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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

417995

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CO125

June 3, 1986

FG011

FO

FG00672

MEMORANDUM FOR NICHOLAS PLATT
Executive Secretary
Department of State

SUBJECT; Secretary Shultz Draft Speech on the Philippines,

Jun 4, Foreign Policy Association

Enclosed are the NSC comments on the proposed speech by the Secretary of State on the Philippines.

Rodney B. McDaniel
Rodney B. McDaniel
Executive Secretary

Attachment
NSC Comments

NSC 8604359

Gearty Schultzy

^ DRAFT SPEECH ON THE PHILIPPINES

FOREIGN POLICY ASSOCIATION -- JUNE 4

*These changes
do - personalize
the speech a bit.*

*I believe this approach
is more
appropriate as*

I am pleased to have this opportunity to speak to you today about the Philippines, and to urge support for the new and *statesmanlike* comprehensive reforms being undertaken by the Aquino government.

Let me begin with a recent Presidential statement on the question of government's proper role in the economy:

"We have set specific objectives. The first, which is a promise I made repeatedly during my campaign, is to have less government in the economy... I believe that the restoration of a genuine private enterprise economy will foster competition, productivity, and efficiency...

Corollary to the attainment of this objective is the fulfillment of another promise I made during my campaign....to trim the government to an efficient and responsive size."

Those are free market sentiments which I heartily endorse. But the quotation was not, as you might have imagined, from a speech by President Reagan. Rather, it was President Corazon Aquino of the Philippines, speaking before the Asian Development Bank on April 30th.

The new Philippine Finance Minister, Jaime Ongpin, recently described his policy priorities:

"The principal thrust of our recovery efforts will be to motivate the private sector to resume its traditional role as the prime mover of the economy... Once we can restore a uniform set of rules and [an] even playing field for all those who wish to compete in the business arena, that spirit of enterprise will not only reawaken but should return with a vengeance."

As a Chicago economist, I could not have said it better.

These words -- which the new Philippine government is working energetically to translate into substantive deeds -- serve as an appropriate prelude to my basic message to you today: Now is the critical time for the United States to support the efforts of the Filipino people to achieve not only a revitalization of their democracy, but a rejuvenation of their economy as well. President Reagan and I are enthusiastic about the initiatives of the ^{current government} ~~Aquino administration~~ and we are determined ^{to support them.} ~~[that it be successful]~~

In pursuing its ambitious objectives, ^{the Philippine} ~~President Aquino's~~ government ^{must} surmount formidable obstacles, but ~~her~~ ^{they} ~~Administration~~ ^{have} already made an impressive start.

We intend to support ^{their efforts} ~~the~~ -- in part by encouraging the American business and financial communities to play an active role in this endeavor. In doing so, you will serve your own interests, those of the Filipino people, and the national interest of the United States as well.

The Importance of U.S.-Philippine Relations

The history of the Filipino people has been intimately intertwined with ours for nearly a century. The Philippines was our only colony, yet we sought to promote self-government and ceded it independence without a fight. We fought together as allies in World War II -- and ever since have maintained alliance relations. Broad ties of family and friendship link individuals and institutions in each country. In short, the Philippines is a nation in whose future Americans have a substantial stake.

What happens in the Philippines makes a difference for Americans. Our mutual defense arrangements are of critical strategic importance, not only for U.S. and Philippine security, but for peace and stability in the Asia-Pacific region as a whole. We are the leading trade partner and investor in the Philippines, a country blessed by a rich growth potential within a Pacific region already distinguished by dynamic economic advances.

The Republic of the Philippines is a key member of ASEAN, a regional association of nations of growing consequence for the United States.

But above all else, our two peoples have come to share fundamental values, including a strong commitment to democratic self-government. Americans can never be indifferent to the fate of a people whose values and aspirations so closely mirror our own.

This is why Americans were so inspired by the dramatic events in Manila last February. We witnessed a determined people bravely taking their destiny into their own hands. We saw them resolve a grave political crisis swiftly, peacefully and democratically. ~~[We shall not soon forget the scene of unarmed nuns turning back tanks with nothing more than their faith and courage. We shared the pride and exhilaration of the Filipino people as they reclaimed their rights and freedom, not the least because this moment of a people's triumph echoed so closely the spirit of our own history.]~~

~~[By returning democracy to their own country, the Filipino people also reclaimed their self-respect.]~~ In a world scarred by political repression and violence, Filipinos set an extraordinary example through their steadfast devotion to freedom, their commitment to self-reliance, and their desire for national reconciliation.

As President Reagan noted at the time:

"We've seen a stirring demonstration of what men and women committed to democratic ideas can achieve. The remarkable people of those 7,000 islands joined together with faith in the same principles on which America was founded -- that men and women have the right to freely choose their own destiny. Despite a flawed election, the Filipino people were understood. They carried their message peacefully, and they were heard across their country and across the world."

Next Steps in the Philippines

~~[Historians must judge at some later time former President Marcos' role in the development of his country. He made his positive contributions, not least by leaving without undue~~
Despite the peaceful transfer of power, the current government has
~~violence.] But those who have succeeded him in power have~~
inherited a legacy of daunting problems:

- a communist insurgency of serious dimensions;
- an economy distorted by inequities, declining growth rates and irrational government interference; and

was undermined by centralized control

-- a political system that ~~employed democratic forms to~~
AND corrupt practices.
~~mask the arbitrary exercise of power and devastating~~
~~corruption~~

a new

The advent of ~~President Aquino's~~ government could not, in
and of itself, eliminate or quickly resolve these problems.
But ^{the current} ~~her~~ government commands the domestic mandate and
international support that can enable her to find solutions.
Today in Manila, the popular enthusiasm apparent last February
is still evident, and there is wide recognition that the time
for hard and sustained work has also begun.

I visited Manila four weeks ago, following the Tokyo
Economic Summit. I had extensive discussions with President
Aquino and other Philippine leaders. I came away deeply
impressed by what I heard and saw. ^{President Aquino recognizes}
~~President Aquino is an~~
~~the challenges before her government and is determined to meet~~
~~individual of courage, intelligence, dedication and common~~
~~sense~~ ^{these} ~~These qualities were the trademark of her Presidential~~
~~campaign.~~

I was equally struck by the determination and competence
evident among members of her new government. They comprehend
the seriousness of the problems they have inherited. They have
displayed a readiness to get down to work. They recognize
that, while the U.S. and others can do much to help, the issues
they face are fundamentally Philippine problems requiring
Philippine solutions.

-- Politically, President Aquino's administration confronts the problem of revitalizing institutions and restoring public confidence in government. ^{They} ~~She~~ inherited a legislature, a court system, a civil service, and an electoral system bound ^{more} to the political leadership ^{than} ~~rather~~ ~~than being accountable to~~ the people. ^{The} ~~Her~~ government is implementing, step-by-step a program to rebuild these institutions. ^{They are} ~~She is~~ struggling to organize and staff a new administration which came to power suddenly, without benefit of the leisurely transition to which we are accustomed in the United States.

-- Militarily, the new government inherited a serious and growing Communist insurgency. This cruel conflict gained substantial momentum in recent years. It was fueled by declining respect for government, ineffectual local administration, pervasive corruption, unprofessional military leadership, and a depressed rural economy. The leaders of this insurgency are not rural reformers or developmental democrats; they are dedicated Communists with a track record of appalling brutality. They are resolved to change the basic character of Philippine society through armed struggle. Even with Mr. Marcos' departure, the New Peoples' Army has sustained its violent attacks in the countryside and its efforts in the cities to gain political control through front groups.

-- Economically, the new government assumed power facing a huge budget deficit, a network of inefficient private monopolies and public corporations, a private sector demoralized by political uncertainties and arbitrary government decisions, and an agricultural sector in deep recession. The growth rate was negative. The Philippines' per capita income declined in real terms at a time when that of other ASEAN countries was rising. There was low productivity, drastic capital flight, and little new investment. Interest alone on the total Philippine foreign debt of \$26 billion amounted to over 50 percent of annual export earnings. And all this despite the Philippines' historic economic record of high growth potential.

The eventual success of President Aquino's government will depend on its ability to address these issues. And the success or failure of the Filipinos in surmounting these problems will, in turn, have a profound effect on their neighbors and, ultimately, on the United States.

The Aquino Government: On the Right Track

I have recounted a formidable agenda of challenges for the new government in Manila. Yet it must be emphasized that the problems of the Philippines, however daunting, are soluble. They can be managed if three conditions are met:

- if the Aquino government adopts sound policies;
- if the United States and other nations and multilateral institutions supply strong and sustained support; and
- if the Philippine and international business communities respond positively.

The key factor, of course, will be the actions of President Aquino and her advisors. It is still early in her tenure, but already she has dispelled many initial uncertainties. ~~Her~~ The government is off and running hard, and it is headed in the right direction. Considering the situation inherited last February, they have done remarkably well. There are many reasons to be bullish.

First, ^{they have} ~~President Aquino has~~ moved with alacrity to rebuild the democratic institutions of government. ~~Her~~ ^{They} administration ^{ve} has taken important steps to crack down on corruption and protect individual rights. President Aquino enjoys enormous popular support. Filipinos perceive her government as honest, frugal, and hard-working. Since February, ~~her administration~~ ^{The Philippine government} ~~has~~ ^{has} done the following to begin to restore popular legitimacy and credibility to the central government:

-- It has set in place a provisional constitution protecting basic rights.

-- It has re-established an independent Supreme Court now composed of men and women of recognized integrity. All Presidential legislation will be subject to judicial review.

-- It has restored the right of habeas corpus.

-- It has removed constraints on the media and encouraged what has now become the liveliest free press in Southeast Asia.

-- It has appointed a Constitutional Drafting Commission with broad political representation that is already hard at work.

-- It has announced a plan and -- most importantly -- a timetable to return the country to fully constitutional government, with local and legislative elections projected for late in the year or early in 1987.

Second, the new Philippine government has begun to build an effective capability for dealing with the insurgency. The departure of former President Marcos has deprived the insurgency of its principal propaganda target.

Just as important, however, military reform promises to deal a significant blow to the effectiveness of the insurgents. The Philippine military -- now called the New Armed Forces of the Philippines -- is in the process of revitalization. They are returning to their traditional role as an apolitical professional force.

There is much to be done to enhance the security situation, but improvements are already apparent. New commanders with strong professional credentials are in place. The troops are being retrained and moved from the Manila area back to the countryside where they belong. There is renewed popular support for the military, who are seen as heroes because of their support for the choice of the people during the critical days of late February. General Ramos has established a distinguished panel to look into military wrong-doing. And conflicts between the military and the civilian population have apparently begun to subside.

The Aquino government is considering a ceasefire and amnesty plan to draw support away from the hard-core insurgents. This program is now being tested. At the same time, President Aquino has also made clear her readiness to use military force should the insurgency persist after the amnesty window has closed.

Last month, when she visited the countryside in Mindanao, she stressed: "Should the cease-fire be grossly violated by the insurgents, the government will embark on the contrary course of war from which there will be no return but victory."

The new government's economic policy is headed in the right direction. Despite its current problems, the Philippines has extraordinary economic potential and is abundantly endowed with natural and human resources. The basis for growth is there. It has a strong business community, ready to adapt to proper incentives. The work force is well-educated. The economic infrastructure is in place. The savings rate is high. Annual inflation is less than five percent. Interest rates have fallen by some four percent over the past two months. The peso is stable, with international reserves up from \$1.0 billion to \$1.6 billion since President Aquino took office. Internationally, the combination of lower oil prices and the resulting lower interest rates promise to benefit the Philippines economy significantly over coming months.

I had the benefit of meeting with some of ^{The}~~President~~
~~Aquino's~~ new financial team in Manila last month, including Finance Minister Jaime Ongpin; Jose Fernandez, the Governor of the Central Bank; and Jose Concepcion, the Minister of Trade and Industry. They are all successful businessmen and pragmatic believers in free enterprise and market forces.

~~They share the President's~~ ^{They believe a} sense of the balance ^{is} needed between short-term economic stimulus to overcome three years of steady contraction and the equally pressing requirement to unravel the mix of government and crony interventions, which had come to throttle the growth process.

Their timetable for economic recovery was laid out in the last week of May at a meeting in Tokyo of the Philippine Consultative Group, chaired by the World Bank. Finance Minister Ongpin took the initiative to explain President Aquino's growth-oriented economic strategy. In July, the Philippine government will present the details of IMF-related measures. By October, they will have ready specific proposals for comprehensive reforms in the context of a medium-term growth strategy. Minister Ongpin accorded top priority to:

- tax reform;
- business deregulation;
- trade liberalization;
- reducing and streamlining the activities of government financial institutions;

-- selling off a major portion of public sector corporate assets; and

-- dismantling the notorious crony monopolies in sugar, coconut and other basic commodities.

The multilateral assistance approach which the Aquino government is now seeking is very much in keeping with the proposals made by Treasury Secretary Baker on the Third World debt crisis at the World Bank/IMF meetings in Seoul last September. When we put forward that American initiative, I did not regard the Philippines as a leading candidate for such a program. The previous regime seemed unwilling or unable to implement serious economic reform.

Today we see a government in Manila that is committed to a market-oriented reform program -- and one that possesses the political support necessary to implement it. We anticipate that the groundwork will be laid by the end of this year for a new growth-oriented financial program for the Philippines. This should encompass new resources from the World Bank, the Asian Development Bank and bilateral donors, as well as more forthcoming approaches to financing the very large foreign debt inherited by the new government.

At times, we hear differing views among some members of the new Philippine government about economic issues. We usually do hear debate, and occasionally dissonance, in democratic governments; that is the sound of a democracy at work. The evolution of these policies under debate -- particularly those involving labor -- will continue to be of special concern to us, as well as to other potential foreign investors. But what has impressed me thus far has been the degree to which ~~the current government~~ ^{President Aquino} has spoken out in support of policies favoring free enterprise. ^{They have} ~~She~~ has made clear that future articulation of labor policy will be done through ^{the} ~~her~~ ^{of the President.} office. Putting an end to speculation about selective debt repudiation, ^{President Aquino} ~~she~~ stated: "If we did that, nobody would be willing to help us anymore... We have a word of honor and we still have to borrow." ^{This} ~~President Aquino's~~ ^{the government's} statements and actions are promising signs for the future.

The Role of United States Policy

American support is going to play a crucial role in helping the Filipino people overcome their current problems. We have an important stake in seeing that ^{the goals of the Philippine government succeed.} ~~President Aquino's government succeeds~~. Our commitment to democracy, our friendship for the Filipino people, and our strategic interests warrant a special effort at this time.

To that end, we have set for ourselves several immediate policy goals:

- to forge stronger links with the new generation of Filipino leaders;
- to maintain a continuing and close defense relationship with the Philippines;
- to support Filipino initiatives designed to enhance the effectiveness and professionalism of the Philippine Armed Forces; and
- to assist Philippine public and private sector efforts to restore economic prosperity to the country.

I will be holding further discussions on these objectives with President Aquino and other Philippine leaders when I return to Manila later this month to meet with my ASEAN colleagues.

As part of our efforts to broaden and reinforce our dialogue with the Philippines, we intend to initiate a much more active program of governmental and privately sponsored exchanges. In particular, we will be working to create new linkages between U.S. and Philippine universities through expanded student and faculty exchanges.

On the defense side, our base agreements remain firm -- contrary to some earlier speculation and press predictions. The importance of the U.S. facilities at Subic Bay and Clark Field for the security interests of both countries is clearly recognized by the new government. President Aquino has pledged to respect the existing military bases agreement, and to keep open her options for the future.

On the questions of military and economic assistance, we have sought to respond promptly to the critical short-term needs of the new Philippine government. In late April, President Reagan sent to the Congress a proposal for a substantially increased economic and security assistance package for FY 1986. This was specifically targetted to support President Aquino's programs for recovery and reform. This package, which includes a request for a \$150 million supplemental appropriation in the current fiscal year, would accelerate fund disbursements and ease the terms of ongoing assistance programs.

In total, we are seeking to make available about \$500 million in economic assistance and over \$100 million in military assistance. More than ninety percent of this would be on a grant basis so as not to aggravate the country's debt problem. And in doing so, we will seek to give direct and vigorous support to private sector development.

However substantial any American effort, ^{both the Philippine} ~~both President~~
~~Aquino's~~ government and we are convinced that it will have to
be supplemented by broader assistance within a multilateral
framework. When I was in Manila last month, I made a personal
commitment to President Aquino that the government of the
United States will play a leading role in putting together a
major package of financial assistance from free world sources.

At the same time, we recognize that if the export potential
to the United States is shut off for countries such as the
Philippines by protectionist pressures here at home, the
benefits of this financial assistance will be sharply reduced.
Today, I want to assure you once again of the President's
resolve to resist such protectionism and keep the United States
open to increased trade.

All of this is a measure of the trust which President
Reagan and I have in the new Administration in Manila. It
reflects our confidence that the government of President Aquino
has the talent and determination to deal with the tough
problems now facing the Philippines. In the economic field, it
is based on our assessment that the prospects for
self-sustaining, market-oriented growth over the medium term
are promising.

Let there be no mistake about the strength of our commitment to support and assist the Philippines during this crucial period. The President and I are determined to help ^{The Philippine} ~~President Aquino's~~ government make the most of this opportunity to overcome the nation's problems. As the President said last February: "Our hearts and hands are with President Aquino and her new government as they set out to meet the challenges ahead."

The Response of the American Private Sector

This leads me to the third element necessary for a Philippine recovery -- that of private sector initiative and the infusion of equity capital, both from within the Philippines and from overseas. The representatives of the American business and financial communities in our audience this afternoon have the potential to play an important role in this process.

Much of the initiative must come first from the Philippine's own private sector, including the large number of Filipinos with financial assets currently held abroad. I strongly agree with Finance Minister Ongpin, who said: "As a Filipino, I must tell you that if we ourselves are unwilling to put our money where our mouths are, we have no right to ask foreign governments and foreign investors to risk their money in developing our own economy."

For foreign companies considering investments in the Philippines, this issue -- the confidence of Filipinos as shown by the return of their assets -- is critical. The Aquino government should develop plans and programs to lure such capital back home.

We are beginning to see the first signs that the confidence of domestic investors in the Philippines is firming up. Capital flight -- which had become such a major problem during the last two years of President Marcos' administration -- appears to have ended. There is a sense that the Philippine economy has bottomed out from the recession that began in 1983; and projections are for a resumption of positive growth in the second half of this year.

An important element in the Philippine recovery is dealing with the massive foreign debts ~~accumulated under Mr. Marcos~~. The U.S. government is actively involved, through our Agency for International Development, in searching for creative solutions to the problem, including Philippine plans to support privatization of major companies, and ways to convert some of the Philippine debt into equity.

Thus far, the international business community -- while welcoming the change of government in Manila -- has adopted a cautious, wait-and-see attitude toward investment decisions.

If stability and development in the Philippines are to be attained, however, the American private sector must get off the dime and face investment opportunities. Real money and attractive real rates of return are involved.

As a former businessman, I know the calculus of potential risk and benefit that businessmen apply in making investment decisions. In the case of the Philippines, we have a country that traditionally has been one of our closest friends. It is a country in which American investment has done exceptionally well in the past. For the first time in a number of years, there is an administration in the Philippines with both the sound policies and the popular mandate necessary to attack the country's most substantial problems. That administration enjoys our strong confidence and support. It has positively impressed the international donor community.

In light of the Philippines' abundant human and natural resources, there is no reason why the Filipinos cannot now enjoy the same economic success achieved by many of their Asian neighbors. I believe that the American investors who come in early and for the long-haul will reap large benefits.

So now it should be very clear where I stand: I am bullish on the Philippines! That would have seemed an especially rash statement to make only a year ago.

But the manner in which the Filipino people and their new leaders have overcome nearly impossible odds to restore democracy within their country gives me good cause for optimism.

Americans were exhilarated last February over what the Filipino people had accomplished politically. I believe we should be equally excited about what the Filipinos are now trying to achieve in terms of stability and development: to restore a greater sense of democratic legitimacy to the governmental process; to bring an end to insurgent violence in the countryside; and to improve economic conditions for all Filipinos through steady, market-oriented growth.

For reasons of history, of friendship, and of our own self-interest, this is not a time for Americans to sit on the fence. We must give the Filipino people and their new government the support they need and deserve.

WASHFAX RECEIPT

THE WHITE HOUSE

C

UNCLASSIFIED

MESSAGE NO. _____ CLASSIFICATION _____ PAGES 23

FROM RODNEY B. MCDANIEL 456-2224
(NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION SECRETARY SHULTZ DRAFT SPEECH ON PHILIPPINES

NSC LOG# 4359

<u>TO (AGENCY)</u>	<u>DELIVER TO:</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
STATE	NICHOLAS PLATT	EXEC SEC	

REMARKS _____

URGENT

**National Security Council
The White House**

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Rodney McDaniel	_____	<u>M⁶⁻³</u>	_____
Don Fortier	_____	_____	_____
Paul Thompson	<u>2</u>	_____	_____
Florence Gantt	_____	<u>J</u>	<u>A</u>
John Poindexter	<u>3</u>	_____	<u>A</u>
Rodney McDaniel	<u>4</u>	_____	<u>A</u>
NSC Secretariat	<u>6</u>	_____	<u>D</u>
Situation Room	<u>5</u>	<u>BA</u>	<u>LDX</u>

I = Information	A = Action	R = Retain	D = Dispatch	N = No further Action
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cc: VP Regan Buchanan Other _____

COMMENTS

Should be seen by: _____

(Date/Time)

As requested - from childers

Send these comments to State.

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NSC/S PROFILE

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RECEIVED 03 JUN 86 19

TO

PLATT, N

FROM MCDANIEL

DOCDATE 03 JUN 86

KEYWORDS: PHILIPPINES

SHULTZ, G

SUBJECT: CHANGES IN SEC SHULTZ SPEECH RE PHILIPPINES

ACTION: MCDANIEL SGD MEMO

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DISPATCH _____ W/ATTCH FILE _____ (C)

THE WHITE HOUSE
WASHINGTON

April 29, 1986

MEMORANDUM FOR JAMES C. MILLER

FROM: Christopher Hicks

SUBJECT: Marcos Costs

Attached is the NSC memorandum we discussed. In my view, which agency should bear these costs is not properly a White House decision, and to my knowledge, has not been in the past. I would hope this could be worked out on an interagency level with technical guidance from OMB.

Attachment

/cc: Rodney McDaniel

NSC #8603454

3454
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FG006-12

RECEIVED 30 APR 86 07

TO

MCDANIEL

FROM HICKS, C

DOCDATE 29 APR 86

KEYWORDS: PHILIPPINES

SUBJECT: MARCOS COSTS

ACTION: NO ACTION REQUIRED

DUE:

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June 25, 1986

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RS

Dear Dan:

Thank you for your letter and also enclosing a copy of the report recently issued by the House Armed Services Readiness Subcommittee entitled "Investigation of the Cost Involved in Moving Former President Marcos and His Party from Manila to Hawaii".

Your comments are most appreciated. They will be given every consideration and shared with the appropriate persons here.

With best wishes,

Sincerely,



Donald T. Regan
Chief of Staff to the
President of the United States

The Honorable Dan Daniel
Chairman
Readiness Subcommittee
House of Representatives
Washington, D.C. 20515

DTR/CN/ech (6DTR)

✓ cc w/incoming to NSC

DAN DANIEL
5TH DISTRICT, VIRGINIA

ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON READINESS,
CHAIRMAN

MORALE, WELFARE AND
RECREATION PANEL, CHAIRMAN

**PERMANENT SELECT COMMITTEE
ON INTELLIGENCE**

SUBCOMMITTEE ON PROGRAM
AND BUDGET AUTHORIZATION



Congress of the United States
House of Representatives
Washington, DC 20515

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ADMINISTRATIVE ASSISTANT
W. FRED FLETCHER

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103 SOUTH MAIN STREET
FARMVILLE, VA 23901
TELEPHONE: (804) 392-8331

June 13, 1986

Honorable Donald T. Regan
Chief of Staff
The White House
1600 Pennsylvania Avenue, N. W.
Washington, D. C. 20500

Dear Don:

The House Armed Services Readiness Subcommittee, which I chair, recently issued a report entitled "Investigation of the Cost Involved in Moving Former President Marcos and His Party from Manila to Hawaii".

The report shows that the cost of moving former President Marcos and his party, and their five-week stay at Hickam Air Force Base cost \$858,000. Security valued at \$407,604 provided by military personnel is included in that figure. Of the total amount, \$207,000 was paid for convenience and the purchase of personal items for Marcos' party.

To encourage President Marcos to peacefully step aside, President Reagan offered Marcos, his family and associates safety, medical care and transportation to any location in the world he desired. President Reagan did not offer housing, meals, clothing and other personal conveniences that comprise the \$207,000.

State Department officials advised us that it has been the general practice that when the head of our government invited a foreign head of state or dignitary who was housed in Blair House, our government paid normal expenses for their stay. Personal expenses were collected from the embassy of the country from which the visitor came (an option not available in this instance). When guests were required to stay at commercial hotels, a somewhat similar policy was followed, but again, the visitor was expected to pay personal and related expenses.

June 13, 1986

Page 2

The subcommittee does not believe these costs should be paid by U.S. taxpayers. The report recommended that the Secretary of Defense and the Secretary of State, working jointly, make every effort to recover from former President Marcos \$207,000 in costs for personal and convenience items acquired by members of his party. State Department officials have advised the subcommittee that the decision on whether former President Marcos will be required to reimburse the U.S. government for these costs has been submitted to the White House.

Members of the Committee feel strongly that these funds should be recovered. Please keep me advised of developments.

A copy of the subcommittee report is enclosed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dan".

Dan Daniel
Chairman
Readiness Subcommittee

DD:jwc

Enclosure

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

CO 125

CO 070

FG006-12

April 22, 1986

INFORMATION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: JAMES A. KELLY *JK*SUBJECT: Suggested Response on Indonesia Question

The attached is forwarded as requested.

not available
Dick Childress, Jim Rentschler *SR* and Karna *K* Small concur.

Attachment:

Tab A Q&A

NSC # 8603253

U.S. POLICY TOWARD THE PHILIPPINES AND INDONESIA

Q: Isn't there inconsistency between U.S. policy toward the Philippines and U.S. acceptance of the Soeharto Government in Indonesia?

A: The Philippines and the Republic of Indonesia are two countries which are quite different. The Indonesian Government has broad support among its people. Its management of its economy -- particularly recently as declining oil revenues were experienced -- has been very skillful. There is no insurgency at all comparable to the Philippines, and the Army is professional and was recently streamlined with many high-ranking jobs eliminated. Our policy is not monolithic, it encourages democratic change in ways that respect countries' traditions and political realities.

H.S.W.

National Security Council
The White House

86 APR 24 20
PI2: 13

System # _____
Package # 3253
DOCLOG H.S.W. A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	<u>1</u>	<u>P</u>	<u>A</u>
Rodney McDaniel	_____	_____	_____
Don Fortier	_____	_____	_____
Paul Thompson	_____	_____	_____
Florence Gantt	_____	_____	_____
John Poindexter	_____	_____	_____
Rodney McDaniel	_____	_____	_____
NSC Secretariat	<u>2</u>	_____	<u>N</u>
Situation Room	_____	_____	_____

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Regan Buchanan Other _____

COMMENTS

Should be seen by: _____
(Date/Time)

RECEIVED 23 APR 86 23

TO POINDEXTER

FROM KELLY

DOCDATE 22 APR 86

KEYWORDS: INDONESIA

SUBJECT: SUGGESTED RESPONSE ON INDONESIA QUESTION

ACTION: FOR INFORMATION

DUE:

STATUS C

FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

POINDEXTER

COMMENTS

REF#

LOG

NSCIFIED

(DR KL)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C 4/25 De Funtle O'Brien

KE

SPATCH

W/ATTCH FILE

KLC

United States Department of State

Washington, D.C. 20520

1999



March 12, 1986

419691

1140

00125

FG006-12

MEMORANDUM FOR VADM JOHN M. POINDEXTER
THE WHITE HOUSESubject: Public Affairs Activities on Philippine Elections

Attached is a listing of speaking platforms and media activities including television, press and direct-line telephone interviews with editorial writers and briefings for the written press on the Philippine elections for the period January 13-March 3.

From January 24-February 5, direct-line editorial backgrounders were arranged with papers from 18 of the top 35 national media markets. Among the leading newspapers reached were the New York Times, Christian Science Monitor and USA Today (an in-person briefing by a Department official with members of the editorial board). In addition, briefings were conducted in the Department for representatives of non-governmental organizations on January 23 and February 20.

Nicholas Platt
for Nicholas Platt
Executive Secretary

Attachment:

Speaking Platforms, Media Events and
Editorial Direct Line Backgrounders.

NSC# 8601999

SPEAKING PLATFORM AND MEDIA ACTIVITIES
ON THE
PHILIPPINE ELECTIONS

Media Organization and Interviewer

BRIEFING OFFICER AND PA LIAISON

January 13

MacNeil/Lehrer
WETA-TV, PBS

Paul Wolfowitz, EAP

NBC "Today Show"

Paul Wolfowitz, EAP

CBS Nightwatch

Paul Wolfowitz, EAP

January 19

CBS "Face the Nation"
Lesley Stahl

Under Secretary Armacost
Joyce Nichols, PA/PP

February 10

USIA WORLDNET
Washington, D.C.

Paul Wolfowitz, EAP

February 25

CBS Special

Under Secretary Armacost

MacNeil/Lehrer

Paul Wolfowitz, EAP

CBS Nightwatch

Paul Wolfowitz, EAP

February 26

NBC Today

Under Secretary Armacost

CBS Morning News

Under Secretary Armacost

February 27

NBC Today

Secretary Shultz

Interviews and Briefings

February 3

Business Week
Boyd France

Under Secretary Armacost
Joyce Nichols, PA/PP

USA Today
Members of Editorial Board

Frazier Meade, EAP/PHL
David Cardwell, PA/PP

February 25

White House Press Conference

Secretary Shultz

Washington Press Backgrounder

Under Secretary Armacost

February 28

Time Magazine Photo Opportunity

Under Secretary Armacost

Speaking Platforms

January 23

Washington NGO Representatives

John Finney, EAP

January 28

Pacific/Asian Congress of Municipalities
Honolulu, HI

William Piez, EAP
Monica Janzer, PA/PP

February 3

Wilson Center
Washington, D.C.

Under Secretary Armacost

February 19

U.S.-Asia Institute
Washington, D.C.

Paul Wolfowitz, EAP

Pacific Basin Economic Council
Washington, D.C.

Under Secretary Armacost

February 20

Council on Foreign Relations
New York, New York

Under Secretary Armacost
Joyce Nichols, PA/PP

Washington NGO Representatives

John Finney, EAP

February 21

World Affairs Council
St. Louis, MO

John Monjo, EAP
Nancy Stone, PA/PP

March 3

Veterans of Foreign Wars
Washington, D.C.

Secretary Shultz

March 3

Foreign Press Center of the
United States Information Agency
Washington, D.C.

Under Secretary Armacost

EDITORIAL BACKGROUNDEERS ON THE PHILIPPINE ELECTIONS

Editorial Boards and Interviewers

January 24

Detroit (MI) News

Roger Kaplan
Editorial Writer

Philadelphia (PA) Inquirer

Trudy Rubin, Editorial Writer

Boston Globe (MA)

Randolph Ryan, Editorial Writer

Christian Science Monitor, Washington, DC

Peter Greer, Editorial Writer

Baltimore (MD) Sun

Joe Sterne, Editorial Page Editor

Salt Lake City (UT) Tribune

Jim Wells, Editorial Writer

January 25

New York Times (Washington, DC)

Joel Brinkley, Editorial Writer

January 27

Detroit (MI) Free Press

Betty DeRamus, Editorial Writer

January 28

Deseret News (Salt Lake City, UT)

Hiram McDonald

January 29

Dallas (TX) Morning News

Bill Murchison, Editorial Writer

Pittsburgh (PA) Press

Isadore Shrensky, Editorial Writer
(with 2-3 additional reporters)

Virginia (Norfolk) Pilot-Star Ledger

Glen Scott, Editorial Writer

Pittsburgh (PA) Post-Gazette

Reg Henry, Editorial Writer

Briefing Officer and PA Liaison

Dan Howard (EAP/PA)

Marjorie Weisskohl, PA/PP

Dan Howard (EAP/PA)

Marjorie Weisskohl, PA/PP

Robert Rich, EAP/PHL

Connie Dunaway, PA/PP

Dan Howard (EAP/PA)

Connie Dunaway, PA/PP

Dan Howard (EAP/PA)

Marjorie Weisskohl, PA/PP

Robert G. Rich, EAP/PHL

Eileen McCormick, PA/PP

John Maisto, EAP/PHL

Connie Dunaway, PA/PP

John Taylor, INR/EAP

Marjorie Weisskohl, PA/PP

Robert G. Rich, EAP/PHL

Eileen McCormick, PA/PP

Frazier Meade, EAP/PHL

Michael Guignard

Frazier Meade, EAP/PHL

Frank Finver, PA/PP

Dan Howard, EAP/PA

Frank Finver, PA/PP

John J. Taylor, INR/EAP

Frank Finver, PA/PP

January 30

St. Paul (MN) Pioneer Press
Ron Clark, Editorial Page Editor

John J. Taylor, INR/EAP
Nancy Stone, PA/PP

Cincinnati (OH) Post
Claudia Winkler, Editorial Writer

John J. Taylor, INR/EAP
Marjorie Weisskohl, PA/PP

January 31

Houston (TX) Chronicle
Larry Gage, Editorial Writer

John J. Taylor, INR/EAP
Michael Guignard, PA/PP

Louisville Courier Journal (KY)
Burt Emke, Editorial Writer

Frazier Meade, EAP/PHL
Marjorie Weisskohl, PA/PP

February 5

Charlotte Observer
Carol Dykers, Jerry Shinn
Editorial Writers

Frazier Meade, EAP/PHL
Jo Collinge, PA/PP

NSC/S PROFILE

UNCLASSIFIED

ID 8601999

RECEIVED 13 MAR 86 08

TO POINDEXTER FROM PLATT, N

DOCDATE 12 MAR 86

KEYWORDS: PHILIPPINES

MEDIA

SUBJECT: PUBLIC AFFAIRS ACTIVITIES RE PHILIPPINE ELECTIONS

ACTION: FOR RECORD PURPOSES

DUE:

STATUS C FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

CHILDRESS

SIGUR

RODMAN

SMALL

PEARSON

MCDANIEL

COMMENTS

REF# 8607967

LOG

NSCIFID

(LF LF)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

DISPATCH _____ W/ATTCH FILE _____ (C)

~~CONFIDENTIAL~~

5026

C.F.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

7/30/10

419955

CD125

FGD11

FGD006-12

~~CONFIDENTIAL~~

July 7, 1986

ACTION

MEMORANDUM FOR RODNEY B. MCDANIEL

FROM:

Jan
JAMES A. KELLY

SUBJECT:

Message From President Reagan to President
Aquino

The State Department has proposed two presidential documents in response to the abortive governmental takeover of July 6-7. The first ~~(crosshatch 9153)~~ is a personal message from President Reagan to President Aquino. The second is a proposed Presidential statement (#5026).

Recommend the NSC concur in the proposed personal message. It is important to U.S.-Philippine relations that uniform U.S. government support to the new government be apparent. Some senior Filipinos still claim to perceive a difference in policy -- which does not exist -- from the State Department and the White House. Therefore, the proposed message can be particularly valuable.

I do not recommend that the proposed Presidential Statement ~~(#5026)~~ be used. Other statements have been made, on July 6 and 7, by Presidential spokesmen, and this would appear redundant.

PWR

Speechwriters concur. Peter Rodman clears.

RECOMMENDATION:

approve the proposed message
That you ~~sign the McDaniel/Chew memo~~ at Tab *A*.

Approve *47-8*

Disapprove _____

No file

Attachments:

Tab I ~~McDaniel memo to Chew~~

Tab A Proposed Message

~~CONFIDENTIAL~~

Declassify: OADR

NSC 8605026

~~CONFIDENTIAL~~

DEAR MADAME PRESIDENT:

THE SOBER AND PEACEFUL APPROACH YOU HAVE TAKEN TO DEAL WITH
THE POLITICAL INCIDENT THAT TOOK PLACE IN MANILA THIS
WEEKEND IS GREATLY ADMIRER. ~~BY YOUR MANY FRIENDS IN THE~~
~~UNITED STATES.~~ ONCE AGAIN YOUR LEADERSHIP HAS SHOWN THE
WORLD THE METTLE OF YOUR GOVERNMENT AND THE DEGREE OF
SUPPORT IT ENJOYS AMONG YOUR PEOPLE. ~~3~~

~~YOU HAVE OUR BEST WISHES AND OUR PRAYERS.~~ I LOOK FORWARD TO
MEETING WITH YOU IN WASHINGTON IN SEPTEMBER.

SINCERELY,

HER EXCELLENCY

CORAZON AQUINO

PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

MANILA

URGENT

P1.40

B

S/S #

URGENT

89 JUL 7 P 2: 43

004153

MESSAGE NO. _____ CLASSIFICATION LIMITED OFFICIAL USE No. Pages 2
FROM: KENNETH M. QUINN S/S 78448 7224
(Officer name) (Office symbol) (Extension) (Room number)

MESSAGE DESCRIPTION TELEGRAM TO MANILA: Message from President Reagan
to President Aquino

TO: (Agency) NSC DELIVER TO: ROBERT PEARSON Extension 456-6534 Room No. _____

NSC

EXECUTIVE SECRETARY

Kelly - SEE PKg. 5026

McDaniel

✓ Rodman clears DAK PKg 5026

FOR: CLEARANCE ☒ INFORMATION ☐ PER REQUEST ☐ COMMENT ☐

REMARKS: URGENTLY PLEASE CLEAR BY: ASAP TODAY, JULY 7.

S/S Officer: KD

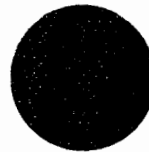
CROSSHATCH

RETURN TIME-STAMPED COVERSHEET TO S/S.

URGENT

P1.40

B



S/S #

URGENT

89 JUL 7 P2:43

004153

MESSAGE NO. _____ CLASSIFICATION ~~LIMITED OFFICIAL~~ ^{USE} ~~NO~~ ^{TELETYPE} ~~ROOM~~ ^{SITUATION ROOM} No. Pages 2
FROM: KENNETH M. QUINN S/S 78448 7224
(Officer name) (Office symbol) (Extension) (Room number)

MESSAGE DESCRIPTION: TELEGRAM TO MANILA: Message from President Reagan
to President Aquino

TO (Agency)	DELIVER TO:	Extension	Room No.
NSC	ROBERT PEARSON	456-6534	
NSC	EXECUTIVE SECRETARY		
	<i>Kelly</i>		
	<i>McDaniel</i>		

FOR: CLEARANCE ☒ INFORMATION ☐ PER REQUEST ☐ COMMENT ☐

REMARKS: ^{URGENTLY} PLEASE CLEAR BY: ASAP TODAY, JULY 7.

S/S Officer: *KD*

CROSSHATCH *SL Mont*

RETURN TIME-STAMPED COVERSHEET TO S/S.



S/S 8620783
United States Department of State
Washington, D.C. 20520 5026

July 7, 1986

UNCLASSIFIED

MEMORANDUM FOR VADM JOHN M. POINDEXTER
THE WHITE HOUSE

SUBJECT: Presidential Statement Regarding Attempted
Takeover in the Philippines

A suggested Presidential statement concerning the attempted takeover of the Government of President Aquino in the Philippines by forces loyal to former President Marcos July 6-7 is attached.

for Kenneth M. Platt
Nicholas Platt
Executive Secretary

UNCLASSIFIED

DRAFT PRESIDENTIAL STATEMENT ON THE PHILIPPINE SITUATION

The United States strongly endorses the ongoing efforts of President Aquino and her government to achieve a peaceful resolution of the political incident that took place in Manila this weekend.

President Reagan reiterates the support of the United States for President Aquino and at the same time deplores activities from whatever source which are aimed at sowing dissension within the Philippine body politic.

July 7, 1986

DRAFTED:EAP/PHL:JFinney
0092Z 7/7/86 X72970

CLEARED:EAP/PHL:JMaisto
EAP:GSigur
EAP:JMonjo
P:DKenney

URGENT

NATIONAL SECURITY COUNCIL
EXECUTIVE SECRETARIAT STAFFING DOCUMENT

TIME STAMP

86 JUL 7 0 11: 29

SYSTEM LOG NUMBER: 5026

IMMEDIATE

ACTION OFFICER: KELLY

DUE: TODAY

☐ Prepare Memo For President

☐ Prepare Memo McDaniel to Chew

☐ Prepare Memo For Poindexter / Fortier

☒ Prepare Memo McDaniel to Elliott

☐ Prepare Memo _____

to _____

CONCURRENCES/COMMENTS*

PHONE* to action officer at ext.

6173

FYI

☐ Brooks
☐ Burghardt
☐ Cannistraro
☐ Childress
☐ Cobb
☐ Danzansky
☐ deGraffenreid
☐ Djerejian
☐ Dobriansky
☐ Donley
☐ Douglass
☐ Farrar
☐ Grimes
☐ Hanley
☐ Kelly
☐ Kraemer

FYI

☐ Laux
☐ Lenczowski
☐ Levine
☐ Linhard
☐ Mahley
☐ Major
☐ Mandel
☐ Matlock
☐ May
☐ North
☐ Perry
☐ Platt
☐ Pugliaresi
☐ Raymond
☐ Reger
☐ Ringdahl

FYI

☐ Ross
☐ Sable
☐ Sachs
☐ Sestanovich
☒ Small
☐ Sommer
☐ Soos
☐ Stark
☐ Steiner
☐ St Martin
☐ Tahir-Kheli
☐ Teicher
☐ Thompson
☐ Tillman
☐ _____
☐ _____

INFORMATION ☐ McDaniel

☒ Pearson

☒ Secretariat

☒ Rodman

☐ _____

☐ _____

☐ Poindexter (advance)

☐ Fortier (advance)

COMMENTS

Return to Secretariat

**National Security Council
The White House**

86 JUL 7

P 5: 33

System # _____

Package # 5026

DOCLOG OM A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	<u>1/3</u>	<u>P</u>	<u>A</u>
Rodney McDaniel	_____	_____	_____
Don Fortier	_____	_____	_____
Paul Thompson	<u>2</u>	<u>✓</u>	_____
Florence Gantt	<u>3</u>	_____	_____
John Poindexter	<u>4</u>	<u>✓</u>	<u>A</u>
Rodney McDaniel	<u>5</u>	<u>m</u>	<u>I</u>
NSC Secretariat	<u>6</u>	_____	<u>R</u>
Situation Room	_____	_____	_____

I = Information

A = Action

R = Retain

D = Dispatch

N = No further Action

cc: VP Regan Buchanan Other _____

COMMENTS

Should be seen by: ASAP
(Date/Time)

Please do in smooth for Jmp to
show to President at 0930 on 7/8.

done

Changes passed
to State -
Cable will be
dispatched
7/8
10:00 CB

NSC/S PROFILE

UNCLASSIFIED

ID 8605026

RECEIVED 07 JUL 86 14

TO

POINDEXTER

FROM PLATT, N

DOCDATE 07 JUL 86

KELLY

07 JUL 86

KEYWORDS: PHILIPPINES

PUBLIC STATEMENTS

SUBJECT: PRES STATEMENT RE ATTEMPTED TAKEOVER IN PHILIPPINES

ACTION: MEMO MCDANIEL TO ELLIOTT

DUE: 10 JUL 86 STATUS X

FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

KELLY

SMALL

RODMAN

PEARSON

COMMENTS

REF# 8620783

LOG

NSCIFID

(HW)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C 7/8

MCDANIEL APPROVED RECOM

JAK-RBM

- 7/8

DISPATCHED BY STATE CABLE

DISPATCH

W/ATTCH FILE

(C) 27

Ronald Reagan Presidential Library
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This is the end of a PDF of a folder from our textual collections.

Collection: WHORM Subject Files
Folder Title: CO 125 (Philippines) 415000-419999
Box: 152

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National Archives Catalogue: <https://catalog.archives.gov/>