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NATIONAL SECURITY COUNCIL
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PAGE 01 MANILA 6098 DTG: 211053Z FEB 86 PSN: 033628
EOB300 AN002872 FOR: 052/1233Z CSN: HCE674

MACARTHUR DURING THE WAR, AND QUASHA, WHO SERVED ON
MACARTHUR'S STAFF FOR 4 YEARS DURING THE WAR.

DISTRIBUTION: CHLD-01 SIGU-01 LAUX-01 /003 A2

FIVE OF THEM MET WITH CHIP ANDREAS, ADMINISTRATIVE AIDE
OF SEN. RICHARD LUGAR (REP. INDIANA) WHO HEADED THE
OBSERVER TEAM.

WHTS ASSIGNED DISTRIBUTION:
SIT:
EOB:

QUOTING A RECENT SPEAKER AT A FORUM HELD BY THE CHAMBER
AND THE ORGANIZATION CALLED REPUBLICANS ABROAD FOR THE
PHILIPPINES, QUASHA SAID:

OP IMMED
STU9966
DE RUEHML #6098/01 0521056
O 211053Z FEB 86
FM AMEMBASSY MANILA

OPEN QUOTE THE HYSTERIA LARGELY CREATED BY THE U.S.
PRESS REMINDS ONE OF OTHER CONCERN FOR PERHAPS,
CONSPIRATORIAL CAMPAIGNS AGAINST OTHER NATIONS CAUSING
MANY OF OUR PEOPLE TO ADOPT A LYNCH-MOB MENTALITY.
INDEED, WE SEE PRESS TERRORISM OF THE AMERICAN PSYCHE.
THIS IS A TIME TO STAND BACK, WAIT FOR REAL HARD
EVIDENCE WHICH NONE OF THE (U.S.) OBSERVES CAN PRODUCE
THAT WOULD STAND UP IN A COURT OF LAW. LET US NOT
ARROGATE TO OURSELVES THE ROLE OF INVESTIGATOR,
PROSECUTOR, TRIAL JUDGE AND SUPREME COURT, SUCH IS NOT
AMERICAN JUSTICE. END QUOTE

TO USDOC WASHDC IMMEDIATE

INFO SECSTATE WASHDC 9108

UNCLAS SECTION 01 OF 02 MANILA 06098

BURTON, WHO TOLD PNA HE WAS OPEN QUOTE NEITHER FOR
MARCOS NOR AQUINO END QUOTE SAID HE WAS DEEPLY DISTURBED
AT THE APPARENT LYNCH-MOB MENTALITY OF SOME PEOPLE IN
THE U.S. PRESS AND IN CONGRESS. HE SAID HE WAS IN THE
PHILIPPINES 10 DAYS BEFORE THE ELECTIONS.

4430/IEP/EAP/OPB/GPAINE
3130/USFCS/OFO/RJACKSON

HE POINTED OUT THAT THE U.S. CONGRESSIONAL TEAM ONLY
VISITED 153 OUT OF SOME 90,000 ELECTION PRECINCTS.

E.O. 12356: N/A
TAGS: BEXP, RP
SUBJECT: SECOND AMERICAN BUSINESS REACTION - ANALYSIS

BURTON ALSO READ INTO THE CONGRESSIONAL RECORD PORTIONS
FROM QUASHA'S LETTER PROTESTING THE ONE-SIDED ASSESSMENT

1. NEWS ARTICLE APPEARING IN BULLETIN TODAY OF 2/21/86
AS FOLLOWS, QUOTE:

AMERICAN BUSINESS LEADERS IN THE PHILIPPINES HAVE ASKED
THE U.S. CONGRESS NOT TO PREJUDGE THE COUNTRY'S
POLITICAL SITUATION, ARGUING THE FEB. 7 ELECTIONS WERE
NOT AS BAD AS PORTRAYED BY THE MEDIA AND SOME CONGRESS
LEADERS.

OF THE PHILIPPINE ELECTIONS.
IN TWO DAYS TIME, THE INDIANA LAWMAKER SAID, THE GROUP
OF U.S. BUSINESS LEADERS IN THE PHILIPPINES WOULD SEND
SOME 40 OR 50 CASES OF ALLEGED ELECTION VIOLATION AND
INTIMIDATED PERPETRATED BY THE NATIONAL MOVEMENT FOR
FREE ELECTION (NAMFREL). HE ASKED THAT THESE RECORDS BE
INCLUDED IN THE SUBCOMMITTEE'S DOCUMENTARY PROCEEDINGS.

CONGRESS MUST NOT ARROGATE TO ITSELF THE ROLE OF OPEN
QUOTE INVESTIGATOR, PROSECUTOR, TRIAL JUDGE AND SUPREME
COURT END QUOTE, THE BUSINESS EXECUTIVES SAID IN A
LETTER TO REP. DAN BURTON (REPUBLICAN, INDIANA).

2. SCO CONTACTED J.M. THOMPSON OF AMCHAM FOR COMMENT.
HE STATES THAT HE DID NOT AUTHORIZE USE OF HIS NAME TO
BT

BURTON READ THE LETTER ON THE FLOOR OF THE HOUSE OF
REPRESENTATIVES YESTERDAY. THE LETTER WAS SENT BY
WILLIAM QUASHA, AN AMERICAN LAWYER IN MANILA, WHO
REPRESENTS BIG U.S. BUSINESS FIRMS IN THE PHILIPPINES.

OPEN QUOTE THE LAST PHILIPPINE ELECTION WAS THE LEAST
DISHONEST AND THE LEAST BLOODY SINCE ITS INDEPENDENCE
END QUOTE QUASHA TOLD BURTON.

HE SAID 40 MEMBERS OF THE AMERICAN CHAMBER OF COMMERCE
OF THE PHILIPPINES (ACCP) MADE THIS ASSESSMENT AND
WANTED IT CONVEYED TO CONGRESS BECAUSE OF THE OPEN QUOTE
SPATE OF DISTORTED REPORTS END QUOTE IN THE U.S. MEDIA.
AMONG THE U.S. BUSINESSMEN IN MANILA WHO HAVE EXPRESSED
GRAVE CONCERN OVER THE OPEN QUOTE HYSTERIA LARGELY
CREATED BY THE U.S. PRESS END QUOTE WERE ALEX KELLER,
ACCP BOARD MEMBER AND HEAD OF PROCTER AND GAMBLE,
PHILIPPINES, J.M. THOMPSON, ACCP EXECUTIVE VICE
PRESIDENT, BRUCE MEYER AND, JOHN MANNING.

THE AMERICAN RETIRED MILITARY OFFICERS INCLUDE COL. ED
RAMSEY, WHO LED A GUERRILLA FORCE IN THE PHILIPPINES
DURING WORLD WAR II, COL. LEE TELESKO, WHO COORDINATED
THE GUERRILLA SUBMARINE ACTIVITY FOR GEN. DOUGLAS

Re Philippine-American Relations

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NATIONAL SECURITY COUNCIL
SECRETARIAT

PAGE 01 MANILA 6098 DTG:211101Z FEB 86 PSN:033633
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UNCLAS SECTION 02 OF 02 MANILA 06098

4430/IEP/EAP/OPB/GPAINE
3130/USFCS/OFO/RJACKSON

E.O. 12356: N/A
TAGS: BEXP, RP
SUBJECT: SECOND AMERICAN BUSINESS REACTION - ANALYSIS

ANY LETTER SUCH AS REPORTED, THAT THE BOARD OF DIRECTORS OF AMCHAM MET THIS MORNING AND IS ISSUING THE FOLLOWING STATEMENT, WHICH WILL BE RUN IN MANILA PAPERS AS A PAID ADVERTISEMENT ASAP, BEGIN QUOTE:

THE BOARD OF DIRECTORS OF THE AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES, REPRESENTING SOME 500 MEMBERS, UNEQUIVOCALLY DISASSOCIATES THE CHAMBER FROM STATEMENTS OF ATTY. WILLIAM H. QUASHA, AS REPORTED IN THE PRESS, REGARDING THE RECENT ELECTIONS. THE AMCHAM BOARD DEPLORES THE PARTISAN APPROACH TAKEN BY ATTORNEY QUASHA, WHICH IS CONTRARY TO AMCHAM POLICY.

THE AMCHAM BOARD HAS NO KNOWLEDGE OF 40 CHAMBER MEMBERS SUPPORTING QUASHA'S VIEWS, AS CLAIMED BY HIM IN THE PRESS REPORTS. THE BOARD STRESSES THAT UNDER NO CIRCUMSTANCES IS ATTORNEY QUASHA AUTHORIZED TO SPEAK FOR THE CHAMBER.

AMCHAM DIRECTOR ALEX H. KELLER, AND AMCHAM EVP/DIRECTOR, J. MARSH THOMSON, WHO WERE MENTIONED BY QUASHA AS SUPPORTING HIS VIEWS, WISH SPECIFICALLY TO DISASSOCIATE THEMSELVES FROM ATTY. QUASHA'S STATEMENTS, AND HAVE SO NOTIFIED HIM INDIVIDUALLY IN WRITING.

THE BOARD OF DIRECTORS:

JAMES D. BLACK
ROBERT F. CASHMAN
GEORGE W. DRYSDALE
ALEX H. KELLER
ROBERTO R. ROMULO
ROBERT M. SEARS
MICHAEL C. STEPHEN
J. MARSH THOMSON
KENNETH C. TYAS
A. GORDON WESTLY
FRED C. WHITING

3. CAST OF CHARACTERS IS:

- 1. WILLIAM QUASHA, ATTORNEY - PARTNER IN QUASHA, ASPER-ILLA, ANCHETA, VALMONTE, PENNA AND MARCOS (RPT MARCOS).
- 2. ALEX KELLER OF PROCTOR AND GAMBLE - SPECIFICALLY DISASSOCIATES HIMSELF FROM QUASHA STATEMENT.
- 3. J.M. THOMSON, EXEC. VICE PRES. OF AMCHAM - SPECIFICALLY DISASSOCIATES HIMSELF FROM QUASHA STATEMENT.
- 4. LEE TELESKO - VICE PRESIDENT OF SAN MIGUEL CORP. WHICH IS BEING BOYCOTTED BY OPPOSITION.
- 5. BRUCE MEYER, CONSULTANT FILIPINAS DRAVO CORP., A JOINT VENTURE BETWEEN DRAVO CORP. OF U.S.A. AND CDCP OF PHILIPPINES, WHICH IS OWNED BY RODOLFO CUENCA, A WELL KNOWN MARCOS CRONY.
- 6. JOHN MANNING OF FAR TRAVEL INC., A LOCAL TRAVEL AGENCY - REFUSED COMMENT WHEN CONTACTED BY FCS THROUGH TELEPHONE.

- 7. COL. EDWIN RAMSEY OF R AND R INTERNATIONAL INC., A LOCAL AGENCY/REP FIRM -

4. COMMENT: ACCORDING TO INFORMED SOURCES INCLUDING TWO PERSONS NAMED IN BULLETIN ARTICLE, THE QUASHA LETTER IS A WILDCARD THROWN ON THE TABLE BY MEN WHOSE LIVES AND FORTUNES REVOLVE ON RELATIONSHIPS WITH THE MARCOS GOVERNMENT. (SCO/DPTRADER) BOSWORTH
BT

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 23, 1986

MEMORANDUM FOR KATHY OSBORNE

FROM:

WILLIAM F. MARTIN *Bill*

SUBJECT:

Letter to the President from Quasha

We recommend no reply be sent to the letter from Mr. Quasha. His observations are quite sensitive and he has indicated his desire to maintain anonymity. During the period leading up to the election, any reply that might leak has a high probability of being misconstrued.

Attachment

Tab A 12/20/85 Letter from Quasha to the President

Bill Martin:

I have talked with Kathy Osborne about this. Pls arrange for NSC to answer directly when ever appropriate

[Signature]

THE WHITE HOUSE
WASHINGTON

TO: John Poindexter

FROM: KATHY OSBORNE
Personal Secretary
to the President

DATE: 1-15-86

Is this something your office
can handle.... thanks.

0471

QUASHA ASPERILLA ANCHETA PEÑA MARCOS & NOLASCO

LAWYERS

DON PABLO BUILDING, 114 AMORSOLO ST., MAKATI, METRO MANILA
LOCAL MAIL: CCPO BOX 210, MAKATI, METRO MANILA 3117
INTERNATIONAL MAIL: P.O. BOX 7345, AIRMAIL EXCHANGE OFFICE
MANILA INTERNATIONAL AIRPORT 3120, PHILIPPINES
TELEPHONE: 86-30-11 (12 LINES) CABLE: QUASHA MANILA
TELEXES: RCA: 22383 LAW PH: EASTERN: 63678 QUASHA PN: ITT: 45015 QUASHA PM
TELECOPIER: FAX NO. (632) 8176423

WILLIAM H. QUASHA
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ALONZO Q. ANCHETA
NILO B. PEÑA
MARIANO P. MARCOS
POMPEYO C. NOLASCO
FELISA B. BAGUILAT
ERNESTO E. LANZONA
JOSE P. VILLANUEVA
FERNANDO F. VILORIA
CONSTANTINE G. AGAGAN
EDGAR E. TARRIELA
DELFIN A. MANUEL, JR.
JESSIE MAGNO EUSTAQUIO
DAISY P. ARCE
CIRILO E. DORONILA
JAIME L. MARIO
RENE B. GOROSPE
ILDEFONSO F. BAGASAO
NUNILLO O. MARAPAO, JR.
NARCISO A. MANANTAN
AGERICO T. PARAS
DENNIS G. DIMAGIBA
R. RAUL R. REYES

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MARLIM AVE.
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BALIBAGO
ANGELES CITY 2017
TELEPHONE: 5013
AUGUSTO G. PANLILIO
JEROME T. PARAS

THAILAND

301 CHARTERED BANK
(DUSIT THANI) BLDG.
SALADAENG RAMA IV RD.
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MAIL: P.O. BOX 1990
TELEPHONES: 233-1745;
233-1746; 233-2890
TELEX: 82983 QUASHA TH
CABLE: QUASHA BANGKOK

POW MAKCHAROENVUD
NOPPONG ANGSUVAT
LERSON LIMCHITTI
SAWASDEE VONGARIYAJIT
MANIT YAM-U-TAI
SOMPONG SINPRASIT
PATTAMA VUTHIKOVIJAYA
SORAYA JARIYASATIT
KALLANA JIRADEJDOMRONG
SOMKIAT RUNGSINTHON

OF COUNSEL:
WILLIAM H. QUASHA
WAYNE G. QUASHA
ROBERT G. GODSON

OF COUNSEL:
JUDGE AGAPITO I. CRUZ
RAUL I. GOCO
ENRIQUE D. TAYAG
WAYNE G. QUASHA
AT WASHINGTON DC & STATE OF VIRGINIA
F. B. DE LOS SANTOS
PATENT AGENT
WRITERS DIRECT DIAL NO.:

20 December 1985

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

Dear Mr. President:

May I take the liberty of re-introducing myself? I had the privilege of meeting you at the Akasaka Palace in Tokyo in November 1983 during your visit to Japan. I was an invitee because I was the country chairman of the Republicans Abroad, Philippines. Early this year after having stepped down from that position, I was elected chairman of the Asia-Pacific Region of Republicans Abroad. I am a Republican Eagle. During WWII I was on General McArthur's staff for four years. After my separation from active duty in February 1946, I returned to the Philippines as a civilian to open my law office. In a few months I will have been practicing law here for 40 years, the only non-Filipino allowed to practice. To that can be added the time I spent in the Army during the liberation of the Philippines to compute the length of my Philippine experience.

In addition to an active practice, I am also involved in numerous civic and church activities. For over 10 years I have been President of St. Luke's Hospital, a charitable and non-profit institution. I am also a Past Department Commander of the American Legion, a Past Grand Master of Masons and a retired army officer. I mention these facts not for the purpose of bringing myself to your attention, but to qualify myself as a person on whom I feel you can rely on for an opinion regarding Philippine-American relations.

The purpose of this letter is to voice my deep concern about what I regard to be a deterioration in Philippine-American relations. In my view we Americans have repeatedly been victims of our own psyche. Time and again we have confused our attitudes, our hopes and aspirations for people we love causing us to act in a manner contrary to what rational self-interest would dictate.

./.

The President of the United States of America
The White House, Washington, D.C.
20 December 1985

We blundered in Vietnam and in Iran. I would like to think that if you had been our President in those days, history would have been different and better.

I have been your ardent supporter all these years for many reasons. One has special relevance at this time. You have stuck to your friends and you have not allowed yourself to be swayed by the unreal and illusory. Your common sense has made you one of the great leaders of our time. It is to this aspect that I address myself.

For several years the left wing press in the U.S. has been beating drums in what I regard as an attempt to destabilize the regime of President Marcos. A recent article in the Asian Wall Street Journal commented on this "drumbeating" and the word used to characterize the article was "mad." Some senators, congressmen and others have become increasingly articulate in attacking President Marcos. The worst of the lot, of course, is Mr. Solarz; but he is not alone. This worries me. Although I see no danger that their efforts to undermine the Philippine Government will be successful, it is my opinion that the U.S. Government will be perceived as being hostile to the Philippine Government. More importantly, it will be seen as interference in the ensuing national elections. The backlash from this could be extremely damaging.

Paradoxically, the beneficiaries of American interference are readily identifiable as enemies of America. For example, former Senator Lorenzo Tanada, a mainstay of Mrs. Cory Aquino, is an arch-enemy of American presence in the Philippines. He wants our American military facilities eliminated, and he would like to see the nuclear power plant stopped for good (I have absolutely no connection with this enterprise). He failed in his efforts over the years to become President of the Philippines, but he has been perceived as one person who hopes to be the "power" behind Mrs. Aquino. There are many people who are regarded as sure powerhouses if she were to become president. One of these is Mr. Jaime Ongpin. Some people think of Mr. Ongpin as a businessman of good repute. I do not share this favorable impression of Mr. Ongpin as I am fully aware of his proclivities from several cases I have handled where he and his company are involved. He has been one of the loudest critics of President Marcos and a most vocal support of Mrs. Aquino. I feel that if Mrs. Aquino

The President of the United States of America
The White House, Washington, D.C.
20 December 1985

came to power Mr. Ongpin would be far worse than some of the people whom Americans have been criticizing President Marcos for tolerating.

The point is not merely that Mrs. Aquino is concededly incompetent from any rational consideration and point of view to become President of the Philippines, or that America would be very hard put to try to deal with her. The point is, we Americans have no business in trying to tip the scales in the Philippine electoral process because not only may we tip it the wrong way, but in the end - and this is the second paradox - that we will be hated not only by the losers but also by the winners in the election. America is still being criticized for interfering in the election of 1953 when the late President Magsaysay defeated the late President Quirino.

There are many people here from the United States who want to insure that the forthcoming elections will be conducted fairly. My point is that the Filipinos themselves are determined that this will happen and that we should leave it to them.

Time and again I have read that if we had tried in Iran and had identified ourselves with the present leadership prior to the fall of the Shah, we might have had more influence there now. I am not competent to pass on this but something tells me that is not true. Perhaps, we were seen as favoring the Shah, and maybe we were seen as having brought him down. My point is that Americans should not be leaning one way or the other when a regime of a friendly ally is under fire.

America has represented to President Marcos through numerous channels that it wants to see free and open elections on February 7. I think President Marcos has every intention of seeing to it that there will be free and open elections. He is fully aware that unless there is such a perception that elections are going to be free and open, that he himself will suffer. One must remember in that connection that partisan politics in the Philippines is not a powder-puff game. The late Senator Laurel lost in the 1949 Presidential elections to President Quirino, a stalwart of the Liberal Party at that time. But then, one of the key leaders of President Quirino said to me, "Oh, we did that for you Americans."

The President of the United States of America
The White House, Washington, D.C.
20 December 1985

I thought it was disgraceful that Americans should have been seen, even though falsely, to have been favoring the election of President Quirino. The history of the Philippines could have been much more conducive to the type of a Philippines we would like to see if Senator Laurel had been elected. We in America keep reminding ourselves that we cannot play God, yet many of our congressmen and senators and some people in administrative positions are coming on so strong about what is happening here and what they want to happen that they are in effect siding with President Marcos's opponents. America cannot afford to be engaging in any activity whatsoever that will be seen to be a tilt against the regime because America has to be seen as a true friend and ally. It cannot be seen as being a force for neo-colonialism which is what we are constantly being accused of. The whirlwind which we can expect if we are not judicious and not extremely careful can ruin our relations and can cause a deterioration of a relationship which has been carefully nurtured over the past 85 years.

Unfortunately, much of the good advice that we want to give the Philippines comes across as being paternalistic and even coercive. Here is an election about to take place in the Philippines and prominent senators and congressmen are said to be making a study as to how American military aid will be spent here. This is no time for published statements about an investigation of that sort. It can only be seen as an effort to influence the elections. This is no time to be working on a reduction of aid to the Philippines when indeed the country is really under adverse economic influences because of the low prices of copper, coconut oil and sugar, the three main export products of the Philippines. I am fully aware that many of the points I have raised are not within your specific field of influence, but I am appealing to you to use your power and influence to see that America comes across as not trying to bring down President Marcos.

I trust you will understand that I myself cannot be seen to be participating in any way in political activities pertaining to the Philippines. The Philippines has been very generous in allowing us Republicans to conduct our campaign for our own candidates among our citizens. This is not always possible in

The President of the United States of America
The White House, Washington, D.C.
20 December 1985

many countries which are thought to be democratic. Consequently,
I am taking precautions to see to it that this letter receives
no publicity nor do I expect to gain any advantage from it.

Please accept my very best wishes for your continued good health
and success.

Respectfully yours,



WILLIAM H. QUASHA

WHQ:cd

RECEIVED 17 JAN 86 18

TO PRESIDENT FROM QUASHA, WILLIAM H DOCDATE 20 DEC 85
 CHILDRESS 21 JAN 86
 MARTIN 23 JAN 86

KEYWORDS: PHILIPPINES MP

SUBJECT: LTR TO PRES FM QUASHA RE PHILIPPINE - AMERICAN RELATIONS

 ACTION: APPROPRIATE ACTION DUE: 28 JAN 86 STATUS S FILES WH

FOR ACTION FOR CONCURRENCE FOR INFO
 SIGUR CHILDRESS MCDANIEL

COMMENTS

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NATIONAL SECURITY COUNCIL

To: Nancy Lewis
c/o Pat Buchanan's Office

From: David Laux
NSC x5746

Subject: Material on Philippines

Here's some background information on the Philippines which I hope meets what you wanted, for sending on to Pat Buchanan's friend. It's unclassified.

If you need anything more, please let me know.

Thanks



DL

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TAB I - Background Notes - Philippines

TAB II - 1985 World Factbook - Philippines

TAB III - Noon Press Briefing - State Dept. Memorandum
(March 12-26,1986)

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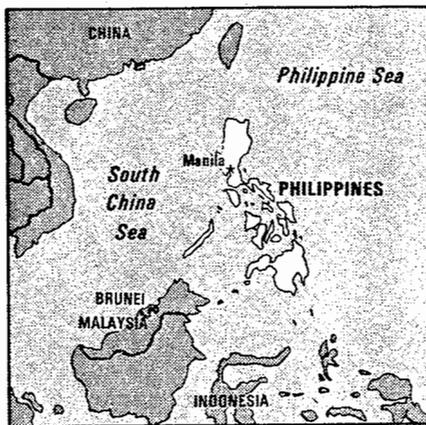
background notes

Philippines



United States Department of State
Bureau of Public Affairs

September 1983



Official Name:
Republic of the Philippines

PROFILE

People

Noun: Filipino(s). **Adjective:** Philippine. **Population** (1982 est.): 51.6 million. **Annual growth rate** (1982): 2.4%. **Ethnic groups:** Malay, Chinese. **Religions:** Catholic 83%, Protestant 9%, Muslim 5%, other 3%. **Languages:** Pilipino (based on Tagalog), national language; English, language of government and instruction in higher education. **Education:** *Years compulsory*—6. *Attendance*—above 95% in elementary grades; 57% in secondary grades. *Literacy*—about 88%. **Health:** *Infant mortality rate* (1982)—59/1,000. *Life expectancy* (1981)—64 yrs. **Work force** (17.8 million, 1982 est.): *Agriculture*—47%. *Industry and commerce*—20%. *Services*—13.5%. *Government*—10%. *Other*—9.5%.

Geography

Area: 300,000 sq. km. (115,830 sq. mi.). **Cities:** *Capital*—Manila (pop. 6 million in metropolitan area) remains the de facto capital, although Quezon City, located within the metro Manila area, was designated the capital by law in 1948. *Other cities*—Davao (600,000), Cebu (450,000). **Terrain:** 65% mountainous, with narrow coastal lowlands. **Climate:** Tropical, astride typhoon belt.

Government

Type: Republic. **Independence:** 1946. **Constitution:** January 1973. **Branches:** *Executive*—president. *Legislative*—National Assembly (*Batasang Pambansa*). *Judicial*—Supreme Court. **Political parties:** New Society Movement (KBL), United Nationalist Democratic Organization (UNIDO), other small parties. **Suffrage:** Universal and compulsory.

Administrative subdivisions: 13 regions, 73 provinces, 60 chartered cities.

Central government budget (1982): \$7.2 billion.

Defense (1983): 2.1% of estimated 1983 GNP.

Flag: Two horizontal bands—the top blue, the bottom red—joined at the staff side with a white triangle. Centered on the triangle is a yellow, eight-rayed sun. In each corner of the triangle is a yellow star.

Economy

GNP (1982): \$39.2 billion. **Annual growth rate:** 10.4% (nominal); 2.6% (real). **Per capita income** (1982): \$772. **Annual inflation rate:** 13.8%, 1978–80; 12%, 1981; 10%, 1982.

Natural resources: Timber, copper, nickel, iron, cobalt, silver, gold, petroleum.

Agriculture (26% of GDP): Sugar, coconut products, rice, corn, pineapples, and bananas.

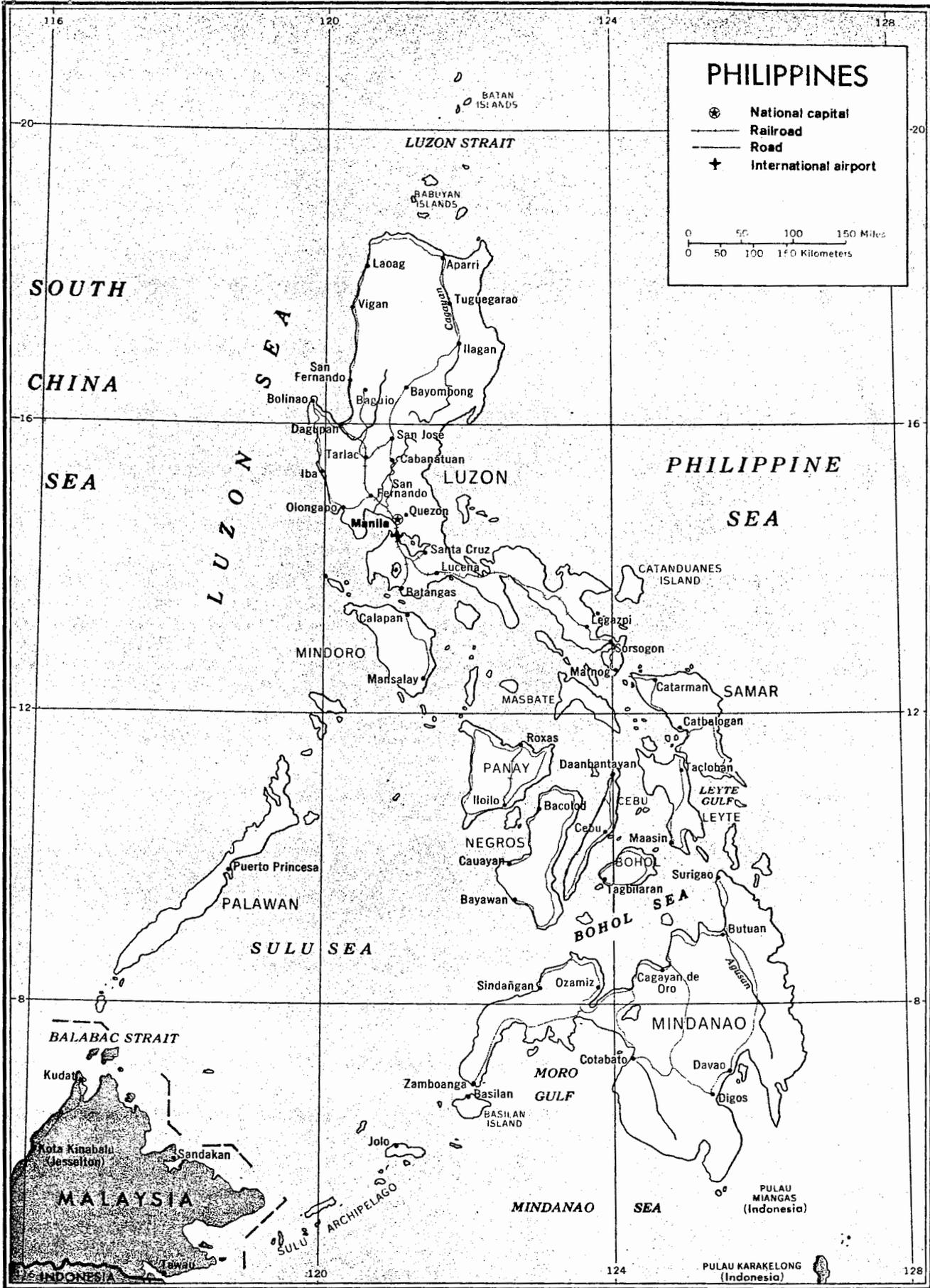
Industries (36% of GDP): Textiles, pharmaceuticals, chemicals, wood products, food processing, electronics assembly.

Trade (1982): *Exports*—\$5 billion. *Major markets*—US, Japan, EC. *Imports*—\$7.7 billion. *Major suppliers*—US, Japan, EC.

Exchange rate (August 1983): 11.01 pesos = US\$1.

Membership in International Organizations

UN and its specialized agencies, including World Bank Group (IBRD, IFC, IDA), International Monetary Fund (IMF), General Agreement on Tariffs and Trade (GATT), and International Atomic Energy Agency (IAEA); Association of Southeast Asian Nations (ASEAN); Asian Development Bank (ADB); INTELSAT.



PEOPLE

The Philippine people are mostly of Malay stock, descended from the Indonesians and Malays who migrated to the islands long before the Christian era. The most significant ethnic minority group is the Chinese, who have played an important role in commerce since the ninth century, when they first came to the islands to trade. As a result of intermarriage, many Filipinos have some Chinese ancestry. Americans and Spaniards constitute the next largest alien minorities in the country.

The Philippine overall population density is about 164 per square kilometer (433/sq. mi.), but it is greater in central Luzon. Manila, the capital and largest city, has a metropolitan population of about 6 million.

The annual population growth rate, about 3% in the 1960s, fell by the end of the 1970s to about 2.4%. Recognizing the economic implications of the high population growth rate, in 1970 President Marcos announced an official policy of family planning. A population commission coordinates these efforts. In the 1980s, the nation will need to create 700,000 jobs each year.

About 90% of the people are Christian. Most are Hispanicized people who were converted to Christianity and were Westernized to varying degrees during nearly 400 years of Spanish and American rule. The major non-Hispanicized groups include the Muslim population, concentrated in the Sulu Archipelago and western Mindanao, and the mountain groups of northern Luzon. Small, primitive forest tribes live in the remoter areas of Mindanao.

About 87 native languages and dialects are spoken, all belonging to the Malayo-Polynesian linguistic family. Of these, eight are the first languages of more than 85% of the population. The three principal indigenous languages are Cebuano, spoken in the Visayas; Tagalog, in the area around Manila; and Ilocano, in northern Luzon. Pilipino, English, and Spanish are the official languages. Since 1939, in an effort to develop national unity, the government has promoted the use of the national language, Pilipino, which is based on Tagalog. Pilipino is taught in all schools and is gaining increasing acceptance, particularly as a second language.

English, the most important non-native language, is used as a second language by almost half of the population, including nearly all professionals,

academics, and government workers. Spanish is spoken by few Filipinos, and its use appears to be decreasing.

Despite this multiplicity of languages, the Philippines has one of the highest literacy rates in the East Asian and Pacific area—about 88% of the population 10 years of age and above.

The Philippine educational system comprises about 39,000 public schools, with an enrollment of more than 10.7 million, and about 3,000 private schools with more than 1 million students. About 13% of the national budget is allocated to education. Elementary school enrollment is almost universal, with the exception of some tribal groups. Enrollment in schools of higher education is about 1.1 million, and the Philippines ranks high in the world in the number of college graduates.

GEOGRAPHY

The Philippine Archipelago extends about 1,770 kilometers (1,100 mi.) north to south along the southeastern rim of Asia, forming a land chain between the Pacific Ocean on the east and the South China Sea on the west. It is separated from Taiwan on the north and Malaysia and Indonesia on the south by straits a few kilometers wide and from Vietnam and China on the west by the 966-kilometer (600 mi.) breadth of the South China Sea.

The archipelago consists of some 7,100 islands and islets. Only 154 of these islands have areas exceeding 14 square kilometers (5 sq. mi.). Eleven of them compose about 95% of the total land area and population. Luzon, the largest island, is about the size of Kentucky; Mindanao, the second largest, is about the size of Indiana. Between these two major islands lies the regional grouping of smaller islands called the Visayas. The irregular coastlines, marked by bays, straits, and inland seas, stretch for more than 16,000 kilometers (10,000 mi.)—twice as long as the coastline of the conterminous United States. Manila is located on Luzon.

The larger islands are mountainous, and uplands make up 65% of the total land area. Most have narrow coastal lowlands, but extensive lowland areas exist on Luzon, Mindanao, Negros, and Panay. The central plain on Luzon, the most important agricultural area in the country, is about 160 kilometers (100 mi.) long and 64 kilometers (40 mi.) wide.

The archipelago lies within the tropics. The lowland areas have a year-

long warm and humid climate, with only slight variations in the average mean temperature of 27°C (80°F). Rainfall is generally adequate but varies from place to place because of wind directions and the shielding effect of the mountains. On Luzon, rainfall ranges from 89 to 549 centimeters (35–216 in.) per year; the average at Manila is 208 centimeters (82 in.). The wet season in the Manila area, caused by the southwest monsoon, lasts from June to November.

The Philippines lies astride the typhoon belt. About 15 cyclonic storms affect the Philippines yearly with at least heavy rainfall, and 5–6 may strike with destructive winds and torrential rains. Active volcanoes exist, and the islands are subject to destructive earthquakes.

HISTORY

The history of the Philippines may be broken down into four distinct phases: the pre-Spanish period, the Spanish period (1521–1898), the American period (1898–1946), and the years since independence (1946–present).

Pre-Spanish Period

The first people on the Philippines, the Negritos, are believed to have come 30,000 years ago from Borneo and Sumatra across then-existing land bridges. Subsequently, people of Malay stock came from the south in successive waves, the earliest by land bridges and later by boats called *barangays*. The Malays settled in scattered communities, also called *barangays*, which were ruled by chieftains known as *datos*. Chinese merchants and traders arrived and settled in the ninth century A.D. In the 14th century, Arabs arrived, introducing Islam in the south and extending some influence even into Luzon. The Malays, however, remained the dominant group until the Spanish arrived in the 16th century.

Spanish Period

Ferdinand Magellan claimed the Philippines for Spain in 1521, and for the next 377 years the islands were under Spanish rule. This period was the era of conversion to the Roman Catholic Church, and a Spanish colonial social system was developed with a strong centralized government and considerable clerical influence.

Travel Notes

Climate and clothing: The climate is usually hot and humid. Cotton and other lightweight clothing is worn all year.

Transportation: Taxis can be hailed from the street or called by telephone; fares are reasonable. Bus service is neither safe nor comfortable. There are no regular loading or unloading points. Jeepneys, vehicles built on jeep frames, carry 6-11 persons and are preferable to buses. However, the Philippine Bureau of Travel and Tourist Industry provides air-conditioned bus service regularly between Manila and Baguio. Trains are not recommended.

Automobile travel is restricted by the limited number of roads and the relative lack of accommodations. In some provincial areas, travel is not recommended because of civil unrest.

The national airline makes scheduled flights to cities and important towns throughout the Philippines, and 1-day round-

trip flights are possible to some places.

Shipping lines connect many coastal cities. Passenger accommodations vary in comfort.

Communications: Local telephone service is available but not always reliable. Long-distance service to the US is excellent. Manila is 13 time zones ahead of eastern standard time.

Health: For most illnesses and medical problems, facilities in the Manila area are more than adequate. The Manila water supply is generally safe for drinking. Untreated or un-boiled water should not be drunk outside the city. Superficial skin infections are common in the tropics; even the smallest wound should be disinfected and covered with a dressing.

Touring—Tourist sights are highly diverse, with many opportunities for weekend and day trips. Hunting and fishing are popular.

The Filipinos were restive under the Spanish, and this long period was marked by uprisings. The most important of these began in 1896 under the leadership of Emilio Aguinaldo, but it was put down by Spanish authorities in 1897.

American Period

In 1898, following destruction of the Spanish fleet in Manila Bay by Admiral Dewey during the Spanish-American War, the United States occupied the Philippines. Spain ceded the islands to the United States under the terms of the Treaty of Paris (1898), which ended the war.

A war of insurrection against the United States, led by revolutionary President Emilio Aguinaldo, broke out in 1899. The hostilities are referred to by many Filipinos as the Philippine-American war (1899-1902). The United States put down the insurrection, and in 1901 Aguinaldo was captured and swore allegiance to the United States.

U.S. administration of the Philippines was declared from the first to be temporary and had as its goal the development of institutions that would permit and encourage the eventual establishment of a free and democratic government. Therefore, U.S. officials concentrated on the creation of such practical supports of democratic government as public education and a sound legal system. Philippine participation in legislative processes was introduced early in the American administration. The

legislature was established and was largely in Philippine control after the passage of the Jones Act in 1916. A civil service was formed and was gradually taken over by the Filipinos, who were in effective control by the end of World War I. The Catholic Church was disestablished, and a considerable amount of church land was purchased and redistributed.

In 1935, under the terms of the Tydings-McDuffie Act, the Philippines became a self-governing commonwealth. Manuel Quezon was elected president of the new government, which was designed to prepare the country for independence after a 10-year transition period. World War II intervened, however, and in May 1942 Corregidor, the last American stronghold, fell. U.S. forces in the Philippines surrendered to the Japanese, who occupied the islands until 1945.

As a result of the Japanese occupation, the guerrilla warfare that followed, and the battles leading to liberation, the country suffered great damage and a complete organizational breakdown. Despite the shaken state of the country, the United States and the Philippines decided to move forward with plans for independence. On July 4, 1946, the Philippine Islands became the independent Republic of the Philippines, in accordance with the terms of the Tydings-McDuffie Act. In 1962, the official In-

dependence Day was changed from July 4 to June 12, commemorating the date independence from Spain was declared by Gen. Aguinaldo in 1898.

Postindependence Period

The efforts of the early years of independence were spent in rebuilding the country's economy, with the United States playing a major role in the reconstruction. Complicating the recovery efforts was the threat posed by the communist-dominated Huk rebellion in the years 1945-53. Under the leadership of President Ramon Magsaysay (1953-57), this rebellion was suppressed, and communism no longer constituted an overt threat to the government.

The succeeding administrations of Presidents Carlos P. Garcia (1957-61), Diosdado Macapagal (1961-65), and Ferdinand E. Marcos (1965-present) have, in the context of increasing nationalism, sought to expand Philippine ties with its Asian neighbors, implement domestic reform programs, and develop and diversify the economy.

GOVERNMENT

A new constitution, to replace that of 1935, was completed by a constitutional convention in November 1972 and was proclaimed in effect in January 1973. President Marcos governed from 1973 to mid-1981 under its transitory provisions. Those provisions, amended in 1976, called for the incumbent president to exercise full executive authority pending the convening of a National Assembly (*Batasang Pambansa*) at the president's direction. Martial law, declared in September 1972 as a temporary measure to restore order, was formally ended on January 17, 1981.

The 1973 constitution provided for a parliamentary system, initially with extensive powers vested in a prime minister. Major amendments adopted in 1981 revised the system to make the president head of government. The president appoints the prime minister, who supervises the ministries and day-to-day parliamentary business. The president, who formulates national policy and enjoys broad authority, may be elected to an unlimited number of 6-year terms. The first election under the 1981 amendments was held on June 16, 1981, and was won by the incumbent, President Marcos.

The president appoints the cabinet and may dismiss its members and may initiate most legislation through the prime minister and control appropriations. As commander-in-chief, the presi-

dent may call out the armed forces, suspend habeas corpus, and declare martial law. The president is responsible for the appointment of general officers of the armed forces, ambassadors, and judges, and may also enter into treaties, contract for domestic and foreign loans, and veto specific items of appropriations or tariff bills. If the *Batasang Pambansa* votes "no confidence" in the prime minister, the president may nominate another, dissolve the *Batasang*, and, under certain conditions, call new elections.

As a result of the 1981 constitutional amendments, the unicameral *Batasang* will be made up of members elected from the geographic regions of the Philippines for 6-year terms as well as by cabinet members and members of social sectors—youth, for example—of Philippine society. The 1981 amendments set the date for *Batasang* elections as the second Monday in May 1984, giving the interim *Batasang Pambansa*, elected in April 1978, the same 6-year term as the prospective regular *Batasang*. Of its 190 members, 165 were elected from 13 regional divisions nationwide. The balance includes the prime minister, some appointed members of the cabinet (others were elected), and sectoral representatives of youth, labor, and agriculture.

The 1981 amendments provide that, in the event of the death or incapacity of the president, the country is to be governed by an executive committee pending the election of a new president. The executive committee is chosen by the president and includes the prime minister. There are no specific qualifications for membership. New elections must be held after 45–60 days unless a regular election is already scheduled within 18 months.

The 1973 constitution also provides for an expanded Supreme Court, composed of a chief justice and 14 associate justices. The justices are appointed by the president to hold office, given good behavior, until the age of 70. The Supreme Court exercises administrative supervision over the lower courts, the judges of which are also appointed by the president.

Lower order administrative subdivisions include provinces, chartered cities, and municipalities. Elections of provincial governors, vice governors, provincial boards, mayors, deputy mayors, and councilors were held on January 30, 1980, the first such elections since November 1971. Those elected in 1980 are to hold office for 6 years, whereas such officials had previously been elected for 4 years.

Principal Government Officials

President—Ferdinand E. Marcos
Prime Minister—Cesar E.A. Virata
Minister of Foreign Affairs—Carlos P. Romulo
Ambassador to the United States—Benjamin T. Romualdez
Permanent Representative to the United Nations—Luis Moreno Salcedo

The Philippines maintains an embassy in the United States at 1617 Massachusetts Avenue NW., Washington, D.C. 20036 (tel. 202-483-1414). Consulates general are at New York, Chicago, New Orleans, Seattle, San Francisco, Los Angeles, Houston, Honolulu, and Agana (Guam).

POLITICAL CONDITIONS

From independence to 1972, the Philippines practiced relatively traditional constitutional democracy. President Ferdinand E. Marcos, elected in 1965 and reelected in 1969, declared martial

law in 1972 to "counter an insurrectionary force, popularly known as the New People's Army." During the 8 years of martial law that followed, he introduced an era called the "New Society" and a New Society Movement, the *Kilusang Bagong Lipunan*. The New Society improved law and order and introduced reforms, governing largely by decree and popular referenda while restricting civil liberties. The government began a process of political normalization in 1978. Elections were held that year for an interim National Assembly, in 1980 for local officials, and in 1981 for president. The New Society Movement won these elections with 80%–90% of the vote, and President Marcos was reelected to a 6-year term.

President Marcos lifted martial law in January 1981, and some restrictions on civil liberties were eased. However, broad presidential powers remained in effect, and the Presidential Commitment Order was established, allowing the government in effect to retain its wide

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For information on economic trends, commercial development, production, trade regulations, and tariff rates, contact the International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230 or any Commerce Department district office.

arrest and detention powers. This order was abolished in August 1983 but was replaced with the Preventative Detention Action, which contained similar provisions. After the lifting of martial law, controls on the press were further relaxed; in December 1982, however, the chief opposition newspaper was closed. Criticism of the government continued to be published in the media, although in a more subdued tone than before the opposition newspaper arrests.

The traditional political parties, the Liberals and the Nacionalistas, had been largely inactive during the martial law period and under the domination of the government's New Society Movement. Opposition parties have become more active in recent years and have contested in recent elections. The United Nationalist Democratic Organization (UNIDO) brought together several opposition groups in a boycott of the 1981 elections.

In addition to more moderate, legitimate opposition, the government has been opposed by two insurgencies, whose roots predated martial law, and by some urban terrorism. The largest insurgency has been that led by the Moro National Liberation Front (MNLF), but in recent years unrest has subsided considerably. A longstanding cultural-religious dispute, the insurgency reflects an effort by some Filipino Muslims to achieve autonomy for the Muslim areas of the country. Government economic and political programs have responded to some Muslim needs and have reduced support for the insurgency.

The other insurgent group is the Maoist communist New People's Army (NPA). The NPA is smaller than the Muslim group was at its peak, but it has maintained a slow, steady growth in the 1980s. The NPA is found mainly in rural areas, and some NPA presence is in almost all provinces of the Philippines. Fighting between the NPA and Philippine Government troops continues in some parts of the country, particularly in Mindanao.

Urban terrorists, who first appeared in 1979, have been suppressed. They apparently had some support in the middle classes and comprised different factions seeking radical but essentially noncommunist change.

ECONOMY

The Philippine economy grew rapidly during the period of rehabilitation and expansion after World War II. The pace slackened considerably in the 1950s and early 1960s, with real gross national product (GNP) rising only about 5.3% annually from 1955 to 1965. In the late

1960s, under the stimulus of expansionary monetary and fiscal policies, the real GNP growth rate picked up again and, despite extensive fluctuations in some years, reached 10% in 1973.

The economy has performed below expectations in recent years, however. The GNP growth rate in 1982 was 2.6%, well below the 3.8% recorded in 1981 and less than half the country's average annual growth rate of 5.8% during the 1970s. The major factor was the weakened demand for primary products. Increases in the price of imported oil, on which the Philippines depends, also slowed economic activity. Particularly troublesome were the poor performances of several sectors that had been viewed as the brightest prospects, such as the garment industry, manufactured wood products, and handicrafts. With the upturn in the world economy, however, prospects for traditional commodity exports have become more promising.

Agriculture

Agriculture and forestry are the largest and most important sectors of the Philippine economy. Arable farmlands comprise an estimated 11.4 million hectares, about 38% of the total.

Philippine farming produces food crops for domestic consumption and cash crops for export. Value added from the agricultural sector expanded by about 5% per year from 1972 to 1981. The Philippines is self-sufficient in rice and began exporting a small rice surplus in 1977. However, market prices for major crops such as sugar and coconuts fell steeply in the early 1980s. International sugar prices declined by 67% from 1980 to 1982, and a severe drought beginning in late 1982 depressed agricultural output in 1982-83. The upturn in the world economy should have a favorable impact on most prices for basic agricultural commodities.

Sales of forest products also fell both in volume and value, but at a less dramatic rate. Decades of uncontrolled logging and slash-and-burn agriculture in marginal upland areas have denuded much of the land, with critical implications for the ecological balance. The government has instituted conservation programs, but timber will probably be in short supply for the next 5-10 years.

Although the Philippines lies in a fertile fishing belt, the fishing industry is underdeveloped and cannot meet domestic needs. Obsolete methods, inadequate refrigeration and marketing facilities, and lack of capital are major problems. In an effort to curtail imports of canned fish, the government is at-

tempting to modernize fishing operations and to establish adequate storage, processing, and marketing facilities.

Mining

The Philippines has extensive proven and potential reserves of metallic and nonmetallic minerals. Chromite, nickel, and copper deposits are among the largest in the world. Other important minerals include iron, silver, manganese, coal, gypsum, sulfur, mercury, and gold. Among nonmetallic minerals, clay, limestone, dolomite, feldspar, marble, silica, and phosphate are prevalent. Although the country is rich in mineral resources, only a small area has been surveyed adequately and exploited.

Minerals constitute about 18% of exports. Copper accounted for more than 70% of mining production and nearly 50% of mineral exports in 1980. Most Philippine gold production is a byproduct of copper mining. As with other primary and raw material exports, copper prices are volatile.

Industry

Industrial production has expanded and diversified steadily since World War II. Growth has been uneven but has accelerated in recent years. Production is still centered on processing and assembly operations involving food, beverages, tobacco, and rubber products; textiles, clothing, and footwear; pharmaceuticals; paints; plywood and veneer; paper and paper products; small appliances; and automobiles. Among heavier industries is production of cement, glass, industrial chemicals, fertilizer, iron and steel, and refined petroleum products. The manufacturing sector accounted for 25% of the gross domestic product in 1981, reflecting a steady increase in relative and absolute value since 1969. This trend is expected to continue, in accordance with the Philippine Government's development plans.

A considerable segment of Philippine industry suffers from a weak capital base, shortage of credit and foreign exchange, and inadequate power and transportation facilities. Current government programs to strengthen industrial development include investment and export legislation, under which tax and credit incentives are granted to selected industries and firms, and removal of protective import duties and taxes. In addition, the government has played a major role in expanding telecommunications, roads, and electric power and has contributed to private industrial growth through such long-term financing institutions as the Development Bank of the Philippines.

Energy

The Philippines registered significant successes in the implementation of its energy program in 1982. The country's dependence on imported oil was reduced, continuing the trend of the last 8 years. Imported oil made up 68% of primary energy consumption in 1982, as compared to 72% in 1981 and more than 90% in 1974. The percentage should continue to decline as geothermal and hydroelectrical generating units come on line and replace fuel oil and diesel generation. Significant reductions in fuel oil use are expected to result when the cement plants convert from fuel oil to coal. The Ministry of Energy estimates that imported oil consumption will fall to less than 40% of total primary energy consumption by 1986.

Domestic oil production increased from 1.4 million barrels in 1981 to 3.3 million barrels in 1982. The increase was due to new production from the Matinloc field northwest of Palawan. Production in 1983 should show an additional increase to about 5 million barrels. However, despite new exploration incentives granted by the government, exploration in the Philippines is declining and little drilling is expected to take place in 1983. The major factor in the slowdown in exploration has been the lack of success in locating large oil-bearing structures.

Foreign Trade

Foreign trade is of great importance to the Philippine economy. In the late 1960s, trade was unbalanced, causing deficits of \$300 million in 1968 and \$276 million in 1969. These difficulties led in 1970 to the negotiation of an International Monetary Fund (IMF) standby agreement for the Philippines, which has continued to the present. The government also asked the World Bank to sponsor formation of a consultative group of interested nations and international agencies to coordinate external assistance for Philippine economic development. The group first met in 1971, and foreign assistance programs since then have been coordinated informally through it. Since 1970, the balance of trade has fluctuated, with a substantial surplus in 1973 and deficits thereafter. Costs of petroleum and of industrial products needed for economic development are likely to cause continued deficits.

In the past, government policy concentrated on encouraging import-substitution industries. The focus began to shift in 1970 with the passage of the Export Incentives Act and was reinforced in 1980 by World Bank participa-

tion in a structural adjustment loan program to encourage labor-intensive, export-oriented industry.

The United States traditionally has been the Philippines' leading trade partner, although recent trade with Japan occasionally has exceeded U.S. trade. In 1982, Philippine imports were valued at nearly \$7.7 billion, of which 22.2% came from the United States. In recent years, the United States has taken about 30% of Philippine exports. The balance of trade favored the United States in 1980-82.

DEFENSE

The armed forces of the Philippines have grown substantially in recent years, from about 60,000 troops in 1972 to 146,000 in 1983. Much of the increase has been brought about by the need to control the Muslim insurgency in the southern Philippines, where most of the government's ground forces are deployed, as well as the NPA insurgency.

The Philippine Army numbers about 60,000 in active duty and 90,000 in reserves; the constabulary, including combat infantry battalions and law-enforcement personnel, more than 42,000; the navy, including marine and coast-guard units, about 28,000; and the air force, 16,000. In addition, there are some 46,000 police under constabulary command (the chief of the constabulary is also director general of the Integrated National Police) and the partially armed Civilian Home Defense Force of about 75,000.

Military spending grew rapidly in the mid-1970s but began to decline in relative and real terms at the end of the decade because of budgetary stringency and double-digit inflation. Spending for defense and for public order and security in 1982 was projected at \$937.2 million, representing about 13% of the government budget or 2.1% of estimated 1983 GNP at current prices.

FOREIGN RELATIONS

Philippine foreign policy, at one time based largely on a "special relationship" with the United States, has diversified over the past decade. Although the Philippine Government still gives priority to its relations with the United States, it also emphasizes widening and strengthening ties with other nations. This effort has focused on neighboring countries in Southeast Asia, but it has

also extended to other Third World nations and to most communist governments.

The Philippines has a mutual defense treaty (1951), a military bases agreement (1947), and a military assistance agreement with the United States. These documents are the foundation of the bilateral mutual security relationship. In addition, the Philippines was a signatory—with the United States and six other nations—of the 1954 Southeast Asia Collective Defense Treaty, sometimes called the Manila pact. The Philippines is a charter member of the United Nations and is active in most of its specialized agencies. The Philippines became a full member of the General Agreement on Tariffs and Trade (GATT) in late 1979, after several years in provisional status.

In recent years, the Philippines has sought vigorously to broaden its participation and leadership in Southeast Asian regional affairs. It was a leader in the formation of the Asian Development Bank (ADB), which opened its headquarters at Manila in 1966, and of the Association of Southeast Asian Nations (ASEAN), established in 1967. ASEAN, which also includes Indonesia, Malaysia, Singapore, and Thailand, is devoted primarily to economic, social, and cultural goals, but in the late 1970s it also became a vehicle for the coordination of the five nations' foreign policies. Under the ASEAN practice of assigning to individual member nations the primary responsibility for the organization's relations with outside powers, the Philippines is ASEAN's "interlocutor" with the United States.

In the 1970s, the Philippines established diplomatic relations with Romania, Yugoslavia, Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Mongolia. Relations were established with China in 1974, with Cuba in 1975, and with the U.S.S.R. and Vietnam in 1976. In 1979 the Philippines was granted observer status in the Non-aligned Movement.

U.S.-PHILIPPINE RELATIONS

U.S. policy promotes a continued close association in many areas accompanied by a growing sense of equality and mutual recognition of each nation's independent interests. Emphasizing the continuity of the relationship, the United States has supported economic assistance programs in the Philippines over the years at substantial levels—although U.S. bilateral assistance is less than 10% of what the Philippines receives from all multilateral

agencies and foreign donors—and has continued its longstanding military assistance program. U.S. objectives are to help encourage self-sustained economic growth and general social modernization that will improve the standards of life of all people and to contribute to the internal and external defense posture of the Philippines.

Pursuant to the Military Bases Agreement of 1947, the United States maintains and operates major facilities on two Philippine bases, Clark Air Base and Subic Naval Base, and several small subsidiary installations. About 13,500 U.S. military personnel are stationed in the country (not counting Seventh Fleet personnel temporarily ashore), together with nearly 1,000 defense civilians and about 20,000 military dependents. After extensive negotiations, the two governments concluded an amendment to the Military Bases Agreement on January 7, 1979, providing for Philippine command of all bases previously run by the United States, full recognition of Philippine sovereignty over them, the reversion of substantial areas of land and water to Philippine military control, and continued unhampered use of the remaining facilities by U.S. forces.

In June 1983, the U.S. and Philippine Governments completed a swift and smooth review of the Military Bases Agreement, as amended in 1979. In the review, the United States ensured arrangements for continued U.S. use of facilities on Philippine military bases, which respect Philippine sovereignty.

Also in the review a new joint committee was established to facilitate more effective implementation of the agreement.

Economic Relations

The Laurel-Langley Agreement of 1955 governed the economic relationship between the United States and the Philippines until its expiration in 1974. The agreement was designed to ease the transition from a colonial relationship to one between two economically independent countries. Each country enjoyed certain tariff preferences, which were gradually phased out, and each country's investors received national treatment or "parity" in the other's territory.

In 1974 and 1976, the two governments discussed a new agreement on economic relations, but no agreement was reached. Even in its absence, however, economic relations remain close. U.S. investment in the Philippines is extensive. The Philippine Government has committed itself to encouraging foreign investment as a basis for economic development, subject to certain guidelines and restrictions in specific areas. In trade, as well, the two countries have acknowledged the importance of each for marketing and as a source of supply.

U.S. Assistance

Since gaining independence in 1946, the Philippines has received more than \$3.5 billion from the United States in economic and military assistance. Economic assistance of \$2.3 billion includes about \$257 million in postwar relief. Military aid totaled \$1.2 billion through September 30, 1982.

Principal U.S. Officials

Ambassador—Michael H. Armacost
Deputy Chief of Mission—Robert G. Rich

Director, AID Mission—Anthony M. Schwarzwald

Chief, Joint U.S. Military Advisory Group—Brig. Gen. Charles E. Getz, USA

Public Affairs Officer (USIS)—Clifford E. Southard

Political Counselor—Scott Hallford

Economic Counselor—John M. Penfold

Commercial Counselor—Thomas C. Moore

Consul General—Vernon D. McAninch

Administrative Counselor—Paul Sadler

Defense Attache—Col. Richard G. Woodhull, Jr., USAF

Consul, Cebu—Stanley R. Ifshin

The U.S. Embassy in the Philippines is located at 1201 Roxas Boulevard, Manila (tel. 598-011, telex 722-7366). ■

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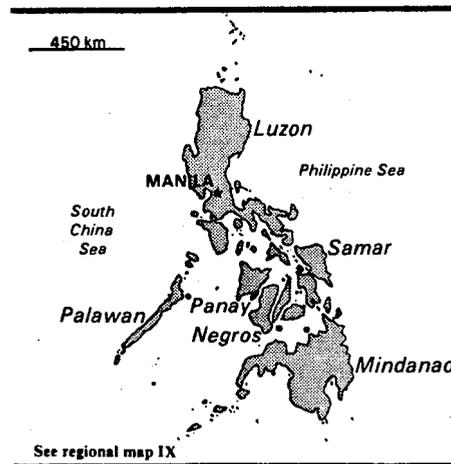
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II

Philippines



Land

300,440 km²; slightly larger than Nevada; 53% forest, 30% arable, 5% pasture, 12% other

Water

Limits of territorial waters (claimed): 0-300 nm (under an archipelago theory, waters within straight lines joining appropriate points of outermost islands are considered internal waters; waters between these baselines and the limits described in the Treaty of Paris, 10 December 1898, the US-Spain Treaty of 7 November 1900, and the US-UK Treaty of 2 January 1930 are considered to be the territorial sea); economic, including fishing, 200 nm

Coastline: about 22,540 km

People

Population: 56,808,000 (July 1985), average annual growth rate 2.3%

Nationality: noun—Filipino(s); adjective—Philippine

Ethnic divisions: 91.5% Christian Malay, 4% Muslim Malay, 1.5% Chinese, 3% other

Religion: 83% Roman Catholic, 9% Protestant, 5% Muslim, 3% Buddhist and other

Language: Pilipino (based on Tagalog) and English (both official)

Literacy: about 88%

Labor force: 17.8 million (1982 est); 47% agriculture, 20% industry and commerce, 13.5% services, 10% government, 9.5% other

Government

Official name: Republic of the Philippines

Type: republic

Capital: Manila (de facto), Quezon City (designated)

Political subdivisions: 72 provinces and 61 chartered cities

Legal system: based on Spanish, Islamic, and Anglo-American law; parliamentary constitution passed 1973; constitution amended in 1981 to provide for French-style mixed presidential-parliamentary system; judicial review of legislative acts in the Supreme Court; legal education at University of the Philippines, Ateneo de Manila University, and 71 other law schools; accepts compulsory ICJ jurisdiction, with reservations; martial law lifted in January 1981

National holiday: Independence Day, 12 June

Branches: constitution provides for unicameral legislature (Batasang Pambansa) and a strong executive branch under President and Prime Minister; judicial branch headed by Supreme Court with descending authority in a three-tiered system of local, regional trial, and intermediate appellate courts

Government leader: Ferdinand Edralin MARCOS, President (since 1965); César VIRATA, Prime Minister (since 1981)

Suffrage: universal and compulsory

Elections: next provincial elections (for governors and mayors) scheduled for May 1986

Political parties: national parties are Marcos's New Society Party (KBL); UNIDO, a coalition of moderate opposition groups; and the Liberals, Nacionalistas, and PDP-Laban; prominent regional parties include the Mindanao Alliance and the Pusyon Visaya

Philippines (continued)

Communists: the Communist Party of the Philippines (CPP) controls about 16,000 armed insurgents; not recognized as legal party; a second Communist party, the Philippine Communist Party (PKP), has quasi-legal status

Member of: ADB, ASEAN, ASPAC, Colombo Plan, ESCAP, FAO, G-77, GATT, IAEA, IBRD, ICAO, IDA, IFAD, IFC, IHO, ILO, IMF, IMO, INTELSAT, INTERPOL, IPU, IRC, ISO, ITU, UN, UNESCO, UPU, WFTU, WHO, WIPO, WMO, WTO

Economy

GNP: \$32.093 billion (1984 prelim.), \$630 per capita; -5.5% real growth, 1984 prelim.

Agriculture: main crops—rice, corn, coconut, sugarcane, bananas, abaca, tobacco

Fishing: catch 1.8 million metric tons (1982)

Major industries: textiles, pharmaceuticals, chemicals, wood products, food processing, electronics assembly

Electric power: 6,486,000 kW capacity (1984); 23 billion kWh produced (1984), 414 kWh per capita

Exports: \$5.348 billion (f.o.b., 1984 prelim.); coconut products, sugar, logs and lumber, copper concentrates, bananas, garments, nickel, electrical components, gold

Imports: \$5.928 billion (f.o.b., 1984 prelim.); petroleum, industrial equipment, wheat

Major trade partners: (1983) exports—36% US, 20% Japan; imports—23% US, 17% Japan

Budget: (1983) revenues, \$4.1 billion; expenditures, \$4.8 billion (capital expenditures, \$9 billion), deficit, \$7 billion

Monetary conversion rate: (floating) 19.855 pesos=US\$1 (December 1984); 16.698 pesos=US\$1 (average 1984)

Fiscal year: calendar year

Communications

Railroads: total rehabilitation of 474 km 1.067-meter gauge underway; 378 km operable (1982); 34% government owned

Highways: 152,800 km total (1980); 27,800 km paved; 73,000 km gravel, crushed stone, or stabilized soil surface; 52,000 km unimproved earth

Inland waterways: 3,219 km; limited to shallow-draft (less than 1.5 m) vessels

Pipelines: refined products, 357 km

Ports: 10 major, numerous minor

Civil air: approximately 53 major transport aircraft

Airfields: 338 total, 289 usable; 68 with permanent-surface runways; 9 with runways 2,440-3,659 m, 49 with runways 1,220-2,439 m

Telecommunications: good international radio and submarine cable services; domestic and interisland service adequate; 707,000 telephones (1.28 per 100 popl.); 267 AM stations, including 6 US; 55 FM stations; 33 TV stations, including 4 US; submarine cables extended to Hong Kong, Guam, Singapore, Taiwan, and Japan; tropospheric-scatter link to Taiwan; 2 international ground satellite stations; 11 domestic satellite stations

Defense Forces

Branches: Army, Navy, Air Force, Marine Corps, Constabulary—Integrated National Police

Military manpower: males 15-49, 14,232,000; 10,087,000 fit for military service; about 597,000 reach military age (20) annually

Supply: limited small arms and small arms ammunition, small patrol craft production; licensed assembly of transport aircraft; most other materiel obtained from US; naval ships and equipment from Australia, Japan, Italy, Singapore, US, and Italy; aircraft and helicopters from West Germany, US, Italy, and the Netherlands

Military budget: for fiscal year ending 31 December 1985, \$404.5 million; about 13.5% of central government budget

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III



FILE

United States Department of State

Washington, D.C. 20520

March 26, 1986

MEMORANDUM

TO : EAP - Mr. Monjo
FROM : EAP/P - Dan Howard W
SUBJECT: Noon Press Briefing
(Spokesman: Charles Redman)

PHILIPPINES

AP's Schweid asked if there's been any change in the Secret Service protection being given Marcos. Redman: "I have nothing that takes us beyond yesterday, which is that as of now the Secret Service is continuing to protect (him). But I can't provide any details about the nature of that protection or its duration."

Schweid: "What about his entitlement? It's unchanged, whatever it's based on? It'll be the same tomorrow?"

Redman: "The President made that determination when he first came to this country."

EAP/P: WMagruder W



United States Department of State

Washington, D.C. 20520

March 25, 1986

FILE COPY

MEMORANDUM

TO: EAP - Mr. Monjo
FROM: EAP/P - Dan Howard *KPH*
SUBJECT: Noon Press Briefing
Spokesman: Charles Redman

PHILIPPINES

Now that Marcos has left Hickam AFB, Redman was asked, who is paying for his security? Is the US paying? Redman responded: "Yes, former president Marcos did leave Hickam Air Force Base along with members of his household at about 8:20 PM Honolulu time last night, destined for private quarters in the Honolulu metropolitan area. Most -- I'll give you this without asking -- most of the remaining members as well have moved off Hickam and are residing in the Honolulu area. The Secret Service is continuing to protect President Marcos, but for reasons of security I can't provide details about that protection or its duration."

One reporter stated that originally there was a 30-day time limit on the duration of Secret Service protection for Marcos, a limit that runs out at the end of this week. "Are they going to be asked to continue beyond that 30 days...?" he asked. Redman answered: "I don't have anything further on that. As we said at that time, the duration of the detail was temporary, but we did not specify exactly what the nature of that duration might be."

Redman was asked if all of Marcos' party had gone from Hickam. He replied: "No. Those who have not yet moved off were primarily security personnel, and they will be moving off in the next day or two, most probably taking up residence in the Honolulu area. I suppose the bottom line is that by Thursday we would expect that all remaining members will probably have vacated Hickam."

Asked how many people was talking about, Redman said: "I don't know."

CBS' Potter inquired about the bills run up by Marcos and his party and whether a decision has been made as to how they will be settled. "No," Redman answered. "No decision has been made. That's still under discussion. And for information about the amounts involved, I would refer you to DOD."

UPI's Quinn asked if this is "the final resolution of this for now, or is the Administration still talking to foreign governments to find another home for him?" Redman stated: "As I said at the time, he's asked us to explore some third country possibilities among various options. We'll continue to do that."

A reporter said two checks totalling \$39,000 had been written for partial payment of the PX bills. However, he added, Rep. Florio raised the issue yesterday or the day before and said did not want those checks to go forward. The journalist asked if the PX's are actually being paid by the USG for purchases made by the Marcoses. "That's a DOD question. I can't help you," Redman answered.

AP's Gedda asked if there is any country seriously interested in receiving Marcos. "As always, I'm not going to characterize the various possibilities or responses," Redman said.

The Washington Post's Oberdorfer asked if Redman had any reaction to Mrs. Aquino's "action in declaring a provisional government and changing the constitution" in the Philippines. Redman replied: "No, that's an internal Filipino matter."

EAP/P:KBailes



United States Department of State

Washington, D.C. 20520

March 24, 1986

FILE COPY

MEMORANDUM

TO: EAP - Mr. Monjo
FROM: EAP/P - Dan Howard *D. Howard*
SUBJECT: Noon Press Briefing
Spokesman: Charles Redman

PHILIPPINES

UPI's Quinn asked if there is any new information about whether Mr. Marcos will be leaving Hickam AFB. "No, nothing," Redman replied.

Another reporter asked if we are still discussing the possibility of Marcos moving "with several countries." Redman answered: "There's been no change. We're continuing to look at options. He is, of course, free to do as he himself wishes. That's one of the options which he had asked us to help him look into."

Quinn asked if negotiations were under way with several countries. Redman said he just answered that question.

Later in the briefing, Redman was asked about the strike at the military bases by Filipino workers. He read the first two ticks on the attached guidance, adding that he would have to refer questioners to the Pentagon for further information.

When asked if "entrance (is) a problem," Redman said: "At Subic we are talking with representatives of striking workers in order to arrange for that access and egress to be accomplished. The only other information I have is that we have no information to support the report that US servicemen stabbed Filipino workers manning a picket line at Subic. We can confirm that several US service personnel were injured in scuffles related to the strike late last week."

AP's Gedda asked for whatever information Redman had on Marcos' travel plans "or anything on that general subject." Redman said he would refer Gedda "to the record of 5 minutes previous."

Oberdorfer asked if the Executive Branch had yet decided what sort of aid and how much aid it would hope to supply to the new Philippine Government. Redman said he had nothing on that.

KOREA

Redman was asked by an American reporter if he had any comment on the demonstrations in South Korea. He read the attached guidance.

Quinn asked if Redman had anything to say about the fact that one of the major opposition leaders, Kim Dae Jung, was not allowed to participate. "Nothing further," Redman said.

The Washington Post's Oberdorfer asked if Redman had anything new to say about film-maker Shin Sang-ok and Choe Un-hui "who are running around somewhere in Europe." Redman responded: "Where are the Oscars being awarded? (Laughter from the reporters)" When Oberdorfer responded "California," Redman said: "I would refer you to (there? -- inaudible. This was greeted with laughter from the press)."

Attachment: As stated

EAP/P:KBailes



FILE

March 21, 1986

MEMORANDUM

TO : EAP - Dr. Sigur

FROM : EAP/P - Dan Howard *vw*

SUBJECT: Noon Press Briefing
(Spokesman: Charles Redman)

PHILIPPINES

Asked about Regan saying today that negotiations are continuing with Panama concerning Marcos going there to live, the Spokesman read the third answer of the attached "Panama Says No" guidance, as amended. He reiterated that he would not identify the countries with which we're holding conversations. "Well, was the Chief of Staff perhaps mistaken when he said that negotiations were only continuing with one country, which he named?", a reporter asked. Redman said he could not give anything further.

Asked for a read-out of this morning's meeting with Salonga, whether he will get the inventory of the planes today, and whether that will be released out of here, Redman read the attached guidances on "Marcos' possessions" and "Philippine attorneys in Washington," as amended.

In reply to questions, the Spokesman said he had nothing on Laurel's reported saying today that Marcos is trying to assassinate the new GOP leadership, that he is behind some assassination plot, and whether this would influence "our hospitality."

The Washington Post's Oberdorfer noted that another morning newspaper today discusses the AID story which Redman covered yesterday, but "has somewhat different facts" while basically going to the same question of AID funds misuse. He wondered if Redman had anything "on that particular set of allegations." The Spokesman said he had not. He referred to AID all follow-up questions about the time-frame for the investigation by the AID inspector-general.

-2-

Asked to characterize the kind of cooperation DOS is willing to extend to Saloga, Redman said this has been stated before, and that he had nothing new to add to it. Replying to another query, he reiterated that there's been no determination on Marcos reimbursing the USG for expenses he's incurred here.

Attachments: As Stated

EAP/P:WMagruder 



FILE

March 20, 1986

MEMORANDUM

TO : EAP - Dr. Sigur

FROM : EAP/P - Dan Howard *wm*

SUBJECT: Noon Press Briefing
(Spokesman: Charles Redman)

PHILIPPINES

Questioned about Marcos' reported plans to take up residence in Panama, Redman read the attached "Marcos' Onward Travel" guidance as amended. A reporter observed that "the Panamanian Government has identified itself"; but, so far as the USG is concerned, said Redman, "that's where I'll leave the story." Pressed further, he said could not put a time or a date on any departure by Marcos from Hawaii. He said he had no comment when asked if Marcos still has "several live options," or whether there have there been "drop-outs" from the list of possible countries.

Asked if Marcos is eligible for congressional or grand jury subpoena at Hickam, Redman found this a "speculative" question; but he offered as "a general position" on this the first 2 ticks of the attached "Marcos' Privileges and Immunities" guidance, as amended.

Asked if Marcos has a valid passport, the Spokesman replied that he "is in the US on the parole authority of the attorney-general." Questioned whether the USG would be giving Marcos some kind of travel document if he wanted to travel to Panama, Redman replied that "the Attorney-General can arrange -- not just for Marcos but for people on parole status -- to have travel documentation."

Questioned about how many of Marcos' party have now gone back to the Philippines, Redman replied that "these people are free agents, so we don't actually ask them to check in and check out or punch a time clock." He then used the attached "Marcos Party" guidance, as amended.

"Would (Marcos) be welcomed back in the US if he were to have gone to a third country and then, whenever he wanted, to have come back?", a reporter asked. Redman: "The President's invitation would still stand ... I believe that's the nature of the President's invitation... I can't take you any further on a hypothetical basis. It really is a question that would be decided on a case-by-case basis."

Asked why the US is negotiating for Marcos to find a haven, Redman stated that "the answer to that is fairly straightforward: He's asked us for our help, and so we're doing what we can to be helpful to him. It's at his initiative." He had no comment when asked if we've talked with the GOP on this or if Manila has a preference.

Questioned, Redman explained that he used the phrase "temporary residence" in a third country because "that's the best I can say concerning (Marcos') intentions."

Another reporter asked: "What does (DOS) incur by assisting someone like this to flee? Is there any responsibility on your part? I mean, there are these very grave allegations that, for instance, the interest on AID funds was diverted to his own use -- which is clearly illegal. So, one would think that this Department would want him to be, if he's now on US soil, to remain there in the event -- quite likely, I would think at this point -- that there would be people who would wish to discuss these matters with him."

Observing that the questioner was "going far into the realm now of the speculative and hypothetical," Redman stated that "under the President's invitation here, you're well aware of, the departure of Former President Marcos was based on a sense of dignity and honor. That still is one of the guiding principles which underly the treatment of President Marcos.

"Let me, since you raised the question, give you the status report as we know it, for example, on the one case that you raised concerning the allegations of misuse of AID funds." Redman then read the first three paragraphs of the attached ESP guidance.

In talks with governments about a haven for Marcos, a reporter asked which other members of the Marcos party are included in the discussions. The Spokesman said he was not in a position to give any further details. Pressed, he refused to take the query. As to whether Marcos wants temporary status abroad with the intention to return to the Philippines eventually, Redman said this is a decision for Marcos to make.

Asked if the US will provide Marcos transportation if he chooses to go to Panama and whether his going there would change his legal status so far as being subpoenaed by the US Congress or by the GOP, Redman found both questions "hypothetical." He said he didn't see the relevance of the question when asked if the US has an extradition treaty with Panama. He said he had nothing when asked if Marcos' party has been billed for any of the expenses the US has incurred; and when asked to take the question, he contended that that matter has been addressed by DOD.

Attachments: As Noted

EAP/P:WMagruder WM



March 18, 1986

FILE COPY

MEMORANDUM

TO: EAP - Dr. Sigur

FROM: EAP/P - Warren Magruder *W. Magruder*

SUBJECT: Noon Press Briefing
Spokesman: Bernard Kalb

PHILIPPINES

When asked about the turnover of documents to Mr. Salonga this morning, Kalb noted that Salonga had spoken to the press on his way out of the building and added that what he would say "is perhaps what you already know." He then read the second answer on the first attached guidance.

UPI's Quinn asked where the copies of documents were turned over to Mr. Marcos' lawyers, and Kalb indicated that this was done here in Washington at the Department of Justice.

Quinn then asked what the reply would be to the subpoena from the House HFAC EAP Subcommittee for the same documents. Kalb responded: "My understanding is that that subpoena, that Justice intends, I think, in fact there's been some statement by somebody at Justice that they intend to honor that subpoena...I saw a wire just a few minutes ago that Justice intends to honor any such subpoena that might be forthcoming."

AP's Schweid asked if the State Department is merely a conduit for the documents, but if "the State Department shares the Customs decision that these documents aren't purely personal, then I would ask you what the State Department thinks of the contents of the 300 crates -- whether they all were purely personal property of Marcos or, as the new government says, ill-gotten wealth that he is not entitled to? Is the State Department making judgements, or is it up to the Customs Office?" Kalb replied: "Yes. Yes. And insofar as what I take to be an implicit question that may be contained in what you're saying, the State Department does not intend to provide information characterizing the documents or describing the contents."

Schweid said he is talking about "the loot, etc. The documents seem to be moving along. I'm talking about the loot, the rest of the stuff, the 300 crates. Does the State Department have an opinion whether that material is purely personal at this point?" Kalb said he had nothing on that and would "take a peek at that." (After the briefing, the Press Office indicated to EAP/P that Kalb had not taken this question.)

Quinn asked if the State Department has any plans to make the documents public or if it would object if the HFAC EAP Subcommittee or the GOP did so. Kalb answered: "The Department will not release the copies of the documents to the media. That's no question."

Quinn then asked again if the Department would object to other people doing that. Kalb said he had something "on that general subject..." He then read the second attached guidance. Quinn wondered if what Kalb had just stated "would preclude the public release of portions of them or all of them by Solarz or the Philippine Government?" Kalb responded: "I'm talking about the arrangement that was made between the U.S. and the Government of the Philippines. I reiterate that there is no intention to make them public here, and that's about as far as I can go."

ABC's Wright asked, on what basis can the U.S. tell the Philippines "what they can do with their own documents?" Kalb stated: "I didn't say, I didn't make any judgement about that. I talked about the notes that were exchanged between the two and what was agreed to. That's all I said."

Attachments: As stated

EAP/P:KBailes



FILE

United States Department of State

Washington, D.C. 20520

March 17, 1986

MEMORANDUM

TO : EAP - Dr. Sigur

FROM : EAP/P - Warren Magruder WM

SUBJECT: Noon Press Briefing
(Spokesman: Charles Redman)

PHILIPPINES

Reponding to questions, the Spokesman read the answers from the two attached guidances.

Answering another question, he stated that he could not say whether the documents will be turned over here or in Manila. Asked if a tax treaty is the legal basis on which the documents are being turned over, he declared: "I'm not sure why one needs a legal basis. We've said a number of weeks ago that we would cooperate with the Filipino Government in making available the information which they sought. That's the commitment that we're living up to."

Redman said he had nothing new on the status of Marcos' possessions on the second plane, and he had nothing to offer when asked about Marcos' telephone bill. He added that it remained in Custom's domain whether details of Marcos' possessions on the second plane will be released to the press.

The NY Times' Gwertzman asked if a message was sent to the GOP last week saying that Marcos would be allowed to keep some \$300,000 dollars in property that he took out with him on the first plane, and added that there was a reference to this in the Washington Post Saturday. The Spokesman said he had nothing on it.

Asked if he was making a distinction between US handling of the Duvalier case and the Marcos case on his comments on working with other governments to find a place for the latter to go, Redman maintained that "the two cases are different. In the case of Marcos, he was invited to come to this country by the President and he's still welcome to stay here." Redman said he had nothing to offer when asked if Marcos has asked the US if he should leave or for advice on the question of whether he should leave.

KOREA

Redman, in reply to a question, read the two answers of the attached guidance. He stuck to his "no further comment" stand when asked if the couple is in Vienna now, and what they actually requested. He replied affirmatively when asked if assistance is different from asylum; when asked if the couple had been kidnapped in North Korea, Redman said he would not comment on the past history of these people -- "if you want that, I think you have to talk to the Koreans. All I'm talking about is our current involvement."

Redman had nothing to offer when asked about reports that Shin sang-ok said he wanted to live peacefully in Western societies. Asked if the US is working with the ROKG in connection with providing assistance to these two, Redman said, "nothing for you"; and he replied similarly to queries for some details about the couple's arrival at the US Embassy, and about whether the two seemed to be escaping some danger.

Asked about rumors that the South Korean defectors are already in the US, Redman again declined comment.

INDOCHINA/REFUGEES

UPI's Anderson asked about a Bangkok report that there's been a breakthrough in the Orderly Departure Program, Redman said: "I believe the stories I saw had on-the-record quotations from our particular representative in those efforts. If you have particular questions they're easy to follow-up on."

Attachments: As Stated

EAP/P:WMagruder 



March 14, 1986

MEMORANDUM

TO : EAP - Dr. Sigur
FROM : EAP/P - Warren Magruder WM
SUBJECT: Noon Press Briefing
(Spokesman: Bernard Kalb)

PHILIPPINES

In reply to pertinent questioning, Kalb read the answers from the two attached guidances.

In reply to further questions, the Spokesman said he had nothing on any plans by the Marcoses to move out of US territory. Asked if they would be able to do so if they wished to, he replied: "The invitation from the President was that they could stay here as long as they desire; it certainly involves their decision if they want to leave." Asked if property claims have anything to do with it, Kalb said he wasn't a lawyer and didn't know.

Asked about wire reports that the US has interceded with Singapore in the Marcoses' behalf, Kalb said he had nothing on that. He also said he had no reply as to whether the USG is assisting the Marcos party "in its resettlement in terms of such things as daily life processes, getting the kids in school and that kind of stuff."

Attachments: As Stated

EAP/P:WMagruder WM



FILE

United States Department of State

Washington, D.C. 20520

March 12, 1986

MEMORANDUM

TO : EAP - Dr. Sigur
FROM : EAP/P - Dan Howard *WM*
SUBJECT: Noon Press Briefing
(Spokesman: Charles Redman)

PHILIPPINES

Asked for reaction to reports that documents exist which show Marcos' attempts "to try to achieve political influence within the Reagan Administration," Redman said he had no reaction. He replied that he had "answered that question yesterday," when asked reaction to Ople's charge that Marcos is continuing to meddle in internal Philippine affairs by telephoning from Hickam, "collect or whatever."

Questioned about the status of the inventory, Redman said it's still in the hands of Customs, "so I really can't say when or where it's going to surface. You'll have to see Customs. The only other thing I could address would be the question of access to the documents, which we'll be discussing in the context of the Salonga visit next week."

Asked about Salonga's schedule, Redman said he's expected to arrive here this weekend "to discuss with the USG possible inquiries into Marcos' holdings in the US. He will be meeting next week with State, Justice and other USG officials." In reply to a question, Redman said he didn't know if Salonga will be meeting in Honolulu with any USG officials.

The Spokesman replied: "stay tuned" when asked if there's anything new about Marcos leaving Hickam. He was asked if the US is going to discuss with Salonga possible USG inquiries into Marcos' holdings, or will he discuss with us possible inquiries that he's going to undertake? Redman said the latter is the case.

EAP/P:WMagruder *WM*

(DoJ) Greg Walden Dep. Assoc. Atty Gen.
 (State) Liz Verville 647-3146
 Pat Norton

ID # 414946 CU
CO125

**WHITE HOUSE
 CORRESPONDENCE TRACKING WORKSHEET**

- O - OUTGOING
 - H - INTERNAL
 - I - INCOMING
- Date Correspondence Received (YY/MM/DD) 1 1

NSC - Bob Pierson / Paul Thompson

Name of Correspondent: Rodney B. McDaniel

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Proposed DOJ Response to Senator Byrd on Marcos status.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>On Holl</u>	<u>ORIGINATOR</u>	<u>86105121</u>		<u>C</u>	<u>86105122</u>
	Referral Note:	<u>for PJW sig.</u>			
<u>CUAT2Y</u>	<u>D</u>	<u>86105121</u>		<u>C</u>	<u>86105122</u>
	Referral Note:				
<u>CUWall</u>	<u>S</u>	<u>86105122</u>		<u>C</u>	<u>86105122</u>
	Referral Note:	<u>May 22 86 PJW memo to Rodney McDaniel</u>			
	Referral Note:				
	Referral Note:				

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
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 Always return completed correspondence record to Central Files.
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THE WHITE HOUSE

WASHINGTON

May 22, 1986

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MEMORANDUM FOR RODNEY B. MCDANIEL
SPECIAL ASSISTANT TO THE PRESIDENT
AND SENIOR DIRECTOR
NATIONAL SECURITY COUNCIL

FROM: PETER J. WALLISON *PJW*
COUNSEL TO THE PRESIDENT

SUBJECT: Proposed DOJ Response to Senator Byrd on Marcos
Status

Counsel's office has reviewed the above-referenced Justice
letter and has no objections to its submission to Senator Byrd.

NSC 8604030

THE WHITE HOUSE

WASHINGTON

May 22, 1986

MEMORANDUM FOR PETER J. WALLISON

THROUGH: JAY B. STEPHENS

FROM: C. DEAN MCGRATH, JR.

SUBJECT: Proposed DOJ Response to Senator Byrd on Marcos Status

Noted. Jooks OK. JBS 5-22-86

WJMcgr



The National Security Council has requested our views on a proposed Justice response to Senator Byrd's questions concerning the legal status of former President Marcos. In general, Justice states that Mr. Marcos would be subject to U.S. law so long as he resides in the United States.

On the specific issue of whether Mr. Marcos could be required to testify in court or before Congress, Justice equivocates. They cite three current cases in which the specific issue of Mr. Marcos's immunity has been raised and indicate that it would be premature to set forth the U.S. position. I have verified that the State Department has no objections to the Justice response.

I have no objections to Justice's proposed response and have prepared the attached memorandum to Rodney McDaniel to reflect this conclusion.

Attachment

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

May 21, 1986

MEMORANDUM FOR PETER WALLISON

FROM:

RODNEY B. MCDANIEL *Bob*

SUBJECT:

Proposed DOJ Response to Senator Byrd on
Marcos Status

We would appreciate White House Counsel's review of the attached letter. Justice is apparently under great pressure from Senator Byrd to get the letter to him before the end of the week.

Attachment

1986 MAY 21 PM 4: 18

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

May 21, 1986

ACTION

MEMORANDUM FOR ROD MCDANIEL

FROM: DICK CHILDRESS 

SUBJECT: Proposed Justice Response to Senator Byrd

Justice is under great pressure from Senator Byrd for this letter before the end of the week. Senator Byrd is inquiring about the legal status of former President Marcos.

I believe the operative line of the letter for us is underlined on the last page, but the legal complexities evident are hardly in our ability to tackle.

I want to provide informal clearance to Justice, but solicit your view.

R
Ron Sable concurs.

RECOMMENDATION

That we provide informal clearance to Justice.

Approve WMP

Disapprove _____

Attachment

Tab A Unsigned Justice/Senator Byrd Letter dated 5/20/86

cc: R. Sable



U.S. Department of Justice

Office of Legislative and Intergovernmental Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

May 20, 1986

Honorable Robert C. Byrd
Office of the Democratic Leader
United States Senate
Washington, D.C. 20510

Dear Senator Byrd:

This letter responds to your letter to the Attorney General, received April 15, 1986, concerning the legal status of former President of the Philippines Ferdinand Marcos and members of his party who entered the United States in February. In responding to your inquiry, the Department has consulted with the State Department where appropriate.

For your convenience each answer follows the text of the question.

1. What conditions were set for Mr. Marcos's entry into the United States? Were any restrictions placed on his activities while he is in the United States? Were any restrictions placed on the activities of members of his family and associates who accompanied him?

Answer: Mr. Marcos and seventy-one members of his party were paroled into the United States under Section 212(d)(5) of the Immigration and Nationality Act. Twelve members of the party were admitted with B-1 and B-2 visitor visas for six-month periods ending August 26, 1986. Three diplomats were admitted with A visas. Three members of the party are United States citizens.

Sixty-eight members of the party have been given work authorization, and all children are required to attend school under state law in Hawaii. The fifteen members of the party who entered on valid visas have since had their passports revoked by the Government of the Philippines. Nine of the fifteen have requested and have been given voluntary departure status.

The grants of parole to the Marcos entourage were made under the public interest standard under Section 212(d)(5), and did not contain any conditions or restrictions.

2. Did the United States Government guarantee Mr. Marcos any immunity from prosecution in either criminal proceedings or matters related to his financial assets? Were any such guarantees made to members of his family or to his associates who accompanied him?

Answer: No. The President and other Administration officials have stated consistently and unequivocally that former President Marcos while residing in the United States is subject to our laws. See Weekly Compilation of Presidential Documents, Vol. 22, No. 5, at 404 (Mar. 22, 1986) (interview with New York Times).

3. Can Mr. Marcos be required to testify in court in any legal proceedings which may arise? If served with a judicial or congressional subpoena, can Mr. Marcos be required to appear and testify?

Answer: As a general matter in a civil or criminal investigation, aliens may be subpoenaed and required to testify on the same terms as U.S. citizens. The citizenship of the witness is not material. Rather, the test is whether the district court has personal jurisdiction over the witness so that it can enforce obedience to the subpoena. "So long as the court which must enforce the grand jury process can obtain personal jurisdiction of the summoned witness, the witness may not resist the summons on the sole ground that he is a non-resident alien." Matter of Marc Rich & Co., A.G. v. United States, 707 F.2d 663, 667 (2d Cir. 1983).

In the very limited number of decisions addressing the immunity of a head of state, the Supreme Court and several lower courts have recognized that a foreign head of state may not be compelled to appear in any judicial proceeding in this country to answer for acts undertaken in his own country concerning the discharge of his office. See, The Schooner Exchange v. McFaddon, 11 U.S. 74, 85-86, 90-91 (7 Cranch 116) (1812); Underhill v. Hernandez, 168 U.S. 250, 252 (1897). Where a court has found that the Executive Branch explicitly or implicitly opposes recognition of immunity, however, no immunity has been accorded. See, Republic of Mexico v. Hoffman, 324 U.S. 30 (1945); Jimenez v. Aristeguieta, 311 F.2d 547 (5th Cir. 1962) (immunity denied in habeas corpus action brought by former head of state to defeat Venezuelan extradition request supported by the United States).

There is a paucity of cases concerning the immunity of a former head of state. In only one case of which we are aware has this immunity been applied to former heads of state sued for official conduct. Hatch v. Baez, 7 Hun. 596, 598 (N.Y. App. 1876). Cf. Jimenez v. Aristeguieta, supra.

The precise application of these limited precedents to the status of former President Marcos must await a specific and concrete dispute. The issue of Mr. Marcos's immunity as former head of state has been raised in several lawsuits. See, e.g., Republic of the Philippines v. Marcos, No. 86-0155 (D. Hawaii) (filed Mar. 3, 1986) (motion to dismiss, inter alia, on basis of head-of-state immunity, filed April 9); Domingo v. Republic of the Philippines, No. C82-1055V (W.D. Wash.) (motion to quash subpoena of former President Marcos on ground of head-of-state immunity denied May 5, 1986 by magistrate in District of Hawaii); Republic of the Philippines v. Marcos, No. 86 Civ. 2294 (S.D.N.Y. filed Mar. 2, 1986) (in granting preliminary relief, district court rejected head of state immunity and act-of-state defense raised by other defendants on behalf of former President Marcos; district court held defendants did not have standing to assert any immunity Mr. Marcos might possess) (appeal pending before Second Circuit). The United States is a party only in the first case, and has not been asked in any case for its views by either the courts, Mr. Marcos, or the Government of the Philippines. Therefore, it would be premature to respond in any greater detail at this time. At such time as the United States is formally asked for its views in a particular case or controversy, the Department of Justice will consult with the Department of State and the United States will file an appropriate pleading in open court.

4. Can members of Mr. Marcos's family and other members of his entourage be required to testify in either judicial proceedings or congressional investigations?

Courts have applied a suggestion of head of state immunity to require dismissal of suits against immediate family members of a sitting head of state.

We are unaware of any decisions dealing with the application of head of state immunity to congressional subpoenas.

Please let me know if we may be of any further assistance.

Sincerely,

John R. Bolton
Assistant Attorney General

JM

National Security Council
The White House

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cc: VP Regan Buchanan Other _____

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KEYWORDS: PHILIPPINES

CONGRESSIONAL

BYRD, ROBERT C

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SUBJECT: SEN BYRD INQUIRING ABOUT LEGAL STATUS OF FORMER PRES MARCOS

ACTION: FOR DECISION

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