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File Folder CO125 (PHILIPPINES) (560000-574999)

FOIA

S10-306

Box Number 152

SYSTEMATIC

935

ID Doc Type	Document Description	No of Pages	Doc Date	Restrictions
95576 LETTER	NAKASONE TO REAGAN	1	3/5/1988	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
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- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

THE WHITE HOUSE
WASHINGTON

56155355
C0125
JK

DATE: June 16, 1988

NOTE FOR: KEN DUBERSTEIN
COLIN POWELL
PHILLIP BRADY

The President has

seen

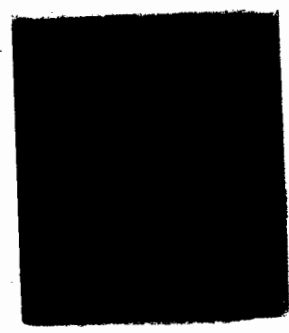
acted upon

commented upon

the attached; and it is forwarded to you for your:

information

action



Rhett Dawson
(x-2702)

cc: Senator Baker
Original to files

Ferdinand Marcos - Proposed Indictment

The President has seen ~~06/16/88~~ 06/16/88

THE WHITE HOUSE

WASHINGTON

June 16, 1988

ACTION/INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: KENNETH M. DUBERSTEIN *K. D.*
DEPUTY CHIEF OF STAFF

FROM: PHILLIP D. BRADY *PD*
DEPUTY COUNSEL TO THE PRESIDENT

SUBJECT: Ferdinand Marcos -- Proposed Indictment

- I. BACKGROUND: The United States Attorney for the Southern District of New York (Rudolph Giuliani) has proposed to the Justice Department that Ferdinand and Imelda Marcos be indicted for certain acts committed in the Philippines and later in the United States. Generally, the indictment would focus on the Marcoses' use of money allegedly acquired by bribes, kickbacks, extortions and thefts in the Philippines to purchase property in New York City. The press has reported that such an indictment has been recommended and that it is currently being considered by the Justice Department. See, e.g., Washington Times, "Marcos Racketeering Indictment Drafted," copy attached at Tab A.

The Criminal Division at Justice has been meeting with the National Security Council Staff, the State Department, the Defense Department, the Central Intelligence Agency, the Defense Intelligence Agency, and the National Security Agency to identify and evaluate possible weaknesses in the case, intelligence concerns, and general foreign policy considerations. A formal interagency meeting will also be convened to discuss these matters. Once this process has been completed, it is currently contemplated that any recommendation to proceed with an indictment will be presented to you for approval. If such a recommendation is forthcoming, it could occur in early July.

II. ACTION: President Marcos has written you, through his attorneys and Ken Duberstein, and asked that you not let the indictment occur. A copy of this correspondence is attached at Tab B.

III. RECOMMENDATION: In our view it would be premature for you to act on this matter or respond to Marcos at this time.

IV. DECISION:

RR Approve _____ Disapprove

Attachments

cc: Colin L. Powell

Marcos racketeering indictment drafted

By Michael Hedges
THE WASHINGTON TIMES

U.S. Attorney Rudolph W. Giuliani in New York has sent a "first draft" of a proposed indictment of former Philippine President Ferdinand E. Marcos to the Justice Department for approval, according to a federal law-enforcement official.

Mr. Giuliani is seeking to prosecute the exiled leader on racketeering charges, said the official, who asked not to be identified.

But the proposed indictment "needs some work" and will prob-

ably not be issued any time soon, the official said.

The indictment would charge Mr. Marcos with illegally acquiring hundreds of millions of dollars' worth of New York real estate, jewelry and art objects with Philippine government money, the official said.

The tentative document alleges Mr. Marcos fraudulently attempted to transfer ownership of the property to Saudi billionaire Adnan Khashoggi.

Additional information about the indictment was not available.

Leone Tan, an aide to Mr. Marcos

in Honolulu, declined to comment on the allegations. He referred comments to the former president's Washington attorney Richard A. Hibey.

Mr. Hibey could not be reached yesterday.

Reports of the grand jury investigation into Mr. Marcos' profligate spending in New York have surfaced repeatedly in recent months.

The New York investigation reportedly has focused on the purchase by Mr. Marcos of four Manhattan office buildings, worth an estimated third of a billion dollars, in 1986.

The buildings were bought for Mr. Marcos by New York real estate agents through foreign corporations in the British Virgin Islands, Pan-

see **MARCOS**, page A8

MARCOS

From page A1

ama and the Netherland Antilles to shield him from New York tax laws, according to the congressional testimony of one agent.

The Philippine government has filed statements charging that Mr. Marcos used government money to buy the property and conspired to portray Mr. Khashoggi as the owner.

In a separate civil suit, the government of Philippine President Corazon Aquino is attempting to recover the property, claiming it is

rightfully owned by the Filipino people.

The Philippine lawsuit claims the money used to purchase the property was originally drawn from a Philippine bank controlled by Marcos associate Roberto S. Benedicto, then transferred to a California bank, then to a Swiss bank, then to New York.

In that suit, filed in California, the Philippine government claims Mr. Benedicto and Mr. Marcos violated several federal laws, committing mail and wire fraud and interstate transportation of stolen property.

The New York grand jury also has reportedly heard testimony about the notorious spending sprees of

Imelda Marcos in New York.

It was not clear whether those expenditures would result in charges, federal law enforcement officials said yesterday.

The Marcoses were deposed in February 1986 in the wake of a political uprising that followed an election which was widely perceived to have been rigged by Marcos forces.

Mr. Marcos is 70, and there have been reports that his health has been failing. But Philippine officials have maintained that it is important to pursue criminal and civil actions against the couple in the hopes of eventually retrieving part of the vast fortune they are alleged to have looted from the nation's treasury.

B

ANDERSON, HIBEY, NAUHEIM & BLAIR

1708 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20009

(202) 483-1900

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
ATTORNEYS DIRECT DIAL NUMBER

TELEX: 248929
AHNB UR
TELECOPIER: (202) 483-7462

June 15, 1988

BY HAND

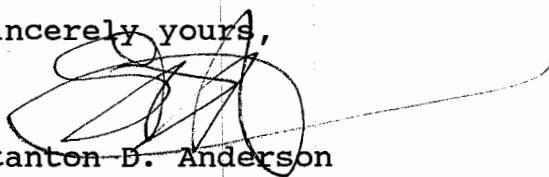
The Honorable Kenneth M. Duberstein
Chief of Staff
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Ken:

Enclosed is a personal letter from my client, Ferdinand Marcos, addressed to the President. Enclosed also is a xerox copy of the Marcos letter so you can be aware of the content.

President Marcos is anxious for the President to personally review this letter, which under the circumstances seems entirely appropriate.

Sincerely yours,


Stanton B. Anderson

SDA/rmr
Enclosure

FERDINAND E. MARCOS

9 June, 1988

The President
The White House
Washington, D.C.

Dear Mr. President:

My lawyers have advised me that federal prosecutors in New York intend imminently to indict Imelda and me for federal crimes they said we committed both when we were in the Philippines and after we were brought to the United States.

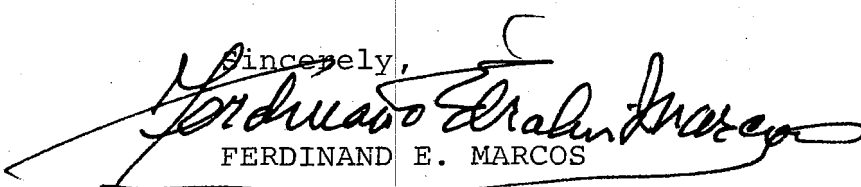
I fear that the desire of some government officials to take this action against us very quickly might impair serious consideration of policy issues that will be affected by our indictment. The broad spectrum of these issues have been spelled out by my attorneys who have sent a memorandum of key reasons why we should not be indicted to some of your top aides in the White House, including your Chief of Staff and National Security Advisor. I have read their submission which identifies policy concerns impacting various departments and agencies of the United States, that arise out of the indictment. In addition, my lawyers have offered an analysis of certain legal issues regarding evidence the prosecutors said they have about us since we came to the United States at your invitation. The memorandum also talks about both Imelda's and my health and the effect of an indictment on us.

I expect that eventually the decision whether to charge my wife and me in an American court with criminal conduct will be for you to take. I hope you will see fit not to let this happen. My disputes are with the Philippines. I hope you understand that it is with my country and its government that our differences can be resolved. Indeed, we have been about the business of exploring settlement of our differences for sometime. That effort is continuing.

Imelda and I are grateful to you for the hospitality you extended to us more than two years ago. As the years have passed, our life in the United States has been safe, thanks to you, but our hearts are heavy with the burden of exile and separation from our homeland and our loved ones. We pray that once more you will be merciful to us.

God bless you.

Sincerely,


FERDINAND E. MARCOS

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

00125

INCOMING

DATE RECEIVED: MAY 03, 1988

NAME OF CORRESPONDENT: MR. VICTOR A. NEPOMUCENO

SUBJECT: REQUESTS THE UNITED STATES SET UP A MARSHALL
PLAN-TYPE OF SCHEME TO REHABILITATE THE
ECONOMY OF THE PHILIPPINES WHICH WAS BADLY
DEVASTATED UNDER PAST DICTATORSHIP

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
DEPARTMENT OF STATE		RAR ORG	88/05/03	TR		/ /
REFERRAL NOTE:			/ /			A 881051 06
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W/S

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: _____

MI MAIL USER CODES: (A) _____ (B) _____ (C) _____

- ```

*ACTION CODES: *DISPOSITION *OUTGOING *
* * *CORRESPONDENCE: *
*A-APPROPRIATE ACTION *A-ANSWERED *TYPE RESP=INITIALS *
*C-COMMENT/RECOM *B-NON-SPEC-REFERRAL * OF SIGNER *
*D-DRAFT RESPONSE *C-COMPLETED * CODE = A *
*F-FURNISH FACT SHEET *S-SUSPENDED *COMPLETED = DATE OF *
I-INFO COPY/NO ACT NEC * OUTGOING *
*R-DIRECT REPLY W/COPY * * *
*S-FOR-SIGNATURE * * *
*X-INTERIM REPLY * * *

```

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

DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT  
TRANSMITTAL FORM

S/S 8814449

Date May 9, 1988

**FOR:** Mr. Paul Schott Stevens  
Executive Secretary  
National Security Council  
The White House

**REFERENCE:**

**To:** President Reagan  
**From:** Mr. Victor A. Nepomuceno  
**Date:** April 19, 1988  
**Subject:** Marshall Plan type Scheme

**WH Referral Dated:** May 5, 1988  
**NSC ID# (if any):** 568166

       The attached item was sent directly to the  
Department of State.

**ACTION TAKEN:**

- A draft reply is attached.  
       A draft reply will be forwarded.  
       A translation is attached.  
  x   An information copy of a direct reply is attached.  
       We believe no response is necessary for the reason  
cited below.  
       The Department of State has no objection to the  
proposed travel.  
       Other (see remarks).

**REMARKS:**

*Mary A. Haines*  
Director  
Secretariat Staff



United States Department of State

Washington, D.C. 20520

May 6, 1988

Mr. Victor A. Nepomuceno  
Executive Assistant  
Philippine Veterans Legion  
Legion Home Building, PVAO Compound  
Arroceros Street  
Manila, Philippine 2801

Dear Mr. Nepomuceno:

I am responding on behalf of the President to your letter of April 19 outlining a proposal for increased U.S. economic assistance to the Philippines.

We welcome your expression of interest in a proposed new multi-year multilateral assistance program for the Philippines. High-level discussion of such a plan comes in the wake of more than \$1 billion in U.S. assistance over the past three years alone. The U.S. Government is exploring ways to coordinate its expanded assistance program with friends and allies already active in providing generous levels of assistance to the Philippines. Despite severe budgetary constraints, the U.S. Government remains committed to doing all it can to help fund any new assistance initiative. We believe, however, that it would be inappropriate to tie that multilateral effort to the distinct bilateral defense interests served by a continued U.S. military presence in the Philippines.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles B. Salmon, Jr.", written in a cursive style.

Charles B. Salmon, Jr.  
Director, Office of Philippine Affairs  
Bureau for East Asian and Pacific  
Affairs

8814449

T H E   W H I T E   H O U S E   O F F I C E

REFERRAL

MAY 5, 1988

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DESCRIPTION OF INCOMING:

ID: 568166

MEDIA: LETTER, DATED APRIL 19, 1988

TO: PRESIDENT REAGAN

FROM: MR. VICTOR A. NEPOMUCENO  
EXECUTIVE ASSISTANT  
NATIONAL COMMANDER  
PHILIPPINE VETERANS LEGION  
LEGION HOME BUILDING, PVAO COMPOUND  
ARROCEROS STREET  
MANILA PHILIPPINE 2801

SUBJECT: REQUESTS THE UNITED STATES SET UP A MARSHALL  
PLAN-TYPE OF SCHEME TO REHABILITATE THE  
ECONOMY OF THE PHILIPPINES WHICH WAS BADLY  
DEVASTATED UNDER PAST DICTATORSHIP

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

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE  
(OR DRAFT) TO:  
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE, 20500

SALLY KELLEY  
DIRECTOR OF AGENCY LIAISON  
PRESIDENTIAL CORRESPONDENCE



MEMBER  
WORLD VETERANS FEDERATION



NATIONAL HEADQUARTERS  
**PHILIPPINE VETERANS LEGION**

LEGION HOME BLDG., PVAO COMPOUND  
ARROCEROS ST., MANILA 2801



568166  
8814449

CHARTER MEMBER  
VETERANS FEDERATION OF THE PHILIPPINES

19 April 1988

**ADVISER:**  
GENERAL FIDEL V. RAMOS  
Chief of Staff  
Armed Forces of the Philippines

**NATIONAL DIRECTORATE:**

ANGEL S. SUAREZ  
National Commander

VICTOR NEPOMOCENO  
Exec. Asst.-Nat'l. Comdr.

LIM SO YAK  
Exec. Vice Nat'l Comdr.  
for Foreign Affairs

BENITO YAO  
Exec. Vice Nat'l Comdr.  
for Domestic Affairs

RAMON BK CHUA  
Vice National Commander

**DEPUTY NATIONAL COMMANDERS:**

HOROSI S. AGUILING  
For Luzon

JUAN A. ALIGA  
For Visayas

FELIPE M. FETALVERO  
For Mindanao

**NATIONAL DIRECTORS:**

**FOR LUZON:**  
JULIO D. ROBLE  
ANTONIO J. VILLANUEVA  
OSIAS J. MAGALLANES

**FOR VISAYAS:**

FELIX G. DELA PEÑA  
BENITO Z. MALLARI  
MARCIANO L. LOPEZ

**FOR MINDANAO:**

TITO M. CEASAR  
AVELINO N. MARTIN  
FRANCISCO C. THOMAS

ALICIA P. LOGARTA  
National President - PVLA

**NATIONAL OFFICERS:**

PRISCO A. AFOS, SR.  
National Adjutant

JUANITA B. VALDRIZ  
National Treasurer

JULIO D. ROBLE  
National Auditor

MARCIANO L. LOPEZ  
National Inspector

CASIANO D. VILLANUEVA  
National Judge Advocate

PEDRO B. OFFEMARIA  
National PRO

DOMINADOR P. MUSNI  
National Historian

TIMOTEO B. GARCIA  
National Chaplain

GUZMAN P. ALOUEZA  
National Service Officer  
ROGELIO A. CRISTOBAL  
Asst. Nat'l. Judge Advocate

SANTIAGO LIM  
Spl. Adviser to NC

LIM YAN  
Spl. Adviser to NC  
Mindanao

MEDINA SL PORTUGAL  
Chairperson, Ways & Means

RICARDO A. SARTE  
OIC Son of Veterans

His Excellency, RONALD REAGAN  
President of the United States

Sirs:

We appreciate very much the proposal advanced by some distinguished members of the Congress of the United States to set up a Marshall Plan-type of scheme to rehabilitate the economy of the Philippines which was badly devastated under the past dictatorship.

However, we cannot avoid the misgivings about the feasibility of the scheme, if this is to be conducted under the auspices of your country's government, given the economic shortcomings that the United States is beset with itself at this time. There is your public debt which has now come up to the staggering amount of 2.37 trillion Dollars, and your foreign debt which has now risen to 424.2 billion Dollars. With such tremendous financial burden it would certainly be too much to expect your country to still spare the money, which should be substantial, to finance the proposed rehabilitation of the Philippine economy.

Instead of that scheme then we suggest that Your Excellency consider a package of measures which we believe can bring about the recovery of the Philippine economy and lead it to a take-off stage at a faster pace than that proposed scheme. This package can be included among your government's concessions for the renewal or extension of the RP-US Military Bases Agreement (MBA) which we fully endorse including the bases' provision with nuclear weaponry. Negotiations on the fate of the MBA are currently being conducted here in Manila.

These recommended concessions are:

1. Payment of the backpay and/or salary differentials of all the Filipino soldiers and guerillas who fought side by side with the Americans during the last world war. Many of our soldiers have not yet received these compensations up to this time although this was committed to them more than forty years ago yet;

2. Transfer from Japan to the Philippines, preferably to Clark Air Force Base, the location and operation of the (United States) Army and Air Force Exchange Service and its procurement and distribution of supplies in the Philippines;



MEMBER  
WORLD VETERANS FEDERATION



NATIONAL HEADQUARTERS  
**PHILIPPINE VETERANS LEGION**

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CHARTER MEMBER  
VETERANS FEDERATION OF THE PHILIPPINES

**ADVISER:**  
GENERAL FIDEL V. RAMOS  
Chief of Staff  
Armed Forces of the Philippines

His Excellency, RONALD REAGAN  
19 April 1988  
Page 2

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MEDINA SL. PORTUGAL  
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RICARDO A. SARTE  
OIC Son of Veterans

3. Imposition of a levy of \$2.00 per barrel of crude oil delivered by any country by way of the trade routes or sea lanes that are covered by the protective umbrella of the air and naval forces of Clark Air Force Base and the Subic Naval Base. Any country that refuses to submit this levy should be subjected to an economic embargo or, at the least, should not be allowed to use the route;

4. Adoption of the Caribbean Basin initiative for the Philippines under which Philippine products can enter the American market duty-free;

5. Dispensing with the visa requirement and permit to work for Filipino World War II veterans and their immediate dependents who desire to reside permanently in the United States.

6. Availment of the services and facilities of US military base hospitals to all Filipino WW II veterans and their dependents;

7. Grant of food stamps for all Filipino WW II veterans and their dependents, such stamps to be negotiable in US Post Exchanges anywhere in the Philippines and the United States; and

8. Annual grant of 100,000 tons of corn to Filipino WW II veterans to be sold locally and the proceeds to be used to finance housing facilities for indigent Filipino veterans and their families.

We are convinced, Mr. President and Gentlemen of the Congress, that if these concessions are granted we, the Filipino people, would be able to rehabilitate our shattered economy ourselves without any further assistance from whatsoever external source, and in the process preserve and strengthen democracy in our part of the world as well as achieve the economic freedom of our people.

With out best wishes for your continued success in your governance of the great American nation, we are

Very respectfully yours,

*[Signature]*  
VICTOR A. NEPOMUCENO - Exec. Asst.-Nat'l Comdr.  
Philippine Veterans Legion

cc: His Excellency, Nicholas Platt  
U.S. Ambassador to the Philippines



DFA of his travel abroad and to request briefing materials to prepare him for his assignment.

Since Yap has said his was

agreement should have been studied fully." The Vietnamese embassy declined to comment on the validity of the agreement but

was reached in July 1970 between Asean members and Vietnam, through then Deputy Foreign Minister Phan Hien.

so at the moment, they explained.

US embassy sources have said the US would oppose

tion for the US bases were the only talking points that the US had identified for the review, in contrast to at least

tion of "crisis measures" and new provisions on "trespass prosecutions." He did not elaborate.

non-Government organizations to help make the work much easier and the solution of problems, faster.

April 13, 1988

Her Excellency, **CORAZON C. AQUINO**

President of the Philippines  
Malacanang, Manila

Your Excellency:

With the end in view of getting additional support to your government's economic recovery program, and of dealing with the local communist insurgency more forcefully, we urge the severance of our country's diplomatic ties with the People's Republic of China (PROC) and the restoration of our recognition and diplomatic relations with the Nationalist Republic of China or Taiwan as soon as possible, subject to certain conditions.

Your Excellency, this proposal stems from the perception now obtaining among our people that the PROC has continued supporting the communist insurgents in our country which largely explains the rapid growth in their number. This is outright subversion of our government by the Communist Chinese who, therefore, can by no means be considered friends of our people. On the other hand, Taiwan has remained cordial to us all through the years and has in the course of time become, one of our important trading partners and investors.

The conditions that we suggest to impose upon Taiwan in return for the resumption of the old ties of friendship are:

- 1) financial assistance to the campaign against insurgency in the Philippines;
- 2) cash payment for the entire cost of the Comprehensive Agrarian Reform Program (CARP);
- 3) construction of a four-lane coastal highway from Infanta, Aurora, to Port Irene, Cagayan;
- 4) construction of a four-lane highway from Sta. Rita, Pampanga, to Aparri, Cagayan;
- 5) construction of circumferential roads in Basilan, Sulu, and Tawi Tawi;
- 6) construction of a port complex in Casiguran, Aurora; and
- 7) availment of fresh capital for the development of basic industries in the country.

At the same time, Filipino veterans would like also to have Japan:

- 1) pay lump sum indemnities and lifetime pensions thereafter for Filipino prisoners of war (POW) during the last World War; and
- 2) provide hospitals for Filipino WW II veterans in the different regions of the country which cannot be serviced by the Veterans Memorial

Medical Center or the US military hospitals at Clark Air Force Base and Subic Naval Base.

Finally, we also suggest that should Your Excellency decide to terminate the RP-US Military Bases Agreement (MBA), Subic and Olongapo City be converted into a free port and financial center exactly like Hong Kong. This suggestion is, in fact, inspired by the idea to replace Hong Kong after 1997 when this is taken over by the PROC. By 1992 we could already invite the British operators of that colony to start relocating all its economic enterprises and activities to Subic and Olongapo City, and extend to these operators the authority to set up and administer the metropolis subject to the supervision and sovereignty of the government of the Philippines. All taxes and imposts that the British now collect in Hong Kong shall also be collected in the Subic-Olongapo complex and remitted to the Philippine government.

We believe, Your Excellency, that if these proposals are translated into realities, we can achieve a great measure of economic progress for our people even as we shall have effectively addressed as well the insurgency problem.

In the event, however, that Your Excellency decide to renew the MBA, then let's request the Americans to set up also some backup bases in Sanga Sanga in Tawi-tawi, Long Point in Palawan, and Infanta, Aurora. These back-up bases should not only provide immediate protection for us in those sections of the country where we think we are very vulnerable but also contribute to the improvement of economic conditions in those constituencies at least.

In conclusion, we fervently hope to the Almighty that our fellow countrymen who have gone in contention against the duly established authority, such as the misguided elements in our soldiery, the Moro National Liberation Front, the New People's Army, the so called "Marcos Loyalists," and others, would soon see the light, reconcile themselves with the imperatives of the time, and give peace a chance to reign once more in our benighted land.

Reiterating our abiding faith and undiminished confidence in your leadership, we remain, Your Excellency,

Very sincerely yours,

(Sgd.) **VICTOR A. NEPOMUCENO**  
*Philippine Veterans Legion*

## OPEN LETTERS TO PRES. AQUINO & PRES. REAGAN

April 13, 1988

His Excellency, **RONALD REAGAN**  
President of the United States of America

— and —

The Honorable Members  
Congress of the United States

Sirs:

We appreciate very much the proposal advanced by some distinguished members of the Congress of the United States to set up a Marshall Plan-type of scheme to rehabilitate the economy of the Philippines which was badly devastated under the past dictatorship.

However, we cannot avoid the misgivings about the feasibility of the scheme, if this is to be conducted under the auspices of your country's government, given the economic shortcomings that the United States is beset with itself at this time. There is your public debt which has now come up to the staggering amount of 2.37 trillion dollars, and your foreign debt which has now risen to 424.2 billion dollars. With such tremendous financial burden it would certainly be too much to expect your country to still spare the money, which should be substantial, to finance the proposed rehabilitation of the Philippine economy.

Instead of that scheme then we suggest that Your Excellency consider a package of measures which we believe can bring about the recovery of the Philippine economy and lead it to a take-off stage at a faster pace than that proposed scheme. This package can be included among your government's concessions for the renewal or extension of the RP-US Military Bases Agreement (MBA) which we fully endorse including the bases' provision with nuclear weaponry. Negotiations on the fate of the MBA are currently being conducted here in Manila.

These recommended concessions are:

1. Payment of the backpay and/or salary differentials of all the Filipino soldiers and guerrillas who fought side by side with the Americans during the last world war. Many of our soldiers have not yet received these compensations up to this time although this was committed to them more than forty years ago yet;

2. Transfer from Japan to the Philippines, preferably to Clark Air Force Base, the location and operation of the (United States) Army and Air Force Exchange Service and its procurement and distribution of supplies in the Philippines;

3. Imposition of a levy of \$2.00 per barrel of crude oil delivered by any country by way of the trade routes of sea lanes that are covered by the protective umbrella of the air and naval forces of Clark Air Force Base and the Subic Naval Base. Any country that refuses to submit to this levy should be subjected to an economic embargo or, at the least, should not be allowed to use the route;

4. Adoption of the Caribbean Basin initiative for the Philippines under which Philippine products can enter the American market duty-free;

5. Dispensing with the visa requirement and permit to work for Filipino World War II veterans and their immediate dependents who desire to reside permanently in the United States;

6. Availment of the services and facilities of US military base hospitals to all Filipino WW II veterans and their dependents;

7. Grant of food stamps for all Filipino WW II veterans and their dependents, such stamps to be negotiable in US Post Exchanges anywhere in the Philippines and the United States; and

8. Annual grant of 100,000 tons of corn to Filipino WW II veterans to be sold locally and the proceeds to be used to finance housing facilities for indigent Filipino veterans and their families.

We are convinced, Mr. President and Gentlemen of the Congress, that if these concessions are granted we, the Filipino people, would be able to rehabilitate our shattered economy ourselves without any further assistance from whatsoever external source, and in the process preserve and strengthen democracy in our part of the world as well as achieve the economic freedom of our people.

With our best wishes for your continued success in your governance of the great American nation, we are

Very respectfully yours,

(Sgd.) **VICTOR A. NEPOMUCENO**  
*Philippine Veterans Legion*

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