An increase in the Philippines allocation could only be accomplished through a decrease in other quotas which would probably include the CBI countries. Such a change would require the United States to deviate from the way it has allocated quotas since 1982 and would probably cause all concerned exporting countries to scramble for an increased share of the quota. Quota allocation is based on relative sugar exports to the United States during the representative period of 1974-1981 when the United States had an open market for sugar—during this time much of the Philippines sugar ended up in Eastern Europe. Prior to this period, the Philippines did enjoy a much larger share of the

U.S. market as regulated by the Sugar Act. However, any change in the already established quota allocations, designed to benefit a particular country, could cause severe trade problems with the other sugar-exporting countries and lead to a breakdown of the current quota system.

We hope this information proves helpful to you in your consideration of this matter.

Sincerely,

The Honorable Hugh Scott Scott, Harrison & McLeod 2501 M Street, N.W. Washington, D.C. 20037 November 15, 1985

Dear Senator Scott:

President Reagan has asked me to thank you for your October 31 letter urging support for the Philippines sugar industry.

We appreciate your detailing your concerns regarding relations between the U.S. and the Philippines. You may be assured that your recommendation that the Philippines sugar industry receive our assistance has been shared with the appropriate Administration advisers and will receive a further review and response.

With best Wishes,

Sincerely,

M. B. Oglesby, Jr. Assistant to the President

The Honorable Hugh Scott Scott, Harrison & McLeod 2501 M Street, N.W. Washington, D.C. 20037

MBO: KRJ: MDB: mdb
cc: w/copy of inc to Sol Mosher, Legis
Affairs, USTR - for DIRECT response

WH RECORDS MANAGEMENT HAS RETAINED ORIGINAL INCOMING

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LAW OFFICE

SCOTT, HARRISON & MCLEOD

2501 M STREET, N.W.
WASHINGTON, D. C. 20037
(202) 861-1234
CABLE SCOTTLAW
TELEX 350-340

HUGH SCOTT

October 31, 1985



PERSONAL

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

During World War II, I served as a Navy Lt. Commander in the Pacific. I spent considerable time in the Philippines and was in Manila Bay at the time of the Japanese surrender. This war experience was the beginning of a life-long friendship with the Philippines and the Filipino people.

I have been back to the Philippines on several trips as a Congressman and later as a Senator. I have found the deterioration in American/Philippine relations, as revealed in the press the last few years, and particularly in the last few weeks, to be disheartening and disappointing. The Republic of the Philippines is a loyal ally and a great friend. We all know the importance of the two military bases in the Philippines and our mutual defense pact with the Philippines.

Many of my Filipino friends have expressed their disappointment that the U.S. replaced them as our leading supplier of foreign sugar in 1982, and I continue to hear reports from the Philippines that it is in the sugar areas that the communists are making their biggest gains.

SCOTT, HARRISON & McLEOD

The President October 31, 1985 Page - 2 -

One of the easiest ways that we can improve our relations with the Philippines is to do what we can to help their sugar industry. I understand that my friends Orrin Hatch and Steve Symms have joined Dan Inouye and John Melcher in sponsoring legislation in the Senate to assist the Philippines sugar industry. This approach has support from all sides in the Philippines, including opposition leaders, and it seems to me to be wise for our government to assist the Philippines sugar industry and to let the Philippines know that their record of being a loyal ally to the U.S. is going to be reciprocated in their time of need.

This could well be the breakthrough that will lead to much needed help for the Philippines economy and a much better Philippine attitude toward the United States.

With best personal regards,

Sincerely,

Hugh Scott

HS:jb

To conform with Rule 401 of the Foreign Agents Registration Act of 1938 as Amended.

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MARSHALL L. MATZ
MICHAEL R. MCLEOD
ALEXANDER J. PIRES, JR.
JOHN A. HARRIS
WAYNE R. WATKINSON
JEFFREY A. KNISHKOWY*

NOT ADMITTED D.C.

October 31, 1985

ALVIN I GESKE
MARGERIC MILLER

SANDY I BURKE
COVERNMENT RELATIONS

Fred F. Fielding, Esquire Counsel to the President 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500 This is deter Ot 31 - where?

Dear Fred:

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SCOTT, HARRISON & McLEOD

Fred F. Fielding, Esquire October 31, 1985
Page - 2 -

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Sincerely,

Hugh Scott

HS:jb

FYI

*This firm is registered as an agent of the Philippine Sugar Commission, Suite 717, 2600 Virginia Avenue, N.W., Washington, D.C. 20037.

Copies of any correspondence under Section IVB of the Foreign Agents Registration Act are filed with the Department of Justice.

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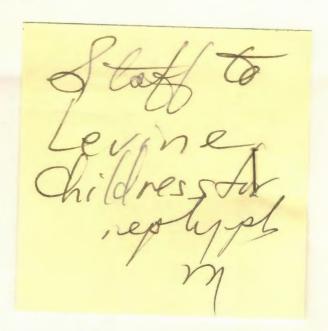
HUGH SCOTT PARTNER

October 31, 1985

PERSONAL

Mr. Robert C. McFarlane
Assistant to the President
for National Security Affairs
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Bud:



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SCOTT, HARRISON & McLEOD

Mr. Robert C. McFarlane October 31, 1985 Page - 2 -

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Sincerely,

Hugh Scott

HS:jb

National Security Council The White House

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TO

MCFARLANE

FROM SCOTT, HUGH DOCDATE 31 OCT 85

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KEYWORDS: SUGAR

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SUBJECT: LTR TO MCFARLANE FM SCOTT RE US / PHILIPPINES RELATIONS

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IV WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET □ O - OUTGOING ☐ H - INTERNAL ☐ I - INCOMING Date Correspondence Received (YY/MM/DD) Name of Correspondent: Mt Mail Report **User Codes: ACTION ROUTE TO:** DISPOSITION Tracking Туре Completion Action Date Date (Staff Name) Code YY/MM/DD Response Code YY/MM/DD Office/Agency **ORIGINATOR** Referral Note: Referral Note: Referral Note: Referral Note: Referral Note: DISPOSITION CODES: **ACTION CODES:** A - Answered B - Non-Special Referral 1 - Info Copy Only/No Action Necessary A - Appropriate Action C - Completed C - Comment/Recommendation R - Direct Reply w/Copy S - Suspended S - For Signature D - Draft Response X - Interim Reply F - Furnish Fact Sheet FOR OUTGOING CORRESPONDENCE: to be used as Enclosure Type of Response = Initials of Signer Code = "A" Completion Date = Date of Outgoing Comments:

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THE WHITE HOUSE

November 6, 1985

Dear Hugh:

Thank you for your letter of October 31 expressing your views on American-Philippine relations. I appreciate your taking the time to share your experience and knowledge of the subject.

I have taken the liberty of forwarding your letter to two members of the National Security Council staff: Stephen Danzansky, Special Assistant to the President and Senior Director for International and Economic Affairs and Richard Childress, Director of Political/Military Affairs and NSC's expert on the Philippines. I am certain that both these gentlemen will give your views careful and thorough consideration.

With best personal regards,

Sincerely,

Orig. signed by FFF

Fred F. Fielding Counsel to the President

The Honorable Hugh Scott Scott, Harrison & McLeod 2501 M Street, N.W. Washington, D.C. 20037

cc: Stephen Danzansky Richard Childress

> FFF:NHM:nhm cc: Subj/Chron (2)

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HUGH SCOTT PARTNER 35**0913** CU

October 31, 1985

PERSONAL

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