APPENDICES

Appendix I

Military Bases Agreement, March 14, 1947

Article I: Grant of Bases

1. The Government of the Republic of the Philippines (hereinafter referred to as the Philippines) grants to the Government of the United States of America (hereinafter referred to as the United States) the right to retain the use of the bases in the Philippines listed in Annex A attached hereto.

2. The Philippines agrees to permit the United States, upon notice to the Philippines, to use such of those bases listed in Annex B as the United States determines to be required by military necessity.

3. The Philippines agrees to enter into negotiations with the United States at the latter's request, to permit the United States to expand such bases, to exchange such bases for other bases, to acquire additional bases, or relinquish rights to bases, as any of such exigencies may be required by military necessity.

Article II: Mutual Cooperation

1. It is mutually agreed that the armed forces of the Philippines may serve on United States bases and that the armed forces of the United States may serve on Philippine military establishments whenever such conditions appear beneficial as mutually determined by the armed forces of both countries.

Article III: Description of Rights

1. It is mutually agreed that the United States shall have the rights, power and authority within the bases which are necessary for the establishment, use, operation and defense thereof or appropriate for the control thereof and all the rights, power and authority within the limits of
territorial waters and air space adjacent to, or in the vicinity of, the bases which are necessary to provide access to them, or appropriate for their control.

2. Such rights, power and authority shall include, inter alia, the right, power and authority:

(a) to construct (including dredging and filling), operate, maintain, utilize, occupy, garrison and control the bases;

(b) to improve and deepen the harbors, channels, entrances and anchorages, and to construct or maintain necessary roads and bridges affording access to the bases;

(c) to control (including the right to prohibit) in so far as may be required for the efficient operation and safety of the bases, and within the limits of military necessity, anchorages; moorings, landings, takeoffs, movements and operation of ships and waterborne craft, craft and other vehicles on water, in the air or on land comprising or in the vicinity of the bases;

(d) the right to acquire, as may be agreed between the two Governments, such rights of way, and to construct thereon, as may be required for military purpose, wire and radio communications facilities, including submarine and subterranean cables, pipeline and spur tracks from railroads to bases, and the right, as may be agreed upon between the two Governments to construct the necessary facilities;

(e) to construct, install, maintain, and employ on any base any type of facilities, weapons, substance, device, vessel or vehicle on or under the ground, in the air or on or under the water that may be requisite or appropriate, including meteorological systems, aerial and water navigation lights, radio and radar apparatus and electronic devices of any desired power, type of emission and frequency.

Article VI: Maneuver and Other Areas

The United States shall, subject to previous agreement with the Philippines, have the right to use land and coastal sea
areas of appropriate size and location for periodic maneuvers, for additional staging areas, bombing and gunnery ranges, and for such intermediate airfields as may be required for safe and efficient air operations. Operations in such areas shall be carried on with due regard and safeguards for the public safety.

**Article XIII: Jurisdiction**

1. The Philippines consents that the United States shall have the right to exercise jurisdiction over the following offenses:

   (a) Any offense committed by any person within any base; except where the offender and the offended parties are both Philippine citizens, not members of the Armed Forces of the United States on active duty or the offense is against the security of the Philippines, and the offender is a Philippine citizen;

   (b) Any offense committed outside the bases by any member of the Armed Forces of the United States in which the offended party is also a member of the Armed forces of the United States; and

   (c) Any offense committed outside the bases by any member of the Armed Forces of the United States against the security of the United States.

2. The Philippines shall have the right to exercise jurisdiction over all other offenses committed outside the bases by any member of the Armed Forces of the United States. Notwithstanding the foregoing provisions, it is mutually agreed that in time of war the United States shall have the right to exercise exclusive jurisdiction over any offenses which may be committed by the members of the Armed Forces of the United States in the Philippines.

**Article XXIV: Mineral Resources**

All minerals (including oil), and antiquities and all rights relating thereto and to treasure trove, under, upon, or connected with the land and water comprised in the bases or otherwise used or occupied by the United States by virtue of this Agreement, are reserved to the Government and inhabitants of the Philippines; but no rights so reserved shall be transferred to third parties, or exercised within
the bases, without the consent of the United States. The United States shall negotiate with the proper Philippine authorities for the quarrying of rock and gravel necessary for construction on the bases.

Article XXV: Grant of Bases to a Third Power

1. The Philippines agrees that it shall not grant, without prior consent of the United States, any bases or any rights, power, or authority whatsoever, in or relating to bases, to any third power.

2. It is further agreed that the United States shall not, without the consent of the Philippines, assign, or underlet, or part with the possession of the whole or any part of any base, or of any right, power or authority granted by this Agreement, to any third power.

Article XXVII: Voluntary Enlistment of Philippine Citizens

It is mutually agreed that the United States shall have the right to recruit citizens of the Philippines for voluntary enlistment into the United States Armed Forces for a fixed term of years, and to train them and to exercise the same degree of control and discipline over them as is exercised in the case of other members of the United States Armed Forces. The number of such enlistments to be accepted by the Armed Forces of the United States may from time to time be limited by agreement between the two Governments.

Article XXIX: Term of Agreement

The present Agreement shall enter into force upon its acceptance by the two Governments and shall remain in force for a period of ninety-nine years subject to extension thereafter as agreed by the two Governments.

Annex “A”

Clark Field Airbase, Pampanga
Fort Stotsenberg, Pampanga
Mariveles Military Reservation, POL Terminal & Training Areas, Bataan
Camp John Hay Leave and Recreation Centre, Baguio
Army Communications System with the deletion of all stations in the Port of Manila Area.
U.S.AF Cemetery No.2, San Francisco, Delmonte, Rizal
Angeles General Depot, Pampanga
Leyte-Samar Naval Base including shore installations and air bases
Subic Bay, No. West Shore Naval Base Zambales Province and the existing naval reservation at Olongapo and the existing Baguio naval reservation
Tawi Tawi Naval Anchorage and small adjacent land areas
Canacao-Sangley Point Navy Base, Cavite Province
Bagobantay Transmitter Area, Quezon City, and associated radio receiving and control sites, Manila Area
Tarumipitao Point (Loran Master Transmitter Station) (Palawan)
Talampulan Island, C.G. #354 (Loran) (Palawan)
Naule Point (Loran Station) (Zambales)
Castillejos, C.G. #356 (Zambales)

Annex "B"

Mactan Island Army and Navy Airbase
Florida Blanca Airbase, Pampanga
Aircraft Service Warning Net
Camp Wallace, San Fernando, La Union
Puerta Princesa Army and Navy Air Base including Navy Section Base and Air Warning Sites, Palawan
Tawi Tawi Naval Base, Sulu Archipelago
Aparri Naval Air Base.

Appendix 2

PROCLAMATION NO. 1081
DECLARING A STATE OF MARTIAL LAW IN THE PHILIPPINES

WHEREAS, on the basis of carefully evaluated and verified information, it is definitely established that lawless elements who are moved by a common or similar ideological conviction, design, strategy and goal and enjoying the active moral and material support of a foreign power and being guided and directed by intensely devoted, well trained, determined and ruthless groups of men and seeking refuge under the protection of our constitutional liberties to promote and attain their ends, have entered into a conspiracy and have in fact joined and banded their resources and forces together for the prime purpose of, and in fact they have been and are actually staging, undertaking and waging an armed insurrection and rebellion against the Government of the Republic of the Philippines in order to forcibly seize political and state power in this country, overthrow the duly constituted Government, and supplant our existing political, social, economic and legal order with the entirely new one whose form of government, whose system of laws, whose conception of God and religion whose nation of individual rights and family relations, whose political, social, economic, legal and moral precepts are based on the Marxist-Leninist-Maoist teaching and beliefs;

WHEREAS, these lawless elements, acting in concert through seemingly innocent and harmless, although actually destructive, front organization which have been infiltrated or deliberately formed by them, have continuously and systematically strengthened and broadened their memberships through sustained and careful recruiting and enlistment of new adherents from among our peasantry, laborers, professionals, intellectuals, students, and mass media personnel, and through such sustained and careful recruitment and enlistment have succeeded in spreading and expanding their control and influence over almost every segment and level of our society throughout the land in their ceaseless effort to erode and weaken the political, social, economic, legal and moral foundations of our
existing Government, and to influence, manipulate and move peasant, labor, student and terroristic organization under their influence or control to commit, as in fact they have committed and still are committing, acts of violence, depredations, sabotage and injuries against our duly constituted authorities, against the members of our law enforcement agencies, and worst of all, against the peaceful members of our society;

WHEREAS, in the fanatical pursuit of their conspiracy and widespread acts of violence, depredations, sabotage and injuries against our people, and in order to provide the essential instrument to direct and carry out their criminal design and unlawful activities, and to achieve their ultimate sinister objectives, these lawless elements have in fact organized, established and are now maintaining a Central Committee, composed of young and dedicated radical students and intellectuals, which is charged with guiding and directing the armed struggle and propaganda assaults against our duly constituted Government, and this Central Committee is now imposing its will and asserting its sham authority on certain segments of our population, especially in the rural areas, through varied means of subterfuge, deceit, coercion, threats, intimidation, machinations, treachery, violence and other modes of terror, and has been and in illegally exacting financial and other forms of tributes from our people to raise funds and material resources to support its insurrectionary and propaganda activities against our duly constituted Government and against our peace-loving people;

WHEREAS, in order to carry out, as in fact they have carried out, their premeditated plan to stage, undertake and wage a full scale armed insurrection and rebellion in this country, these lawless elements have organized, established and are now maintaining a well-trained, well-armed and highly indoctrinated and greatly expanded insurrectionary force, popularly known as the "New People's Army," which has since vigorously pursued and still is vigorously pursuing a relentless and ruthless armed struggle against our duly constituted Government and whose unmitigated forays, raids, ambushes, assaults and reign of terror and acts of lawlessness in the rural areas and in our urban centers brought about the treacherous and cold-blooded assassination of innocent civilians, military personnel of the Government and local public officials in many parts of our country, notably, in the Cagayan Valley, in Central Luzon, in the Southern Tagalog Region, in the Bicol Area, in the Visayas
and in Mindanao, and whose daring and wanton guerrilla activities have generated and sown fear and panic among our people, have created a climate of chaos and disorder, produced a state of political, social, psychological and economic instability in our land, and have inflicted great suffering and irreparable injury to persons and property in our society;

WHEREAS, these lawless elements, their cadres, fellowtravelers, friends, sympathizers and supporters have for many years up to the present time been mounting sustained, massive and destructive propaganda assaults against our duly constituted Government its instrumentalities, agencies and officials, and also against our social, political, economic and religious institutions, through the publications, broadcasts and disseminations of deliberately slanted and overly exaggerated news stories and news commentaries as well as false, vile, foul and scurrilous statements, utterances, writings and pictures through the press-radio-television media and through leaflets, college campus newspapers and some newspapers published and still being published by these lawless elements, notably the "Ang Bayan," "Pulang Bandila" and the "Ang Komunista," all of which are clearly well-conceived, intended and calculated to malign and discredit our duly constituted Government, its instrumentalities, agencies and officials before our people, making it appear to the people that our Government has become so weak and so impotent to perform and discharge its functions and responsibilities in our society and to our people, and thus undermine and destroy the faith and loyalty and allegiance of our people in and alienate their support for their duly constituted Government, its instrumentalities, agencies and officials, and thereby gradually erode and weaken as in fact they had so eroded and weakened the will of our people to sustain and defend our Government and our democratic way of life;

WHEREAS, these lawless elements having taken up arms against our duly constituted Government and against our people, and having committed and are still committing acts of armed insurrection and rebellion consisting of armed raids, forays, sorties, ambushes, wanton acts of murders, spoilage, plunder, looting, arsons, destruction of public and private buildings, and attacks against innocent and defenseless civilian lives and property, all of which activities have seriously endangered and continue to endanger public order and safety and the security of the nation, and acting with cunning and manifest precision and
deliberation and without regard to the health, safety and well-being of the people, are now implementing their plan to cause widespread, massive and systematic destruction and paralysis of vital public utilities and services, particularly water systems, sources of electrical power, communication and transportation facilities, to the great detriment, suffering, injury and prejudice of our people and the nation and to generate a deep panic among our people;

WHEREAS, the Supreme Court in the cases brought before it, docketed as G.R. Nos. L-33964, L-33965, L-33973, L-33982, L-34004, L-34013, L-34039, L-34265, and L-34339, as a consequence of the suspension of the privilege of the writ of habeas corpus by me as President of the Philippines in my Proclamation No. 869, dated August 21, 1971, as amended, has found that in truth and in fact there exists an actual insurrection and rebellion in the country by a sizeable group of men who have publicly risen in arms to overthrow the Government. Here is what the Supreme Court said in its decision promulgated on December 11, 1971:

"xxx our jurisprudence attests abundantly to the Communist activities in the Philippines, especially in Manila, from the late twenties to the early thirties, then aimed principally at incitement to sedition or rebellion, as the immediate objective. Upon the establishment of the Commonwealth of the Philippines, the movement seemed to have waned notably; but, the outbreak of World War II in the Pacific and the miseries, the devastation and havoc, and the proliferation of unlicensed firearms concomitant with the military occupation of the Philippines and its subsequent liberation, brought about, in the late forties, a resurgence of the Communist threat, with such vigor as to be able to organize and operate in Central Luzon an army — called HUKBALAHAP, during the occupation, and renamed Hukbong Mapagpalayang Bayan (HMB) after liberation — which clashed several times with the armed Forces of the Republic. This prompted then President Quirino to issue Proclamation No.210 dated October 22, 1950, suspending the privilege of the writ of habeas corpus the validity of which was upheld in Montenegro v. Castaneda. Days before the promulgation of said Proclamation, or on October 18, 1950, members of the Communist Politburo in the Philippines were apprehended in Manila. Subsequently accused and convicted of the crime of rebellion, they served their respective sentences.
"The fifties saw a comparative lull in Communist activities, insofar as peace and order were concerned. Still, on June 20, 1957, Republic Act No. 1700, otherwise known as the Anti-Subversion Act, was approved, upon the grounds stated in the very preamble of said statute - that

"xxx the Communist Party of the Philippines, although purportedly a political party, is in fact an organized conspiracy to overthrow the Government of the Republic of the Philippines, not only by force and violence but also by deceit, subversion and other illegal means, for the purpose of establishing in the Philippines a totalitarian regime subject to alien domination and control;

"xxx the continued existence and activities of the Communist party of the Philippines constitutes a clear, present and grave danger to the security of the Philippines; and

"xxx in the fact of the organized, systematic and persistent subversion, national in scope but international in direction, posed by the Communist Party of the Philippines and its activities, there is urgent need for special legislation to cope with this continuing menace to the freedom and security of the country xxx."

"In the language of the Report on Central Luzon, submitted, on September 4, 1871, by the Senate Ad Hoc Committee of Seven - copy of which Report was filed in these cases by the petitioners herein -

"the years following 1863 saw the successive emergence in the country of several mass organizations, notably the Lapiang Manggaggawa (now the Socialist Party of the Philippines) among the workers, the Malayang Samahan ng mga Magasaka (MASAKA) among the peasantry; the Kabataang Hakabayan (KM) among the youth/students; and the Movement for the Advancement of Nationalism (MAN) among the intellectuals/professionals, the PKP has exerted all-out effort to infiltrate, influence and utilize these organizations in promoting its radical brand of nationalism."

"Meanwhile, the Communist leaders in the Philippines had been split into two (2) groups, one of which - composed
mainly of young radicals, consisting the Maoist faction - reorganized the Communist party of the Philippines early in 1969 and established a New People's Army. This faction adheres to the Maoist concept of the 'Protracted People's War' or 'War of National Liberation.' Its 'Programme for a People's Democratic Revolution' states, inter alia:

"The Communist Party of the Philippines is determined to implement its general programme for a people's democratic revolution. All Filipino communists are ready to sacrifice their lives for the worth cause of achieving the new type of democracy, of building a new Philippines that is genuinely and completely independent democratic, united, just and prosperous...

"The central task of any revolutionary movement is to seize political power. The Communist Party of the Philippines assumes this task at a time that both the international and national situations are favorable, to taking the road of armed revolution...

"In the year 1969, the NPA had - according to the records of the Department of National Defense - conducted raids, resorted to kidnappings and taken part in other violent incidents numbering over 230, in which it inflicted 404 casualties, and, in turn, suffered 243 losses. In 1970, its record of violent incidents was about the same, but the NPA casualties more than doubled.

"At any rate, two (2) facts are undeniable: (a) all Communists, whether they belong to the traditional group or to the Maoist faction, believe that force and violence are indispensable to the attainment of their main and ultimate objective, and act in accordance with such belief, although they disagree on the means to be used at a given time and in a particular place; and (b) there is a new People's Army, other, of course, than the Armed Forces of the Republic and antagonistic thereto. Such New People's Army is per se proof of the existence of a rebellion, especially considering that its establishment was announced publicly by the reorganized CCP. Such announcement is in the nature of a public challenge to the duly constituted authorities and may be likened to a declaration of war, sufficient to establish a war status or a condition of belligerency, even before the actual commencement of hostilities.

"We entertain, therefore, no doubts about the existence of a sizable group of men who have publicly risen in arms to
overthrow the Government and have thus been and still are engaged in rebellion against the Government of the Philippines.

WHEREAS, these lawless elements have to a considerable extent succeeded in impeding our duly constituted authorities from performing their functions and discharging their duties and responsibilities in accordance with our laws and our Constitution to the great damage, prejudice and detriment of the people and the nation;

WHEREAS, it is evident that there is throughout the land a state of anarchy and lawlessness, chaos and disorder, turmoil and destruction of a magnitude equivalent to an actual war between the forces of our duly constituted government and the New People's Army and their satellite organizations because of the unmitigated forays, raids, ambushes, assaults, violence, murders, assassinations, acts of terror deceits, coercions, threats, intimidations, treachery, machinations, arsons, plunders and depredations committed and being committed by the aforesaid lawless elements who have pledged to the whole nation that they will not stop their dastardly effort and scheme until and unless they have fully attained their primary and ultimate purpose of forcibly seizing political and state power in this country by overthrowing our present duly constituted Government, by destroying our democratic way of life and our established secular and religious institutions and beliefs, and by supplanting our existing political, social, economic, legal and moral order with an entirely new one whose from of government, whose notion of individual rights and family relations, and whose political, social, economic and moral precepts are based on the Marxist-Leninist-Maoist teachings and beliefs;

WHEREAS, the Supreme Court in its said decision concluded that the unlawful activities of the aforesaid lawless elements actually pose a clear, present and grave danger to public safety and the security of the nation and in support of that conclusion found that:

"...the Executive had information and reports subsequently confirmed, in many respects, by the above-mentioned Report of the Senate Ad Hoc committee of seven - to the effect that the Communist Party of the Philippines does not merely adhere to Lenin's idea of a swift armed uprising; that it has, also, adopted Ho Chi Minh's terrorist tactics and resorted to the
assassination of uncooperative local officials; that, in line with this policy, the insurgents have killed 5 mayors, 20 barrio captains and 3 chiefs of police; that there were fourteen (14) meaningful bombing incidents in the Greater Manila Area in 1970; that the Constitutional Convention Hall was bombed on June 12, 1971; that, soon after the Plaza Miranda incident, the NAWASA main pipe at the Quezon City-San Juan boundary, was bombed; that this was followed closely by the bombing of the Manila City Hall, the COMELEC Building, the Congress Building and the MERALCO sub-station at Cubao, Quezon City; and that the respective residences of Senator Jose J. Roy and Congressman Eduardo Cojuangco were, likewise, bombed, as were the MERALCO main office premises, along Ortigas Avenue, and the Doctor's Pharmaceuticals, Inc. Building, in Caloocan City.

"xxx the reorganized Communist Party of the Philippines has, moreover, adopted Mao's concept of protracted people's war, aimed at the paralysis of the will to resist of the Government, of the political, economic and intellectual leadership, and of the people themselves; that conformably to such concept, the Party has placed special emphasis upon a most extensive and intensive program of subversion by the establishment of front organizations in urban centers, the organization of armed city partisans and the infiltration in student groups, labor unions, and farmer and professional groups; that the CPP has managed to infiltrate or establish and control nine (9) major labor organizations; that it has exploited the youth movement and succeeded in making Communist fronts of eleven (11) major student or youth organizations; that there are, accordingly, about thirty (3) mass organizations actively advancing the CPP interests, among which are the Malayang Samahan ng Magsasaka (MASAKA), the Kabataang Makabayan (KM), the movement for the Advancement of Nationalism (MAN), the Samahang Demokratiko ng Kabataan (SDK), the Samahang Molave (SM), and the Malayang Pagkakaisa ng Kabataang Filipino (MPKP); that, as of August, 1971, the KM had two hundred forty-five (245) operational chapters throughout the Philippines of which seventy-three (73) were in the Greater Manila Area, sixty (60) in Northern Luzon, forty-nine (49) in Central Luzon, forty-two (42) in the Visayas and twenty-one (21) in Mindanao and Sulu; that in 1970, the Party had recorded two hundred fifty-eight (258) major demonstrations, of which about thirty-three
(33) ended in violence, resulting in fifteen (15) killed and over five hundred (500) injured; that most of these actions were organized, coordinated or led by the aforementioned front organizations; that the violent demonstrations were generally instigated by a small, but well-trained group of armed agitators; that the number of demonstrations heretofore staged in 1971 has already exceeded those of 1970; and that twenty-four (24) of these demonstrations were violent, and resulted in the death of fifteen (15) persons and the injury of many more.

"Subsequent events x x x have also proven x x x the threat to public safety posed by the New People's Army. Indeed, it appears that, since August 21, 1971, it had in Northern Luzon six (6) encounters and staged one (1) raid, in consequences of which seven (7) soldiers lost their lives and two (2) others were wounded, whereas the insurgents suffered five (5) casualties; that on August 26, 1971, a well-armed group of NPA, trained by defector Lt. Victor Corpus, attacked the very command post of TF LAWIN in Isabela, destroying two (2) helicopters and one (1) plane, and wounding one (1) soldier; that the NPA had in Central Luzon a total of four (4) encounters, with two (2) killed and three (3) wounded on the side of the Government, one (1) BSDU killed and three (3) KM-SDK leader, an unidentified dissident, and Commander Panchito, leader of the dissident group were killed; that on August 26, 1971, there was an encounter in the barrio of San Pedro, Iriga City, Camarines Sur, between the PC and the NPA, in which a PC and two (2) KM members were killed; that the current disturbances in Cotabato and the Lanao provinces have been rendered more complex by the involvement of the CPP/NPA, for, in mid-1971, a KM group, headed by Jovencio Esparagonza, contacted the Higa-onan tribes, in their settlement in Magsaysay, Misamis Oriental, and offered them books, pamphlets and brochures of Mao Tse Tung, as well as conducted teach-ins in the reservation; that Esparagonza was reportedly killed on September 22, 1971, in an operation of the PC in said reservation; and that there are now two (2) NPA cadres in Mindanao.

"It should, also be noted that adherents of the CPP and its front organizations are, according to intelligence findings, definitely capable of preparing powerful explosives out of locally available materials; that the bomb used in the Constitutional Convention Hall
was a 'Claymore' mine, a powerful explosive device used by the U.S Army, believed to have been one of many pilfered from the Subic Naval Base a few days before; that the President had received intelligence information to the effect that there was a July-August Plan involving a wave of assassinations, Kidnappings, terrorism and mass destruction of property and that an extraordinary occurrence would signal the beginning of said event; that the rather serious condition of peace and order in Mindanao, particularly in Cotabato and Lanao, demanded the presence therein of forces sufficient to cope with the situation; that a sizable part of our armed forces discharges other functions, and that the expansion of the CPP activities from Central Luzon to other parts of the country, particularly Manila and its suburbs, the Cagayan Valley, Ifugao, Zambales, Laguna, Quezon and the Bicol Region, required that the rest of our armed forces be spread thin over a wide area.

WHEREAS, in the unwavering prosecution of their revolutionary war against the Filipino people and their duly constituted Government, the aforesaid lawless elements, have, in the months of May, June and July, 1972, succeeded in bringing and introducing into the country's at Digoyo Point, Palanan, Isabela and at other undetermined points along the Pacific coastline of Luzon, a substantial quantity of war material consisting of M-14 rifles estimated to be some 3,500 pieces, several dozens of 40 mm rocket launchers which are said to be Chicom copies of Russian prototype rocket launcher, large quantities of 80 mm rockets and ammunitions, and other combat paraphernalia, of which war material some had been discovered and captured by government military forces, and the bringing and introduction of such quantity and type of war material into the country is a mute but eloquent proof of the sinister plan of the aforesaid lawless elements to hasten the escalation of their present revolutionary war against the Filipino people and their legitimate Government;

WHEREAS, in the execution of their overall revolutionary plan, the aforesaid lawless elements have prepared and released to their various field commanders and Party workers a document captioned "REGIONAL PROGRAM OF ACTION 1972," a copy of which was captured by elements of the 116th and 119th Philippine Constabulary Companies on June 18, 1972 at Barrio Taringsing, Cordon, Isabela, the text of which reads as follows:
"REGIONAL PROGRAM OF ACTION 1972"

"The following Regional Program of Action 1972 is prepared to be carried out as part of the overall plan of the party to foment discontent and precipitate the tide of nationwide mass revolution. The fascist Marcos and his reactionary members of Congress is expected to prepare themselves for the 1973 hence:

"January - June:

"1. Intensify recruitment of new party members especially from the workers-farmers class. Cadres are being trained in order to organize the different regional bureaus. These bureaus must concentrate on mass action and organization to promote advancement of the mass revolutionary movement. Reference is made to the "Borador ng Programa sa Pagkilos at Ulat ng Panlipunang Pagsisuyasat" as approved by the Central Committee.

"2. Recruit and train armed city partisans and urban guerrillas and organize them into units under Party cadres and activists of mass organizations. These units must undergo specialized training on explosives and demolition and other forms of sabotage.

"3. Intensify recruitment and training of new members for the New People's Army in preparation for limited offensive in selected areas in the regions.

"4. Support a more aggressive program of agitation and propaganda against the reactionary armed forces and against the Con-Com.

"July - August:

"During this period the Party expects the puppet Marcos government to allow increase in bus rates thus aggravating further the plight of students, workers and the farmers.

"1. All Regional Party Committees must plan for a general strike movement. The Regional Operational Commands must plan for armed support if the fascist armed forces of Marcos will try to intimidate the oppressed Filipino masses.

"2. Conduct sabotage against schools, colleges and universities hiking tuition fees."
"3. Conduct sabotage and agitation against puppet judges and courts hearing cases against top party leaders.

"4. Create regional chaos and disorder to dramatize the inability of the fascist Marcos Government to keep and maintain peace and order thru:

"a) Robbery and hold-up of banks controlled by American imperialists and those belonging to the enemies of the people.
"b) Attack military camps, U.S bases and towns.
"c) More violent strikes and demonstrations.

"September - October:

Increase intensity of violence, disorder and confusion:

"1. Intensify sabotage and bombing of government buildings and embassies and other utilities:

"a) Congress
"b) Supreme Court
"c) Con-Con
"d) City Hall
"e) U.S Embassy
"f) Facilities of U.S Bases
"g) Provincial Capitols
"h) Power Plants
"i) PLDT
"j) Radio Stations

"2. Sporadic attacks on camps, towns and cities.

"3. Assassinate high Government officials of Congress, Judiciary, Con-con and private individuals sympathetic to puppet Marcos.

"4. Establish provisional revolutionary government in towns and cities with the support of the masses.

"5. With the sympathetic support of our allies, establish provisional revolutionary governments.
“CENTRAL COMMITTEE COMMUNIST PARTY OF THE
PHILIPPINES”

WHEREAS, in line with their "REGIONAL PROGRAM OF ACTION
1972," the aforesaid lawless elements have of late been
conducting intensified acts of violence and terrorisms
during the current year in the Greater Manila Area such as
the bombing of the Arca building at Taft Avenue, Pasay
City, on Mar.15; of the Filipinas Orient Airways board room
at Domestic Road, Pasay City on April 23; of the Vietnamese
Embassy on May 30; of the Court of Industrial Relations on
June 23; of the Philippine Trust Company branch office in
Cubao, Quezon City on June 24; of the Philamlife building at
United Nations Avenue, Manila on July 3; of the Tabacalera
Cigar & Cigarette Factory Compound at Marquez de Comillas,
Manila on July 27; of the PLDT exchange office at East
Avenue, Quezon City, and of the Philippine Sugar Institute
building at North Avenue, Diliman, Quezon City, both on
August 15; of the Department of Social Welfare building at
San Rafael St., Sampaloc, Manila on August 17; of a water
main on Aurora Boulevard and Madison Avenue, Quezon City on
August 19; of the Philamlife building again on August 30;
this time causing severe destruction on the Far East Bank
and Trust Company building nearby; of the armored car and
building of the Philippine Banking Corporation as well as
the buildings of the Investment Development Inc.and the
daily star Publications when another explosion took place on
Railroad street, Port Area, Manila also on August 30; of
Joe’s Department store on Carriedo street, Quiapo, Manila,
on September 5, causing death to one woman and injuries to
some 30 individuals; and of the City Hall of Manila on
September 8; of the watermains in San Juan, Rizal on
September 12, of the San Miguel Building in Makati, Rizal on
September 14; and of the Quezon City Hall on September 18,
1972, as well as the attempted bombing of the Congress
Building on July 18, when an unexploded bomb was found in
the Senate Publication Division and the attempted bombing of
the Department of Foreign Affairs on August 30;

WHEREAS, in line with same "REGIONAL PROGRAM OF ACTION
1972," the aforesaid lawless elements have also fielded in
the Greater Manila area several of their "Sparrow Units" or
"Simbad Units" to undertake liquidation mission against
ranking government officials, military personnel and
prominent citizens and to further heighten the destructions
and depredations already inflicted by them upon our
innocent people, all of which are being deliberately done to
sow terror, fear and chaos amongst our population and to
make the Government look so helpless and incapable of protecting the lives and property of our people;

WHEREAS, in addition to the above-described social disorder, there is also the equally serious disorder in Mindanao and Sulu resulting from the unsettled conflict between certain elements of the Christian and Muslim population of Mindanao and Sulu, between the Christian "Ilagas" and the Muslim "Barracudas," and between our government troops, and certain lawless organizations such as the Mindanao Independence Movement;

WHEREAS, the Mindanao Independence Movement with the active material and financial assistance of foreign political and economic interests, is engaged in an open and unconcealed attempt to establish by violence and force a separate and independent political state out of the islands of Mindanao and Sulu which are historically, politically and by law parts of the territories and within the jurisdiction and sovereignty of the Republic of the Philippines;

WHEREAS, because of the aforesaid disorder resulting from armed clashes, killings, massacres, arsons, rapes, pillages, destruction of whole villages and towns and the inevitable cessation of agricultural and industrial operations, all of which have been brought about by the violence inflicted by the Christians, the Muslims, the "Ilagas," the "Barracudas," and the Mindanao Independence Movement against each other and against our government troops, a great many parts of the islands of Mindanao and Sulu are virtually now in a state of actual war;

WHEREAS, the violent disorder in Mindanao and Sulu has to date resulted in the killings of over 1,000 civilians and about 2,000 armed Muslims and Christians, not to mention the more than five hundred thousand of injured, displaced and homeless persons as well as the great number of casualties among our government troops, and the paralization of the economy of Mindanao and Sulu.

WHEREAS, because of the foregoing acts of armed insurrection, wanton destruction of human lives and property, unabated and unrestrained propaganda attacks against the Government and its institutions, instrumentalities, agencies and officials, and the rapidly expanding ranks of the aforesaid lawless elements, and because of the spreading lawlessness and anarchy throughout the land, all of which have prevented the Government to
exercise its authority, extend to its citizenry the protection of its laws and in general exercise its sovereignty over all its territories, caused serious demoralization among our people and have made the public apprehensive and fearful, and finally because public order and safety and the security of this nation demand that immediate, swift, decisive and effective action be taken to protect and insure the peace, order and security of the country and its population and to maintain the authority of the Government;

WHEREAS, in cases of invasion, insurrection or rebellion or imminent danger thereof, I, as President of the Philippines, have, under the Constitution, three courses of action open to me, namely:
(a) call out the armed forces to suppress the present lawless violence; (b) suspend the privilege of the writ of habeas corpus to make the arrest and apprehension of these lawless elements easier and more effective; or (c) place the Philippines or any part thereof under martial law;

WHEREAS, I have already utilized the first two courses of action, first by calling upon the armed forces to suppress the aforesaid lawless violence, committing to that specific job almost 50% of the entire armed forces of the country and creating several task forces for that purpose such as Task Force Saranay, Task Force Palanan, Task Force Isarog, Task Force Pagkakaisa and Task Force Lancaf, and, second, by suspending the privilege of the writ of habeas corpus on August 21, 1971 up to January 11, 1972, but inspite of all that, both courses of action were found inadequate and ineffective to contain, much less solve, the present rebellion and lawlessness in the country as shown by the fact that:

1. The radical left has increased the number and area of its front organizations and has intensified the recruitment and training of new adherents in the urban and rural areas especially from among the youth;
2. The Kabataang Makabayan (KM), the most militant and outspoken front organization of the radical left, has increased the number of its chapters from 200 as of the end of 1970 to 317 as of July 31, 1972 and its membership from 10,000 as of the end of 1970 to 15,000 as of the end of July, 1972, showing very clearly the rapid growth of the communist movement in this country;
3. The Samahang Demokratiko ng Kabataan (SDK), another militant and outspoken front organization of the radical left, has also increased the number of its chapters from an insignificant number at the end of 1970 to 159 as of the end of July, 1972 and has now a membership of some 1,495 highly indoctrinated, intensely committed and almost fanatically devoted individuals;

4. The New People's Army, the most active and the most violent and ruthless military arm of the radical left, has increased its total strength from an estimated 6,500 (composed of 560 regulars, 1,500 combat support and 4,400 service support) as of January 1, 1972 to about 7,900 (composed of 1,028 regulars, 1,800 combat support and 5,025 service support) as of July 31, 1972, showing a marked increase in its regular troops of over 100% in such a short period of six months;

5. The establishment of sanctuaries for the insurgents in Isabela, in Zambales, in Camarines Sur, and in some parts of Mindanao, a development heretofore unknown in our campaign against subversion and insurgency in this country;

6. The disappearance and dropping out of school of some 3,000 high school and college students and who are reported to have joined with the insurgents for training in the handling of firearms and explosive;

7. The bringing and introduction into the country of substantial war material consisting of military hardware and supplies through the MV Karagatan at Digoyo Point, Palanan, Isabela, and the fact that many of these military hardware and supplies are now in the hands of the insurgents and are being used against our Government troops;

8. The infiltration and control of the media by persons who are sympathetic to the insurgents and the consequent intensification of their propaganda assault against the Government and the military establishment of the government;

9. The formation at the grass-root level of "political power organs," heretofore unknown in the history of the Communist movement in this country, composed of Barrio Organizing Committees (BOCs) to mobilize the Barrio people for active involvement in the revolution; the Barrio Revolutionary Committees (BRCs) to act as "local governments" in barrios considered as CPP/NPA bailiwicks; the Workers Organizing Committees (WOCs) to organize workers
from all sectors; the School Organizing Committees (SOCs) to conduct agitation and propaganda activities and help in the expansion of front groups among the studentry; and the Community Organizing Committees (COCs) which operate in the urban areas in the same manner as the BOCs;

WHEREAS, the rebellion and armed action undertaken by these lawless elements of the communist and other armed aggregations organized to overthrow the Republic of the Philippines by armed violence and force have assumed the magnitude of an actual state of war against our people and the Republic of the Philippines;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested upon me by Article VII, Section 10, Paragraph (2) of the Constitution, do hereby place the entire Philippines as defined in Article I, Section I of the Constitution under martial law and, in my capacity as their Commander-in-Chief, do hereby command the Armed Forces of the Philippines, to maintain law and order throughout the Philippines, prevent or suppress all forms of lawless violence as well as any act of insurrection or rebellion and to enforce obedience to all the laws and decrees, orders and regulations promulgated by me personally or upon my direction.

In addition, I do hereby order that all persons presently detained, as well as all others who may hereafter be similarly detained for the crimes of insurrection or rebellion, and all other crimes and offenses committed in furtherance or on the occasion thereof, or incident thereto, or in connection therewith, for crimes against national security and the law of nations, crimes against public order, crimes, involving usurpation of authority, rank, title and improper use of names, uniforms and insignia, crimes committed by public officers, and for such other crimes as will be enumerated in orders that I shall subsequently promulgate, as well as crimes as a consequence of any violation of any decree, order or regulation promulgated by me personally or promulgated upon my direction shall be kept under detention until otherwise ordered released by me or by my duly designated representative.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.
Done in the City of Manila, this 21st day of September, in the year of Our Lord, nineteen hundred and seventy-two.

(Sgd.) FERDINAND E. MARCOS
President
Republic of the Philippines

By the President:

(Sgd.) ROBERTO V. REYES
Acting Executive Secretary

ATTN:

This Proclamation while prepared and signed on the 21st of September was transmitted to the Defense Authorities through Sec. Juan Ponce Enrile on the 22nd of September for implementation upon my clearance. Such clearance for implementation was given at 9:00 p.m., 22nd September after the ambush of Sec. Juan Ponce Enrile at 8:10 p.m. at Wack Wack Subdivision, Mandaluyong, Rizal.

(Sgd.) FERDINAND E. MARCOS
President
Republic of the Philippines
President Marcos signed Proclamation 1081, placing the Philippines under martial law, on September 21 and announced it on September 23. In his public statement at the time martial law was proclaimed, he said that the nation was "imperilled by the danger of a violent overthrow, insurrection and rebellion" justifying the imposition of martial law under Article VII of the Constitution. He went on to say that "there is doubt in everybody's mind that a state of rebellion exists in the Philippines" and referred to the Supreme Court decision of December 11, 1971, in which such a finding had been made. He said that the danger had become graver since the Court's decision, the national and local governments had become paralyzed, the productive sectors of the economy had ground to a halt, the judiciary had become unable to administer justice, tensions and anxiety in Manila had reached a point where the citizens were compelled to stay at home, and lawlessness and criminality had escalated beyond the capability of the local police and civilian authorities. The President then referred to battles between Philippine government forces and "subversives" in a number of locations and to the activities of the Communist Party and the Maoist New People's Army in the Province of Isabela where "they are now in control of 33 municipalities out of 37." He also referred to the "violent disorder" in Mindanao and Sulu as a result of the activities of Muslim dissidents.

Proclamation 1081 began by referring to the threat from "lawless elements who are moved by a common or similar ideological conviction, design, strategy and goal and enjoying the active moral and material support of a foreign power... and (who) are actually staging, undertaking and waging an armed insurrection and rebellion...to supplant our existing political, social, economic and legal order with an entirely new one whose form of government...and whose political, social, economic, legal and moral precepts are based on the Marxist-Leninist-Maoist teachings and beliefs." Subsequent paragraphs referred to the New People's Army and other communist organizations. There was
no mention in either the President’s statement or in Proclamation 1081 of any threat from the right.

On September 19, two days before the proclamation was signed, an executive session of the Philippine National Security Council had been briefed on internal security. Security conditions were reportedly described at that meeting as between “normal” and “Internal Defense condition No.1” (the worst or most unstable security condition is No.3).

One high Philippine government official told us that the real reason President Marcos had declared martial law was that he had uncovered a plot from the right to assassinate him and that the key figures in the plot were Vice President Lepez and Sergio Osmeña, Jr. (President Marcos’s opponent in the last Presidential race who, at the time this report was written, was reported to be in hiding in the United States)....

That there were plots to assassinate high officials, including the President himself, seems clear. Certainly, the atmosphere in the Philippines was conducive to crimes of violence of all sorts. There had been a series of bombings of public meetings, demonstrations in which students had been killed and an increase in kidnappings. The insurgent strength on the left was growing, but we met no outside observer who considered it a real or near threat to the Government. Curiously, though, the incident that was supposed at the time martial law was declared to be the last straw—the attempt to kill the Secretary of Defense—was regarded as somewhat dubious by most observers. It was practically never mentioned to us by Philippine officials in discussing the reasons for martial law, and the few times it was mentioned it seemed to occur as an after-thought and to be accompanied by what appeared to be a certain embarrassment. [Deleted.] The fact of the matter is that the attempt against the Secretary of Defense occurred on the evening of September 22, the day before the declaration of martial law was announced but, as it turned out, the day after the declaration had been signed.

Was a rightist assassination plot really the reason martial law was declared? None of the foreign or Philippine observers to whom we talked alluded to the possibility of such a vast plot masterminded from the right....

It was also suggested to us that because the
Government's initial rationale involving a leftist plot had been greeted with such skepticism, the Government might now be seeking to justify its actions on grounds less likely to be rejected by liberal critics abroad....

Since declaring martial law, President Marcos has put less emphasis on the threat from insurgent groups (which he claimed had led to his action) and on the measures to control that threat and more emphasis on the reforms necessary to build what he calls "the New Society," a phrase that is thrust into public consciousness by the government through all available media....

Philippine officials said that President Marcos has long wanted to implement this elaborate program of reforms but that he had been prevented from doing so by a "corrupt Congress" and "irresponsible press." It is generally accepted in the Philippines that the few hundred wealthy families, referred to as the oligarchs, have dominated the economy and politics of the islands since the colonial period and that heretofore the Philippine Congress, bureaucracy and press have been dominated by them and operated primarily for their benefit.

Opposition figures, as well as many independent observers to whom we talked, pointed out that the government party has enjoyed a majority in both houses of the Philippine Congress and must therefore bear a considerable measure of responsibility for its performance. They also observed that the President has long been identified with the very interests he now criticizes. It is for these reasons, they said, that they were profoundly skeptical about the sincerity of the President's motives in proclaiming a "New Society," for they suspected that he had chosen the role of social revolutionary out of political expediency.

...how long will martial law be retained? President Marcos has set publicly that he hopes to lift it before the end of 1973 when his term as President expires. Most observers believe, however, that martial law will be retained for from 3 to 5 years....

Taken in sum... the proposed new constitution is considered to be as favourable to the position of America investors as it could reasonably have been expected to be. It should not lead to any capital flight. In fact, we were told that there has been no capital flight since martial law.
was declared but, on the contrary, some capital inflow. Ford and GM are forging ahead with new plants, and a syndicate of 16 American banks (who are contributing $25 million), and 13 Japanese and European banks (who are contributing another $25 million), has recently established a Development Bank of the Philippines.

...U.S. authorities note that nowhere in the world are we able to use our military bases with less restrictions than we do in the Philippines....

While the United States was vaguely critical of developments in Korea, it was altogether uncritical of what occurred in the Philippines. The distinction in American eyes appeared to be that while President Marcos's martial law measures were constitutional and deemed warranted (although not in terms of the alleged communist threat) those taken by President Park were unconstitutional and considered unnecessary....

We found few, if any, Americans who took the position that the demise of individual rights and democratic institutions would adversely affect U.S. interests. In the first place, these democratic institutions were considered to be severely deficient. In the second place, whatever U.S. interests were-or are-they apparently are not thought to be related to the preservation of democratic processes. Even in the Philippines, our own colonial step-child and "showcase of democracy" in Asia, the United States appears to have adopted a new pragmatism, perhaps because there was no other choice, turning away from the evangelical hopes and assumptions with which it has tended to look at political evolution. Thus, U.S. officials appear prepared to accept that the strengthening of presidential authority will... enable President Marcos to introduce needed stability; that these objectives are in our interest; and that... military bases and a familiar government in the Philippines are more important than the preservation of democratic institutions which were imperfect at best.

At the same time, there is some apprehension on the part of American officials about the future.... [An official in the Philippines stated that if President Marcos obtained the power he sought "the only alternative his opponents will have will be to go to the hills." It would be ironic indeed...if the constitutional changes made possible by President Marcos's declaration of martial law produced conditions which transformed the imagined threat into a
reality or brought about greater political chaos than that which he supposedly acted to correct.

Source: Staff Report prepared for the use of the U.S. Senate Committee on Foreign Relations: Korea and the Philippines: November 1972, Committee Print, 93rd Congress, 1st session, February 18, 1973, pp.1-2, 4, 31-33, 41, 45-46. It should be noted that the notation "[Deleted.]" in the selection below appears in the original and indicates material removed at the suggestion of the Department of State, Department of Defense, or the CIA.
MALACANANG
Manila
By the President of the Philippines

PROCLAMATION NO. 2045

PROCLAIMING THE TERMINATION OF THE STATE OF MARTIAL LAW THROUGHOUT THE PHILIPPINES

WHEREAS, by virtue of the powers granted under Article VII, Section 10, Paragraph 2 of the 1935 Constitution, the President of the Philippines promulgated Proclamations Nos. 1081 on September 21, 1972 and 1104 on January 17, 1973 placing the entire Philippines under martial law in order to protect the integrity of the Republic from lawless elements then conspiring to seize political and state power by means of anarchy, rebellion and secession;

WHEREAS, the ultimate objective of Proclamation Nos. 1081 and 1104, beyond repelling the threat to the government, was to remove the causes of popular grievance which had accumulated through decades of neglect and oppression and given rise to discontent, chaos and violence, and thereby reestablish democracy, restore individual rights, and promote the welfare of the Filipino people;

WHEREAS, on submission of the government itself, the constitutional validity of Proclamations Nos. 1081 and 1104 and acts done pursuant to it have been litigated before the Supreme Court which subsequently affirmed their validity, thereby strengthening the tradition that ours is a government of laws and not of men and that the government itself is subject to law;

WHEREAS, anarchy has been successfully checked;

WHEREAS, the leftist-rightist rebellion has been substantially contained, its ranks reduced to disorganized bands alienated from the people;

WHEREAS, the secessionist movement has been effectively overcome with the signing of the Tripoli Agreement on
December 23, 1976, the signing of ceasefire agreements in Tripoli on December 23, 1976 and in Zamboanga City on January 29, 1977, and establishment of autonomous governments in Region IX and Region XII, and on account of all these manifestations of goodwill and concord more than 37,000 former secessionist rebels have reciprocated the sincerity of the martial law regime by supporting the reforms of the New Society and participating constructively in political, social, economic, cultural and spiritual development;

WHEREAS, in pursuit of its long-range goal of recovering the substance of democracy, restoring individual rights and promoting the welfare to the Filipino people, the government has successfully waged a Democratic Revolution founded upon a series of reforms, as follows:

1. Land reform, which has liberated 523,153 farmers from the shackles of tenancy and transformed land ownership from a system of exploitation to a self-reliant and creative act, so that the income of the Filipino farmer has increased twofold in some areas, threefold in others, a condition altogether different from the times when land reform legislation repeatedly failed because Congress was controlled by landowners, giving rise to the Hukbalahap uprising.

The land reform decree in one sweep eradicated the centuries-old condition of the typical Filipino farmer which virtually imprisoned him in indebtedness handed down from one generation to another and converted him from a mendicant to a self-assured and dignified individual. Part of this new life granted to the farmer was the capability granted to him for self-reliance, liberating him from the tentacles of usurious landlords by limiting payments for the land allotted him by the latter to a part of the harvest. The New Society also extended the newly liberated farmer credit without collateral and gave him irrigation, farmer-to-market roads, the assistants of technologists, subsidized fertilizer and pesticides, a guaranteed and established minimum level of price for rice and other cereals under the National Grains Authority, a policy responsive to changes in the economic situation.

2. Political reform, including a reorganization of the
government, which has retrieved from the ancient past the Filipino concept of the barangays as the basic unit of community development and political action; set up the Tanodbayan and the Sandiganbayan as the people's instrument against corruption in government; reorganized the prosecution service, and, through the Batasang Pambansa, is now in the process of reorganizing the judiciary; elevated the quality of the civil service through professionalization, training and better incentives to excellence in the form of increased salaries and improved working conditions.

Reflecting the spirit of reform was the passage of the new Constitution by a convention that opened in 1970, its ratification at barangay assemblies on January 17, 1973, its weathering of close scrutiny by the Supreme Court which declared in its decision in in Javellana vs. The Executive Secretary (50 SCRA 141) that "there is no further judicial obstacle to the new Constitution being considered in force and effect," and its further ratification on July 27, 1973, by free and secret ballot in a plebiscite conducted under the control and supervision of the Commission on Elections.

The Constitution, although passed and ratified after the promulgation of martial law, contained principles of government which were conceived and approved by the constitutional convention before Proclamation No. 1081 was issued. Among these basic tenets which preceded the declaration of martial law was the parliamentary system into whose full implementation the government is now moving.

The new Constitution authenticated several expressions of popular will which followed its ratification, including referenda and plebiscites (July 27, 1973, February, 1975; October 16, 1976; December 17, 1977) conducted to determine whether the people desired the continuation of martial law or not, whether or not the people wanted the incumbent President to continue in his position, and whether or not the incumbent President should, in accordance with Amendment No.3 of the Constitution, also exercise the powers of the Prime Minister after the organization of the Interim Batasang Pambansa (National Assembly), and successive elections, starting with the election of members of the Interim Batasang Pambansa on April 17, 1978, followed by the election of the members of the Sangguniang Pampook of
the autonomous regions of Mindanao, Region IX and Region XII, and finally the election of local officials on January 30, 1980.

A sustained program of action against corruption, started even before the Tanodbayan and the Sandiganbayan were organized, has enabled the national leadership to rid the government of undesirable elements. The present administration is the first one in which an anti-graft campaign has been successful, cases have been filed and officials punished. In the military, 8,884 --- more than 9,000 including members of the Integrated National Police --- have been punished for abuses they had committed. The Tanodbaytan, in its zeal to perform its responsibility, even initiates investigations of officials and employees on the basis of mere anonymous complaints.

Under the martial law government legitimate political dissent received full protection, although constant vigilance has been exercised to protect the government and society from the inroads of subversion and violence. The care and attention given by the government to distinguish between legitimate political dissent and subversion or violence has promoted greater citizen awareness of the contribution they are expected to make to the peace, security and stability of the nation.

A widely accepted innovation in democratic government has been the election of representatives of the youth, labor and agricultural sectors in the Batasang Pambansa and in the Sanggunian, a system which permits three important segments of society to participate directly in legislation.

3. Labor reform, which produced a new Labor Code, introduced tripartite conference of labor, management and government as a means of promoting industrial peace, and enabled the government to maintain the unemployment rate at 4.5 per cent, considerably lower than that of many other countries, including highly developed ones.

4. Economic reform, which has enabled the nation to maintain the momentum of growth at an average of 6 to 7 per cent form 1970 to 1980, a period wracked by repeated crises mostly generated by external factors, in contrast to the comparatively placid and prosperous decade of the '60s when the growth rate was below 5 per cent;
converted the Philippines from a rice-deficient country (its last importation, in 1974, was $500 million) to a rice-exporting country; enabled the nation to diversify its exports, from the four traditional items (consisting of sugar, coconut products, wood products and mineral ores which together comprised 80 per cent of our exports before 1966 and now constitute only 45 per cent) to a broad range of products, including electronic items, semi-processed food and raw materials, garments and cottage industry products; developed an accelerated energy program whose scope and robustness have been acknowledged by most member-countries of the United Nations as well as by recognized experts and scientists; undertaken vigorous electrification program which has increased the number of rural households with access to electricity from 76,000 in 1972 to more than a million in 1980; in sum, produced these economic indicators --

a) The Gross National Product increased from P55,526,000 in 1972 to P192,911,000 in 1979 at constant prices or P269,781,000 at current prices;

b) The budget has increased from P5 billion in 1972 to P55 billion in 1981, government capital expenditures from a mere P0.9 billion in 1972 to P14.8 billion in 1979;

c) Collections of government from taxes have increased from P5.1 billion in 1972 to P36.6 billion in 1980;

d) Per capita income has more than trebled from U.S. $214 in 1972 to U.S. $755 in 1979 -- in 1972 the percentage of Filipino families with a family income of P1000 and below was 24.3 per cent while in 1979 it was reduced to 11.2 per cent, and those with family incomes of P30,000 or over increased from 5.0 per cent in 1972 to 12.8 per cent in 1979;

e) Total exports increased from U.S. $1.106 billion in 1972 to U.S. $5.935 billion in 1980;

f) Showing the stability of our currency, notwithstanding the fluctuations of the dollar, the rate of exchange of the peso to the U.S. dollar has barely moved from the 1972 rate of 6.6710 to the 1979 rate of 7.3775;
g) Savings and time deposits increased from P5.402 billion in 1972 to P49.116 billion as of September 1980;

h) Effective minimum wage increased from P4.75 daily in 1972 to P23.30 - P24.70 in 1980;

i) Gross domestic investment increased from P11,573 million in 1972 to P78,198 million in 1980, while gross national savings increased from P11,679 million in 1972 to P62,395 million in 1980;

j) The debt service ratio has been reduced from 20 per cent of foreign exchange earnings in 1972 to 18.7 per cent of foreign exchange earnings in 1980;

k) The international reserves were increased from U.S. $282 million in 1972 to U.S. $3.1 billion in 1980;

l) The inflation rate has been contained at less than 15 per cent which is very much below the inflation rates of most countries, which range from 20 per cent to 25 per cent;

The economy gained incalculable benefits from the road-building program, which has built 65,972 kilometers of highways from 1969 to 1980, compared to the 84,722 kilometers built between 1900 and 1965, as well as from the accelerated program of irrigation, which has produced irrigation systems for more than 1,300,000 hectares as of 1980, in contrast to the systems built from 1900 to 1972, which could serve no more than 600,000 hectares.

Under the New Society, foreign loans have been rationalized. Short-term loans, which comprised 90 per cent of foreign borrowings under the previous administration, were converted to long-term loans. These foreign loans are not made to support ordinary or current expenditures, instead are utilized exclusively for capital expenditures aimed at productive enterprise. They are therefore self-amortizing and self-regenerating;

Before the administration of the incumbent President, the credit standing of the Philippines was notoriously low, so much so that the World Bank was
not willing to lend more than $40 million a year. During the present administration the Philippines has become so dependable as a borrower that the World Bank has been willing to lend $500 million at any single time, indicating the competence and stability of the Philippine government, which has never been delinquent in its payments. In the previous administration, the government could hardly borrow any amount in view of its inefficient handling of borrowed funds, lack of coordinated economic planning, and the hazy policies of leadership. Aggravating the situation were government threats of confiscation of private enterprise.

We have increased the direct taxes. Before 1965, only 1.5 million tax payers filed income tax returns; in 1980, 5 million tax payers filed returns. The corporate tax was also increased by 5 per cent to 40 per cent. Indirect taxes have been reduced comparatively and even suspended when the situation required. Incentives to new industry are of this class. The indirect taxes are so structured that higher taxes are imposed on luxury goods, these being the items desired by the rich or are normally available to them. The government protects the welfare of the poor by imposing very low taxes on essential items. This is evident in food items and in crude oil products -- low taxes are imposed on diesel and industrial fuel, higher taxes on gasoline.

The taxes have been altogether moderate. In other countries, taxes collected constitute from 17% to 25% of the Gross National Product. In the Philippines, taxes are only 14 per cent of the GNP.

Also in line with our commitment to promote the welfare of the poor, we have deliberately controlled the prices of 15 essential items. We have set up the Kadiwa Centres of the Human Settlements Ministry and the National Grains Authority to bring down prices even more. A massive food production and supply system has been established under a new corporation, the National Food Authority, to which the NGA has been converted with a capitalization of P5 billion.

Underlying the economy is the basic policy to uphold private enterprise. We have never confiscated or nationalized private enterprise, and there is
absolutely no intention to take this socialist course. The previous administration threatened to do so, that is why investments before the present administration were discouraged from entering the Philippines. The situation created by the threat of the past administration to confiscate or nationalize private enterprise was corrected with the organization of the National Economic and Development Authority and the Board of Investments.

Martial law provided the opportunity to install the requisite institutions for coping with the energy crises now and in the future, starting with the formulation of a comprehensive, long-term program which has been singled out by the World Bank as a suggested model for Third World countries. The program includes the mobilization and recruitment of the critical manpower to undertake the various activities of energy exploration and development which made possible commercial oil production for the first time in 1979 and made the Philippines the second largest developer of geothermal energy by 1980: fuel processing and refining, planning and construction of the energy delivery logistics, power generation and transmission infrastructure, as well as research and development and diffusion of alternative energy forms and technologists to cover fossil fuels, biomass, energy farms, wind, wave, tidal and solar power, all the way to more energy-efficient devices, machines and appliances that should spawn rural energy systems.

The ultimate objectives of our economic policy is a balanced agro-industrial economy. This is why we are shifting slowly to the eleven principal industries which are needed for the fulfillment of this objective. We can therefore hope that in time we shall cease completely to import factories and heavy machinery and will instead engineer and fabricate them. We are even now in the process of gradually manufacturing automobile, heavy truck, and diesel engines.

These eleven basic industries are in the process of being set up, copper smelter, phosphate fertilizer, aluminum smelter, heavy equipment industries, integrated steel mills, petrochemical complex, diesel engine manufacturing, cement industry
expansion, coconut industry rationalization, alcogas, and integrated pulp and paper.

5. The program for peace and order, which has eliminated the private armies of the Old Society, immobilized such lawless elements as the Light-a-Fire-Movement, the April 6 Movement, and the Partido Nagkaisang Sosyalistang Demokrata ng Philipnas, or SOCDEM; organized self-defence units in barangays to protect them, on a self-reliant basis, from criminal elements; and developed the PC-Integrated National Police as an effective professionalized force capable of maintaining peace and order, with the possible support of the Armed Forces of the Philippines in case this becomes necessary because of actual combat.

The vigorous and unremitting quality of the peace and order campaign enable the government to identify 250 criminal syndicates and apprehend or neutralize their members; to seize or collect 650,000 firearms of all classes, makes and varieties, including artillery, machine guns, assault rifles, tanks, armored cars, and the latest models of sophisticated armaments; to arrest and bring to trial more than 2,000 ordinary criminals long wanted under unserved warrants.

Both factions of a subversive organization were similarly dealt a heavy blow, one faction surrendering en masse to the President before and after the proclamation of martial law, and the entire leadership of the other faction being arrested and detained to face trial.

Following negotiations led by the First Lady, Minister Imelda Romualdez Marcos, with the President of Libya, Col. Khaddafi, and the Quadripartite Committee of the Islamic Conference, a settlement of the secessionist movement in the south was finally reached with the Moro National Liberation Front (MNLF), represented by its Chairman Nur Misuari, who signed with our own representatives the Tripoli Agreement in Libya on December 23, 1976. The agreement provided for the organization of autonomous regions where Muslims reside, and for a ceasefire agreement, of which two were in fact signed, one in Tripoli also on December 23, 1976 and another in Zamboanga City on January 20, 1977, between Admiral Romeo Espaldon of the Southern Command of the Armed Forces of the Philippines and Dr. Tham Manjoorsa,
authorized representative of the MNLF. A subsequent plebiscite led to the creation of two autonomous regions, Regions IX and XII, in Mindanao, where elections were held to choose the members of their respective regional assemblies or Sangguniang Pampook and members of their respective Executive Councils or Lupong Tagapapaganap were appointed from those recommended by the said regional assemblies.

6. Educational reform, which has succeeded in reorienting the curriculum to the requirements of economic development, placing emphasis on vocational and technological skills in high school and science and engineering in college; provided a suitable atmosphere for the promotion of science and research, as shown in the studies and experiments conducted by the International Rice Research Institute, the new Institute of Plant Breeding, the recently organized Institute of Microbiology which seeks to employ the new science of recombinant DNA, and the Southeast Asia Fisheries Development Council (SEAFDEC), which has done intensive work for the full development of the country's fisheries potential, including the launching of "blue farming" or farming of the seas.

Greater support has also been given for the Science High School, and scholarships are being set up for science and engineering to promote the involvement of more talented Filipinos in these fields.

7. Reform in the social services, which has produced remarkable advances in nutrition, health and family planning. With respect to nutrition, we have developed in the space of less than three years a program on both the barangay and the national levels which has become a model for many countries, as the United Nations itself has acknowledged. At the core of this program is the day care center provided for in Presidential Decree 1567 issued in 1978 which calls for the setting up of a day care centre in every barangay with at least 100 residents. As of last year, 4,000 such day care centres have been established.

In the field of social insurance, administered for the benefit of the public servant and his family, substantial improvements have been made through Presidential Decree No. 1146, as amended, which expands, increases and liberalizes social security and insurance
benefits of government employes at a time when global
economic conditions and realities have eroded the
purchasing power of pensions.

The pith of the government’s effort to provide
social services is, however, the human settlements
program which we commended a few years ago and is now an
acknowledged model for similar efforts in other
countries. Into the human settlements program we have
introduced the principle, the first country to do so, that livelihood is essential to its success, and the
housing units, though the most visible evidence of progress in the skyline in both town and country, are
merely a part of the whole human settlements program.
With livelihood as the core of this program, we are able to assure that the acquisition of a housing unit by a
family is truly meaningful. To carry out this objective, we set up the source of livelihood in a human
settlement or teach skills that would provide income, and in this way enable the government to recover funds
spent for housing and infrastructure and utilize these as self-regenerating funds for other human settlements.

Much of the success of the human settlements program
will depend on our full and continuing compliance with
the rational land use policy that we have adopted. This
policy contemplates Manila as the starting point from
which would than proceed the building of satellite
cities in the outlying areas to prevent urban sprawl and
all its attendant evils. The same policy commands us to
maintain agricultural areas and desist from converting
agricultural flat lands to housing and industrial sites.
We are, therefore now pushing for the establishing of
housing and industrial sites on 18 slopes towards
hillsides so as to make more rational use of the limited
land space.

Another important element of the rational land use
policy is the limitation and eventual stoppage of the
exportation of raw logs and conversion to the processing
of wood products. As a consequence, we have
successfully kept 45 per cent of our land area of 30
million hectares as forests throughout the country. At
the same time, we are even now slowly shifting from
extensive to intensive agriculture and blue farming, or
farming of the oceans.

Fundamental to all this is the recognition that we
are principally a private enterprise society which knows the value of private initiative but which at the same time has an egalitarian base, inasmuch as the New Society is basically a revolution of the poor. By adhering to this concept, we should be able to prevent the misuse the wealth, such as by brutalizing and degrading those who don’t have it.

The importance of the private sector, therefore, cannot be over-emphasized. The private sector is the cutting edge, the most active element of change. The initiative of the private sector will thus be called upon in such crucial undertakings as zonification and the land use rationalization approved by the government.

WHEREAS, all these benefits and advances to which every man is entitled have been gained because of the order and discipline fostered by martial law, which was instituted with the full awareness that anarchy, such as existed at the time Proclamation No. 1081 was promulgated, is harmful to human rights, that it sweeps away human rights with its violence and lawlessness, making it impossible to provide the individual the tools and opportunities for his advancement and dignity or guarantees for his safety and comfort, so that the removal of anarchy becomes a condition to the protection and progress of every man;

WHEREAS, such progress brought reforms under conditions of peace and public order are merely a reflection of the profound transformation in the spirit of the Filipino, who as a consequence of the support and the challenge of the New Society has acquired the community spirit, a sense of belonging and a sense of pride in his community, his nation, his history and traditions, a sense of national identity that fills him with the resolve to stand his ground against any intruder;

WHEREAS, the Philippines has broadened its outlook and reached for larger horizons, inkeeping with its new stature as a truly sovereign nation, discarding the parochialism of the past in favor of a world view that encompasses every nation that would reciprocate its good will, including socialist countries, and performing an important role in the organization of the Association of South East Asian Nations in the process gaining unwonted prestige in the international community, recently enhanced by its membership in the Security Council of the United Nations;
WHEREAS, the self-respect and patriotism reawakened by the New Society have been most evident in the country's complete political independence which the national leadership vividly and unequivocally demonstrated when it obtained the formal recognition by the United States of the sovereignty of the Republic of the Philippines over all military bases, including Subic Naval Base and Clark Air Base;

WHEREAS, as an essential part of the reforms accomplished by the New society under martial law the Filipino people have given expression to their political will through free and voluntary participation in plebiscites, referenda and elections, achieved an unprecedented growth of the economy, just and compassionate sharing of wealth, an orderly growth of human settlements and communities, a dignified and sovereign participation in international relations, and a flowering of Filipino art and culture;

WHEREAS, the Filipino people, having subdued threats to the stability of government, public order and security, are aware that the time has come to consolidate the gains attained their normal political roles and shaping the national destiny within the framework of civil government and popular democracy;

WHEREAS, the experience gained by the nation under martial law in subduing threats to the stability of the government, public order and security, has enabled the Filipino people to rediscover their confidence in their ability to command the resources of national unity, patriotism, discipline and sense of common destiny;

WHEREAS, the government and the people are at the same time also aware that the public safety continues to require a degree of capability to deal adequately with elements who persist in endeavouring to overthrow the government by violent means and exploiting every opportunity to disrupt the peaceful and productive labors of the government;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President/Prime Minister of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby revoke Proclamation No. 1081 (Proclaiming a State of Martial Law in the Philippines) and Proclamation No. 1104 (Declaring the Continuation of Martial law) and proclaim the termination of the state of martial law throughout the Philippines. Provided, that the
call to the Armed Forces of the Philippines to prevent or suppress lawless violence, insurrection, rebellion and subversion shall continue to be in force and effect; and Provided that in the two autonomous regions in Mindanao, upon the request of the residents therein, the suspension of the privilege of the writ of habeas corpus shall continue; and in all other places the suspension of the privilege of the writ shall also continue with respect to persons at present detained as well as others who may hereafter be similarly detained for the crimes of insurrection or rebellion, subversion, conspiracy or proposal to commit such crimes and for all other crimes and offenses committed by them in furtherance or on the occasion thereof, or incident thereto, or in connection therewith;

General Order No. 8 is also hereby revoked and the military tribunals created pursuant thereto are hereby dissolved upon final determination of cases pending therein which may not be transferred to the civil courts without irreparable prejudice to the state in view of the rules on double jeopardy, or other circumstances which render further prosecution of the case difficult, if not impossible;

Pursuant to article XVII, Section 3, Paragraph 2 of the Constitution, all proclamations, orders, decrees, instructions, and acts promulgated, issued or done by the incumbent President constitute part of the law of the land, and shall remain valid, legal, binding, and effective even after lifting of martial law, unless modified, revoked, or superseded by subsequent proclamations, orders, decrees, instructions, or other acts of the incumbent President, or unless expressly and explicity modified or repealed by the regular National Assembly.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

Done in the City of Manila, this 17th day of January, in the year of Our Lord, nineteen hundred and eighty-one.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant.
Republic of the Philippines

White Paper on CPP-NPA Insurgency

The Government's response to the insurgency

The Government's response to the CPP-NPA insurgency is based on the principle that it should not be put down by arms alone. Counterinsurgency must involve not merely all agencies of Government but the people as a whole. "Search-and-destroy" operations emphasizing "body counts" - the number of enemy troops and cadres killed - have no place in this strategy. Only when civilian populations are put at risk by CPP-NPA action do Government forces undertake combat missions; even then, these are in the nature of expanded police operations and law-enforcement tasks. The basic idea is to "clear, hold, consolidate and develop" contested areas and to integrate their populations into the mainstream of Philippine political and economic life.

The country's response to the CPP-NPA insurgency is built around a civic-action program that initially involves 26 ministries and 91 Government corporations. The program will spend one billion pesos in 1985. The AFP's primary role in this effort is to clear contested areas of insurgent forces, break up their mass base and restore civil authority. Once Government control of an area is consolidated, then the civilian agencies come in-initially to erect school buildings, set up potable water systems and lay down farm-to-market roads. AFP engineer brigades are deployed for these purposes in places where security is still unstable.

The Government's continuing field operations against NPA guerrilla forces have been strengthened by recent reforms in the armed forces. In recent months NPA units had been active militarily, in a concerted effort to project a semblance of strength. However, since the fourth quarter of 1984, the AFP has been on the offensive. On average, its units now initiate 60 percent of all encounters with terrorist groups. To enhance the role of local, civilian officials in the work of keeping peace and order, municipal and city mayors have been given operational supervision and direction of police-
men in their localities - a responsibility until recently held exclusively by an Integrated Police Command that is a component unit of the AFP.

Historical background

In 1949 the Communist Huks were a guerilla army of 12,000 regulars supported by over a hundred thousand peasants in Central Luzon. That same year, the period of greatest danger for the Republic, President Elpidio Quirino initiated economic, political, social and military reforms as countermeasures against the raging insurgency. Most of these reforms were carried out by Ramon Magsaysay, who became Defense Secretary in 1950 and President in 1953.

One of the first things Magsaysay did was to restore popular faith in national elections, after the controversial presidential polls of 1949. Magsaysay mobilized teachers to be poll clerks and ROTC cadets to guard polling places in the off-year elections of 1951. He also reorganized the AFP and replaced the understrength Philippine Constabulary (PC) as the primary counterforce against the guerillas. He placed the PC under the Department of Defense and gave the Army the job of suppressing the Huk bands. Twenty-six battalion combat teams, each with 1,047 officers and men, were formed and equipped for sustained operations.

Promotions on the basis of merit and the quick dismissal or punishment of undesirable officers raised AFP morale and made it an effective force in counterinsurgency. Magsaysay also mobilized the AFP for civic and social-welfare projects in the areas being contested by the Huks. Under the policy of "attraction and fellowship," captured or surrendered Huks were offered resettlement in new farming areas opened up in the pioneer island of Mindanao.

While successive Administrations recognized agrarian unrest to be the primary cause of rural rebellion, alleviating it proved difficult, because landowning interests predominated in Congress. Until martial law in 1972, no wide-ranging reform law could prosper; all that Presidents could do was to chip at the basic problem little by little. In 1963, despite two land-reform laws, three provinces still had tenancy rates of 60 percent or more; 14 had more than 40 percent; 11 more than 30; and 10 more than 20.

President Manuel Roxas (1946-48) sponsored an act
awarding tenants 70 percent of the crop. In practice, however, landlords continued to receive half of the yield by contributing to farm inputs. Elpidio Quirino, who succeeded Roxas, revised a Commonwealth-period concept of resettling Mindanao Island by sending former Hukas to farm sites there. However, this scheme too had very limited effectivity, owing to lack of funds and overhead capital for the new settlements.

Magsaysay as President (1954-57) pursued the policy of attraction he initiated as Defense Secretary. He introduced new trends in barrio community development. Projects like farm-to-market roads, safe wells and health-care schemes reached many barrios for the first time. A cooperative credit financing mechanism was set up to grant credit and loans to small farmers and tenants, and institutions were set up to help tenants ease their harsh conditions. These included an Agricultural Tenancy Commission, a Court of Agrarian Relations and a Land Registration Commission. Model barrio-development programs were located in the very heart of the Huk insurgency.

Carlos P. Garcia (1957-61) set up a Presidential Assistance on Community Development, which provided the logistics for barrio reform. Diosdado Macapagal (1961-65), born in Central Luzon, could only contain the dissident movement. Although his Administration saw the capture of Huk leaders Jesus Lava and Casto Alejandrino, it found no definitive solution to agrarian dissidence.

The turning point

When President Ferdinand E. Marcos (1965-) proclaimed martial law in September 1972, he did it not only to preserve a Republic threatened by insurgency and subversion but to pave the way for rebuilding the country’s outmoded political and social systems. Five days after proclaiming martial law, Mr. Marcos declared the entire country a land-reform area. A month later, he issued another decree transferring to tenants ownership of the land they tilled and providing the instruments and mechanisms for it.

These two decrees dealt decisively with the historical sources of agrarian unrest, particularly in the crowded Central Plain of Luzon. Other decrees, proclamations and Presidential orders created an array of community service-credit facilities, price supports and subsidies, technological help, infrastructure like irrigation canals and access roads—to ensure that agrarian reform works.
To give rural people a sense of participating fully in the political decisions that influence the way they live, Mr. Marcos adapted the pre-Spanish barangay institution, making it the unit of local government and the medium for popular consultations on local and national issues.

These reform measures convinced even Huk holdouts of the Marcos Administration's sincerity in dealing with peasant grievances. As a result, the PKP's top leaders, Felicisimo Macapagal, Secretary-General, and Mariano de Guzman, alias "Commander Diwa," then the Huk Commander, in October 1974 laid down their arms, pledged allegiance to the Government and offered their cooperation to the Marcos Administration.

Until now Central Luzon is largely free of CPP-NPA influences because in this seed-bed of agrarian dissidence, land reform has taken root and proved its efficacy. As of July 1984 the agrarian-reform program has given security of tenure to more than one million farm families all over the country. Rural farm incomes have more than doubled since 1973.

**AFP "Oplan Katatagan"**

In 1982 the AFP began carrying out "Operational Plan Katatagan" ("Stability"), a national strategy to counter threats from the CPP-NPA and other subversive groups. The strategy calls for the AFP to conduct security operations so that civil agencies may safely carry out development activities in the more isolated regions in the country. As part of this concept of combining military and civic action, a reorganization of the AFP command structure was undertaken, to facilitate cooperation between civil and military agencies at regional level. Thus, Regional Unified Commands (RUCs) were organized, to integrate the various AFP units—whether belonging to the Army or the PC-INP—in any given region under one overall leadership, so that they may act in complete unity against subversive groups and consult, coordinate and cooperate with civilian agencies in the region on development work.

**Reforms in command structure**

Restructuring of the AFP organization was done through the following measures: 1) Establishment of a unified command in every region to provide command and control for units and all armed forces in the regions; 2) Organization of
functional, specialized forces to provide highly trained, compact, hard-hitting units for counterinsurgency;
3) Revitalization of the squad, platoon, company and battalion unit to make it more responsive to the needs of counterinsurgency; 4) Reduction of administrative and service units to free military personnel for field operations.

The AFP has also concentrated its resources on supporting the fighting man in the field. Assignments of vehicles, allocations of uniforms and individual equipment, subsistence and operations support—these are all weighted to favor troops in the field. Operational plans and programs have been drawn up for the integrated defense and security of towns, cities and provinces. Civilian Home Defense Forces have been strengthened and intelligence capabilities improved down to barangay level. Continuous training and retraining of individuals and units are being done to meet changing operational needs.

The AFP has also undertaken expanded troop information programs on law subjects to enhance respect for human rights and improve law-enforcement procedures. Over the three months from December 1984 to February 1985, two battalions from Headquarters reserve were fielded to Mindanao, to speed up the rotation of other battalions in the field.

**AFP equipment build-up**

The entire logistic system of the AFP has been redirected to place the highest priority on supporting men and units in the field, especially those in law-enforcement and counterinsurgency operations. In acquiring major items of equipment, the requirements of ensuring public safety and countering the internal threats now take precedence over the need to meet any external threat. Maintenance of military equipment is being given greater emphasis, particularly the preventive and unit-level maintenance of "mission-essential" equipment. Combat clothing and individual equipment requirements of soldiers in the field are being upgraded, to boost morale and fighting capabilities.

This program of building up equipment involves some $100 million spread over a period of five years. It is expected to bring the military up to standard in organic equipment for its maneuver battalions in appropriate armor, communications, land transport for troops and combat helicopters.
The program will also install new communications equipment to improve command control. The new transport equipment will greatly improve the mobility of military units. President Marcos has also indicated plans to purchase from other friendly countries more military equipment, depending on its availability and cost. This upgrading is under the terms of the RP-US Military Bases Agreement.

Generally, Mr. Marcos has switched the emphasis in military aid to "nuts-and-bolts" supplies and equipment rather than sophisticated and expensive defence items. This shift has been favorably acknowledged by the US State Department and Pentagon officials who have visited the country to look into the counterinsurgency campaign.

Troop discipline

In counterinsurgency, popular acceptance of the Government forces counts a great deal in their effectiveness. This can only be achieved through exemplary behaviour, good relations with civilians, and equitable treatment of people, who must regard soldiers as their protectors and friends. The AFP's approach to troop discipline consists of preventive, motivational, punitive and rehabilitative actions.

Apart from the Articles of War, the AFP has rules and regulations governing the behaviour of its personnel. These guidelines are explained to recruits at enlistment. Erring soldiers are tried by summary courts and courts-martial; if found guilty they are subject—depending on the gravity of an offense—to reprimands, demotion, dishonorable discharge, jail terms or even execution.

One of the most significant measures recently adopted is the amendment to AW 105, entitled "Disciplinary Powers of Commanding Officers." The amendment (P.D.1968) generally increased penalties for misdemeanors and minor offenses by military personnel; punishment terms (like restriction to quarters or camp limits, extra fatigue, or arrest in quarters) have been prolonged from the usual seven days to 60 days. The categories of Commanding Officers authorized to impose punishments under AW 105 have also been broadened. Eleven retraining centres or "disciplinary barracks" have been set up all over the archipelago to deal with cases under AW 105.
The AFP has increased its special group-term insurance and expanded the coverage of rest-and-recreation services and other benefits. Housing projects for troops and their families and similar programs are also being undertaken to improve troop welfare and morale.

**Broad-Front Strategy**

Few followers of subversive organizations and activist groups are die-hard believers of the movement. Many are drawn in because of association with or indoctrination by hard-core leaders. Aware of this, President Marcos has repeatedly proclaimed amnesty for certain categories of "political" offenders. During 1972-82 he issued at least ten amnesty decrees covering practically all subversive associations and their "front" organizations. Twelve amnesty commissions, assisted by provincial amnesty teams, were set up to handle proceedings.

During that period, 9,276 applications were filed, of which 8,179 were on national security offenses and the rest for illegal possession of firearms. More than 6,000 were approved and the rest are pending.

**Legalization**

Of a piece with amnesty in the effort at national reconciliation is the Government policy—recently restated by the President—toward the Opposition's proposal to legalize the CPP. As Mr. Marcos sums up the issue, any association that disavows the violent path to political power is legal. Thus, once the CPP-NPA agrees to abandon its resort to armed rebellion and violence, the Party becomes legal. However, this is unlikely to happen, for the CPP-NPA is founded on the Maoist axiom that "political power grows out of the barrel of a gun."

Some confusion has arisen about Government policy on the legality of radical politics; and a little background will help clear up things. Republic Act 1700—the Antisubversion Law—passed in 1957, declared as illegal both the PKP and its Huk guerrillas. In the 1970s Presidential Decree 885 ruled that the mere name of an association (such as the "Communist Party of the Philippines") does not make such an association illegal. P.D. 1835, issued in the early 1980s, lists specific acts of members of an association that would make their association illegal.
P.D. 885 and P.D.1835 are not incompatible. They can stand together and are enforceable together. P.D.1835 confirms the Congressional judgement of 1957 that the CPP, which seeks violently to overthrow the Government, is illegal. P.D.885 provides that any organization-under whatever name for whatever political purpose-that disavows violence or illegal means to gain political power is a legal organization.

**AFP Priorities for 1985**

The AFP has two basic tasks: ensuring national defense and security and aiding civil agencies in carrying out the national development program. It has now focused its efforts on containing and reducing the CPP-NPA insurgency and preventing a resurgence of MNLF activities. Since 1984 it has been carrying out various measures and activities aimed at keeping the people’s faith in the AFP; enhancing the discipline and morale of its personnel; and improving its operational effectiveness.

The AFP’s participation in the National Civic-Action Program is a key area of activity in 1985. This involves collaborating with the Ministries of Public Works and Highways and Local Governments as well as governors, mayors and other local officials to carry out infrastructure, health, education and other development programs in areas where security conditions are unfavorable. Priority areas are Regions 9, 10, 11 and 12. Initial projects consist mostly of schoolbuildings, barangay roads, small water systems and communal irrigation.

**Paramilitarty measures**

The integration of local police forces with the Constabulary to form territorial forces has strengthened the Government’s campaign against insurgency. With rigorous training, improved arms and equipment, the police forces have been converted into effective counterinsurgency fighters. Given better pay, fringe benefits and allowances, they are shedding their old reputation for indiscipline and apathy. Safeguards have also been adopted to prevent their reverting to their old-society roles as the instruments of local politicians.

On the assumption that people in the critical areas would be best motivated if they are defending their homes from terrorist attack, Mr. Marcos has ordered the
organization of Civilian Home Defense Forces (CHDF) in the threatened areas. The organization is an outgrowth of Barrio Self-Defense Units, organized during the 1970s in the South, primarily to help regular military units ward off attacks by secessionist forces. Receiving arms and fringe benefits comparable with those of the Integrated National Police, these CHDF units often perform creditably alongside regular units.

Integrated security plan

The President recently approved an integrated security plan for every city, town and province throughout the country. This plan is designed to protect and secure population centres, public utilities and vital installations from insurgent attacks and atrocities. It was drawn up by the military following closely the national strategy enunciated by Mr. Marcos to "clear, hold, consolidate and develop."

Appendix 6

National Security Study Directive: U.S. Policy Towards the Philippines-Executive Summary

The Problem

The United States has extremely important interests in the Philippines.

- Politically, because the U.S. nurtured the independence and democratic institutions of our former colony, the Philippines must be a stable, democratically-oriented ally. A radicalized Philippines would destabilize the whole region.

- Strategically, continued unhampered access to our bases at Subic and Clark is of prime importance because of the expanded Soviet and Vietnamese threat in the region. Fall-back positions would be much more expensive and less satisfactory.

- A strong ASEAN that includes a healthy Philippines allied to the U.S. is a buffer to communist presence in Southeast Asia and a model of what economic freedom and democratic progress can accomplish.

- Economically, we benefit from a strong investment and trade position.

Political and economic developments in the Philippines threaten these interests. Long-standing political and economic problems came to a head following the Aquino assassination in August 1983, which destroyed most of the political credibility the 19-year old Marcos Government enjoyed, and exacerbated a shaky financial situation. A positive political dynamic in the direction of greater openness has developed in the wake of the Aquino assassination, but many question whether President Marcos can or will allow sufficient revitalization of democratic institutions to prevent a full-scale polarization of Philippine society.

Meanwhile, although the Philippines is likely to
overcome the current financial crisis with considerable outside help, medium-term economic prospects are quite gloomy and in the absence of major structural economic reform the longer term outlook does not permit such optimism. At the same time, the communist New People's Army, taking advantage of the depressed economy, the weakness of the Philippine military and its abuse of civilians, popular fear and resentment of the military, and the government's inability to deliver economic and social development programs, has continued to expand significantly. This threat will doubtless continue to grow in the absence of progress toward credible democratic institutions, military reform including the curbing of abuse, and basic economic reform. Absent political and economic stability, continued steady progress toward an insurgent communist take-over is a distinct possibility in the mid-to-long terms, and possibly sooner.

However, reforms are likely in the short-run to weaken some bases of support for the current government, which will resist many of them. While President Marcos at this stage is part of the problem he is also necessarily part of the solution. We need to be able to work with him and to try to influence him through a well-orchestrated policy of incentives and disincentives to set the stage for peaceful and eventual transition to a successor government whenever that takes place. Marcos, for his part, will try to use us to remain in power indefinitely.

U.S Goals

Politically, the U.S wants a strong, stable, democratically-oriented, pro-U.S Philippines. However, without a healthy economy, the Philippines cannot achieve political stability. Thus, specific U.S economic goals remain:

- To strengthen the Philippine economy through our multilateral and bilateral assistance programs;
- To move the Philippine economy toward a free market orientation;
- To maintain and expand current levels of trade and investment (U.S exports: $1.8 billion; imports: $2 billion; direct investment: $1.3 billion).
- To contribute to lifting the Philippine economy from its
currently projected negative growth rates in 1984 and 1985.

Our security and defense goals are to maintain U.S. military presence, and to fulfill treaty obligations and commitments made operational through our naval and air bases at Subic and Clark. Through military assistance and training provided the Philippines Armed Forces our objectives are:

- To assist in maintaining internal defense and conventional deterrence capability.
- To continue to support military, civic and social action activities;
- To assist in defeating the ongoing insurgency.

Strong people/cultural relationships and broad existing institutional ties over many years assist us in achieving all our goals.

**PREMISES UNDERLYING U.S. POLICY**

The U.S. does not want to remove Marcos from power to destabilize the GOP. Rather, we are urging revitalization of democratic institutions, dismantling "crony" monopoly capitalism and allowing the economy to respond to free market forces, and restoring professional, apolitical leadership to the Philippine military to deal with the growing communist insurgency. These efforts are meant to stabilize while strengthening institutions which will eventually provide for a peaceful transition.

Our approach assumes that our interests in the Philippines are worth a high-priority and costly effort to preserve. At the same time, and although we have important influence and leverage vis-a-vis the Philippines, we cannot take the lead in reforming the Philippine system; the Filipinos must do this themselves. Our influence is most effective when it is exercised in support of efforts that have already developed within the Philippines.

We must pursue a comprehensive approach to the triad of challenges affecting our interests because the problems themselves are interlinked. This will require:

- a more open economic system that ends or substantially alters "crony capitalism" and agricultural monopolies;
- a more open political system that offers a credible promise of democratic reform;

- an effective military capable of carrying the fight to the communist insurgency while controlling abuses of its own power.

Our assets include not only the economic and military assistance that we are able to provide but also the respect and sympathy that we continue to enjoy with most segments of the Philippine population. Our support is one of Marcos' largest remaining strengths. Our assets, particularly at the people-to-people level, could be lost if we come to be seen as favouring a continuation of the Marcos regime to the exclusion of other democratic alternatives.

U.S. policy during the current crisis has included aid and other measures tailored to respond to the crisis in ways that have underlined U.S. resolve to be of assistance. Our active public and private diplomacy has been aimed at demonstrating to the Philippine public that we stand with them in their time of troubles, but that we are encouraging the basic reforms necessary to the survival of their democratic institutions.

We have adjusted our policy to the evolutionary internal political dynamics at work, an approach which has achieved some success. Through public and private statements, we have:

- sought to support those Filipinos who have been on the cutting edge of moderate reform or change;

- influenced positive decisions and movement on such issues as the need for a new presidential succession formula, a credible investigation of the Aquino assassination, and the beginning of institution-building through an acceptable parliamentary election.

Bilateral and multilateral economic steps aimed at helping the Philippine economy weather the current difficulties have included:

- vigorous support of the IMF standby program.

- maintenance of bilateral assistance programs and expansion of CCC and EXIM credits;
- adjustments within the bilateral ESF program to accommodate the GOP's need for foreign exchange;

- increased PL 480 Title II feeding programs at GOP request and in cooperation with the Philippine Catholic Church; and

- support for World Bank and ADB measures aimed at bringing about structural economic changes, particularly in agriculture.

In considering how this policy can be strengthened in the future, we have examined approaches differentiated primarily by the level of resources we would be prepared to devote to encouraging needed reform in the Philippines and by the level of the U.S. profile in the effort. We have also examined negative approaches:

- a "no sale" option to be followed should Marcos fail to agree to our proposals for assistance, in return for reform, and

- a "non-feasance" option should Marcos agree to undertake reform measures but fail to comply.

SPECIFIC SHORT TO MEDIUM TERM GOALS

1984 to 1987, that is, from the 1984 parliamentary election to the 1987 presidential election, may be a major transition period. Changes are already underway: new political forces are mobilizing; the first signs of economic response to austerity measures are being seen; the military, following the Agrava Board revelations, is looking inward.

In order for the Philippines to remain politically and economically stable, and for its military to be able to contain the growth of the insurgency, the following high priority changes are required. U.S policies must be linked to progress in all of them.

Political

- Institutional change in preparation for the 1986 local election and the 1987 presidential election.

- Reform of the Commission on Elections (COMELEC), the key to the control of the election fraud.

- A new election law which at least offers the same
gurarantees as the election law which applied to the 1984 parliamentary election.

- Legalization of NAMFREL (National Citizen’s Movement for Free Elections).
- Amendment of reform of presidential decree-making powers.
- Changes in the media particularly television but also radio and print-to permit opposition access.

Financial, Economic and Developmental

- Adherence to the IMF Program
- Significant reduction of government interference in agricultural production and marketing; an end to monopoly capitalism.
- Policy reforms in rural credit.
- Continuation of import liberalization.
- A diminished role for public enterprises in financial and industrial activities or improvement in their performance, including accountability.
- Significant tax reform to reduce distortions.

Military

- Restoration of professional, apolitical leadership in the Armed Forces in order to deal with the NPA threat.
- Improvement in dealing with military abuse.
- Improve training.
- More military equipment in logistics, communication, and basic military needs.

THE CONSENSUS APPROACH: QUID PRO QUO

The basic consensus quid pro quo approach begins with the tacit understanding by the Philippine leadership that the political and economic liberalization trend currently underway will continue, and continued U.S assistance is linked to this trend.
The measures we can undertake, and the steps the Marcos Government would have to undertake in return, are as follows:

1. Economic and Financial

Our economic dialogue with the Philippines is critical and one area where we must and should be activists. This does not mean that we should get out in front. Our bilateral dialogue should be closely coordinated with the multilateral banks, who should have the lead. We seek the not-too-gradual liberalization of the economy, not only because liberal reforms should spur more balanced growth, but because they will foster decentralization of economic and political power. To underline our concern, we should consider providing President Marcos periodic, high-level economic briefings.

Specific measures:

- Implementation and compliance with the IMF stand-by arrangement.

- A comprehensive structural reform program, developed by the GOP and agreed to by donors, to resume sustainable growth.

- IBRD and Asian Development Bank loans.

- An upgraded IBRD consultative group, the most readily available method to better coordinate bilateral and multilateral development efforts. A more efficient alternative might be a streamlined consultative group consisting of the U.S, the MDS, Japan and one or two other major donors.

- Active policy dialogue, which should involve steps to be taken that are concrete, specific and achievable. Every tranche of every program-type loan should pull the Philippine economy some small step toward the marketplace by requiring specific, concrete steps in return.

- Adjusting the sugar quota and/or reducing the duty on sugar, which could be worth as much as $30 million/year.

2. Foreign Assistance Measures

The starting quid we would expect is compliance with
the IMF; performance sufficient to release the second tranche of the IBRD agricultural inputs loan; and formulation and presentation of a comprehensive agenda for structural reform, along with a plan for implementation.

- Any additional ESF provided by Congress would be provided as program assistance in an effort to bring about policy change in the agricultural sector. With agricultural sector policy changes as well as continued progress in implementing the overall reform program, additional dollars might be provided as free foreign exchange.

- DA would be continued at approximately current levels ($35 - 40 million annually), but with greater focus on balanced rural agricultural and agribusiness development.

- The scheduled phase-out of PL 480 Title II programs should be reviewed in light of new information on hunger and nutrition.

- To enhance leverage, we would seek authority to provide a PL 480 Title II or multiyear Title I program, contingent upon reform/implementation of the agenda.

3. Military Measures

To impress upon President Marcos the seriousness with which we view the insurgency and the deplorable state of his Armed Forces to deal with it, we may need to provide private briefings for Marcos by a U.S military intelligence team. This would be a sensitive undertaking. Marcos is not uninformed about the NPA threat or the deficiency of the AFP to deal with them. However, he is probably unwilling to admit either fully to the NPA threat or to the deficiencies of the AFP because to do so would be an indictment of his nearly twenty years of rule.

Major U.S efforts to halt any further deterioration in the Philippine military will be hampered by the Philippine military's structural weakness: poor, uninspiring leadership; corruption; mismanagement of resources. Given the growth of the insurgency, military assistance is nonetheless essential. A restoration of professional, apolitical military leadership could significantly alter the situation.
At the outset, substantial new funds beyond those envisaged in the bases-related commitments may not be needed. What is needed is a better utilization of already planned funds, i.e., a total of $425 million in MAP and FMS for FYs 85-89.

An overriding consideration should be to avoid getting ourselves caught between the slow erosion of Marcos' authoritarian control and the still fragile revitalization of democratic institutions, being made hostage to Marcos' political fortunes, being saddled with ultimate responsibility for winning the insurgency, or tagged with the success or failure of individuals in the moderate leadership. A strong case can thus be made for security assistance which concentrates on practical programs such as logistics, maintenance, training programs, and equipment for mobility and communications. Specific measures:

- Ensure that the provision of military aid (FMS and MAP) at least equals that outlined in the presidential commitment over the five-year period.

- Ensure the most efficient use of military assistance (including measures against corruption) and prohibit direct commercial purchases with FMS credits and MAP funds.

- Increase IMET and link increase to technical skills training in maintenance, logistics, and communications/electronics.

- Improve communication capabilities.

- Reorient Philippine participation in joint exercises to concentrate on tasks which will advance civic action capabilities.

- Assist the AFP to fulfill their perimeter security responsibilities at the US bases by expanding FMS and MAP to offset their expenses.

- Consider means of assisting the AFP with their cash flow problems by, for example, rescheduling current FMS debt; seeking only direct, concessionary loan authority and enhanced grant assistance, etc.

- Make a major effort to assist the AFP in improving the existing logistics system through use of MTTs and in upgrading their transportation capabilities.
- Assist in reestablishing training programs throughout the AFP, ranging from basics to advanced programs.

4. Political Measures

a. Private Diplomacy

In the Philippine cultural context, the way we convey our policy messages to the government leadership, the opposition, the Church, and the business community is almost as important as the policy.

An effective, low-key approach involves no special efforts at communication other than the normal — an occasional presidential letter, regular visits by administration officials, close Embassy contact, and regular one-on-one meetings between President Marcos and Ambassador Bosworth. This has the advantage of moving issues along one at a time in ways that clearly spell out U.S. intentions. Occasional visitors and regular communication at the Ambassadorial level, particularly with President Marcos, would be geared to making sure our messages are received, understood, and placed in the appropriate policy context. This mode is appropriate for expressing U.S. support for initiatives needed to move the Philippines successfully through the transition period such as strengthened/reformed election bodies (NAMFREL and COMELEC), a stronger independent judiciary, and revitalized rural development efforts.

A presidential letter would be key to setting the stage for linking increases in economic, military, and financial assistance to major reform. The same message could be sent by a high level emissary such as Secretary Shultz or NSC Director McFarlane. A third option would be to ask one of several private sector leaders known to Philippine leadership (a "wisenen's mission") to carry the message. This would be particularly advisable if a high level trade/aid/investment initiative effort is made.

b. Public Diplomacy

Public diplomacy involves both Philippine and U.S. audiences and is an essential part of our policy. As a first step, we would have to spell out our Philippine policy through a high level Administration speech, followed by regular policy statements in Washington and Manila.
Since appearances and the perception of personal ties are a most important factor in the Philippine relationship, U.S. officials will have to take care not to appear too close to the Marcos regime. At the same time, of course, U.S. officials will have to maintain a relationship which permits us to continue to exercise influence positively. This is a thin line to walk but it can be done.

**DRAMATIC NEW MEASURES**

1. Enhanced Military Assistance - Increased MAP vice FMS

Rationale for a larger MAP program - $100 million in MAP vice a package of $60 million in FMS and $25 million in MAP for FY 84 - is as follows:

- Continued reliance on FMS as the major component of military assistance, even at 10/20 payback, is not responsive to economic realities.

- Converting to MAP would introduce a significant new element of U.S. leverage to reform the AFP.

- Such a major improvement would enhance the role of the professionals in the Philippine military.

- Additional military assistance will be needed in FY86 if we are to provide the full amount of military assistance envisaged over the five-year period of the President's "best efforts" commitment.

Our presentation to President Marcos to link substitution of increased MAP for FMS would indicate that we would expect the following:

- Restoration of professional apolitical leadership of the Armed Forces in order to deal with the NPA threat.

- Improvement in dealing with military abuse.

- Improved training.

- More military equipment for logistics, communications, and basic military needs.

This option assumes adherence to the comprehensive and fundamental economic policy reforms, including but not limited to the IMF stabilization program, referred to earlier. In addition, however, this option assumes some progress in fundamental political reforms.

Close consultations with key members of Congress would be required. Specifically, they would have to approve an Administration approach to Marcos along the following lines:

- In view of Philippine adherence to the IMF program, and because of the difficulties the country is now encountering, the Administration is prepared to approach the Congress to recommend a greatly increased economic assistance package in addition to the bases-related assistance.

- The Congress will not approve this funding unless there is sufficient progress in economic and political liberalization process and military reform.

- The Administration's success in this effort will thus depend upon specific steps in several areas.

On the political side, President Marcos would have to undertake the following types of measures:

- Institutional change in preparation for the 1986 local election and the 1987 presidential election.

- Reform of the Commission on Elections (COMELEC), the key to the control of election fraud.

- A new election law which at least offers the same guarantees as the election law which applied to the 1984 parliamentary election.


- Amendment or reform of presidential decree-making powers.

- Changes in the media – particularly television but also radio and print – to permit opposition access.

On the economic side, in addition to adherence to the IMF Program, specific measures include:
- Elimination or substantial reduction of government interference and other restrictions (including mono-polies) in agricultural production and marketing.

- Policy reforms in rural credit.

- Continuation of import liberalization.

- Accountability for public enterprises in financial and industrial activities.

- Significant tax reform to reduce distortions.

An additional measure could involve U.S sponsored efforts actively to involve the U.S private sector, which would include facilitating U.S investment and encouraging duty-free treatment in the Philippines. Such an initiative, of course, would be successful in the context of adhering to the IMF program.

"NO-SALE" NON-FEASANCE OPTIONS

Our strategy options rest on the premise that the Marcos government will begin to undertake, accelerate or adjust to the reforms needed to correct the deteriorating situation. We, thus, need to consider what we would do if Marcos refuses to undertake or blocks reform ("no-sale") or, more likely, agrees to the reforms but fails to follow through (non-feasance). All proposals for new assistance should include benchmarks and discreet but plain deadlines for agreement in principle and execution in practice. If there is no agreement, or if agreement is dilatory, we should:

- reiterate our concerns;

- send signals that non-cooperation in Manila leads to non-cooperation in Washington, e.g., delayed disbursement of funds, delayed program approvals, negative votes in multilateral forums;

- discreetly publicize the fact that cooperation is not forthcoming on matters important to the welfare and security of the Philippines. These signals should increase pressure on Marcos from the public, opposition, business leaders, and even from his own close associates. If economic assistance is not forthcoming, the deteriorating situation itself should increase the political and economic pressures on Marcos.
Experience tells us that agreement in principle followed by non-feasance is probably as likely as agreement followed by faithful execution. To guard against this, our tactical approach to assistance must include:

- Clear definition of the elements composing agreement in principle.
- Clear definition of acceptable performance criteria.
- Periodic in-house evaluation of progress.
- Periodic review of compliance and results with the Philippine Government.

If review established backsliding, we would take the steps outlined above under the "no-sale" option.

SELLING A SOLUTION TO CONGRESS

Dealing effectively with the Congress on Philippine policy offers a unique opportunity because of the shared perception, which crosses political party lines and includes the media, that reforms or required in the Philippines and U.S assistance should in some fashion be linked to reforms. Additionally, there is a domestic constituency for the Philippines, and few Americans favor a military pullout.

Close consultation with the key Congressional committees is imperative. Any thinking about expanded assistance requests should be shared with the key subcommittee chairmen as soon as feasible. Some members of Congress can also be approached to explain our Philippine concerns and policy to the Philippine leadership, the opposition, and other Philippine interest groups.

Note: This is a top-secret policy paper prepared by the high level Inter-Agency Task Force of the Philippines made up of top-level representatives from the U.S State Department, Treasury, the CIA as well as other U.S intelligence agencies and which was created August 1984. This policy paper which was leaked out 12 March 1985 by the Philippine Support Committee.

Appendix 7

CHRONOLOGY

1565  Spain colonizes Philippines.
1896 Aug. 26  Philippine Revolution against Spain.
1897 Dec.  Pact of Biak-na-bato temporarily suspends fighting between Filipinos and Spanish.
1898 May 1  Admiral Dewey defeats Spanish in Manila Bay.
1898 June 12  Emilio-Aguinaldo declares Philippine independence.
1899 Jan. 23  Aguinaldo declares Philippine Republic.
1899 Feb. 4  Fighting breaks between U.S and Filipino forces.
1899 Feb. 6  U.S. Senate votes to annex Philippines.
1901 Mar. 23  Aguinaldo captured.
1902 July 1  Congressional legislation provides for colonial administration in the Philippines (First Organic Act).
1907 Oct. 16  First meeting of elected lower House; Osmena elected Speaker.
1916 Aug. 29  Jones Law promises Philippines ultimate independence; elected Senate replaces appointed Commission.
<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>1935</td>
<td>Nov. 15</td>
<td>Philippine Commonwealth established with Manuel Quezon as president and Sergio Osmeña as Vice-President.</td>
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<tr>
<td>1941</td>
<td>Dec. 7</td>
<td>Japanese attack Pearl Harbor and Clark Airfield in the Philippines.</td>
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<tr>
<td>1942</td>
<td>Mar. 29</td>
<td>People's Anti-Japanese Army set up (Hubalahap or Huks).</td>
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<tr>
<td>1942</td>
<td>May</td>
<td>Last U.S forces in Philippines surrender to Japanese.</td>
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<tr>
<td>1943</td>
<td>Oct.</td>
<td>Japanese establish puppet &quot;Philippine Republic&quot; and grant it &quot;independence&quot;.</td>
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<tr>
<td>1944</td>
<td>Oct. 20</td>
<td>U.S forces under General MacArthur return to Philippine island of Leyte.</td>
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<tr>
<td>1944</td>
<td>Oct. 23</td>
<td>Philippine Commonwealth re-established with Osmena as President.</td>
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<tr>
<td>1946</td>
<td>Apr. 23</td>
<td>Manual Roxas defeats Osmena for presidency.</td>
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<td>1946</td>
<td>May-June</td>
<td>Opposition legislators ousted from Philippine Congress.</td>
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<td>1946</td>
<td>July 2</td>
<td>Philippine Congress accepts Bell Trade Act.</td>
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<tr>
<td>1946</td>
<td>July 4</td>
<td>Philippines given independence.</td>
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<tr>
<td>1946</td>
<td>Sept. 18</td>
<td>Philippine Congress passes &quot;parity&quot; amendment to Philippine constitution, granting special rights to U.S investors.</td>
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<tr>
<td>1947</td>
<td>Mar. 11</td>
<td>&quot;Parity&quot; amendment ratified in plebiscite.</td>
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</table>
1947  Mar. 21  Military Assistance agreement signed with U.S.
1948  Jan. 28  Collaborators with Japanese pardoned.
1948  Mar. 6   Huks declared illegal organization.
1948  Apr. 16  Roxas dies in office; succeeded by Elpidio Quirino.
1949  Nov. 8   Quirino re-elected President.
1950  Nov. 9   U.S National Security Council authorizes all necessary steps to defeat insurgency.
1953  Nov. 10  Ramon Magsaysay defeats Quirino for the presidency.
1954  Sept. 8  Southeast Asia Treaty Organization (SEATO) established in Manila.
1955  Sept. 6  Bell Trade Act replaced with the Laurel-Langley agreement.
1957  Mar. 17  Magsaysay dies in plane crash; succeeded by Carlos Garcia.
1957  Nov. 12  Garcia re-elected president, defeating his traditional opponent, and nationalist Clara Recto.
1959  Oct. 12  Bohlen-Serrano agreement on military bases: U.S agrees to consult before using bases for non-SEATO or non-Philippine defense combat operations or before deploying long range missiles in the Philippines.
1961  Nov. 14  Garcia defeated for presidency by Dossoedado Macapagal.
<table>
<thead>
<tr>
<th>Year</th>
<th>Date</th>
<th>Event Description</th>
</tr>
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<tbody>
<tr>
<td>1962</td>
<td>Jan. 21</td>
<td>Macapagal removes import controls.</td>
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<tr>
<td>1962</td>
<td>June 12</td>
<td>This date declared new Philippine independence day.</td>
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<tr>
<td>1965</td>
<td>Nov. 9</td>
<td>Ferdinand Marcos defeats Macapagal for presidency; Marcos, going back on campaign promise, backs sending civic action unit (PHILCAG) to support U.S war in Vietnam.</td>
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<tr>
<td>1969</td>
<td>Nov. 11</td>
<td>Marcos re-elected.</td>
</tr>
<tr>
<td>1971</td>
<td>Aug. 21</td>
<td>Grenades thrown at speakers' platform of Marcos's political opponents; perpetrators never caught; Writ of habeas corpus suspended (restored Jan.11, 1972).</td>
</tr>
<tr>
<td>1972</td>
<td>Sept. 21</td>
<td>Marcos signs declaration of martial law.</td>
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<tr>
<td>1974</td>
<td>July 4</td>
<td>&quot;Parity&quot; amendment expires.</td>
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<tr>
<td>1976</td>
<td>Dec. 23</td>
<td>Tripoli Agreement signed to end fighting between government and Muslim guerillas.</td>
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<tr>
<td>1978</td>
<td>Apr. 7</td>
<td>Elections for Interim National Assembly held, generally regarded as fraudulent.</td>
</tr>
<tr>
<td>1979</td>
<td>Jan. 7</td>
<td>U.S bases agreement amended: Philippine flag to fly over bases, but U.S guaranteed &quot;unhampered&quot; military use.</td>
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<tr>
<td>1980</td>
<td>Nov. 4</td>
<td>Ronald Reagan elected president of the U.S.</td>
</tr>
<tr>
<td>1981</td>
<td>Jan. 17</td>
<td>Marcos &quot;lifts&quot; martial law, but retains most martial law powers.</td>
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</table>
Marcos elected President in elections boycotted by most of his opponents.

Marcos on state visit to U.S.

Former Senator Benigno Aquino Jr., assassinated at Manila airport as he returns from exile in U.S.

National Assembly elections; some oppositionists participate but fraud minimizes the number of seats they win.

Agrava Commission finds there was a military conspiracy to assassinate Aquino.

Secret U.S National Security Study Directive finds Marcos part of the problem and part of the solution.

CIA chief William Casey meet with Marcos in Manila.


Marcos announces snap election.

Marcos-controlled court clears Ver and other military officers in Aquino assassination.

Corazon Aquino announces that she is a candidate for the presidency.

at the deadline, Corazon Aquino and Salvador Laurel agree to run as a united opposition ticket.

Election held between Marcos and Aquino; both claim victory.

Reagan declares there was fraud on both sides.

Philippine Bishops denounce election and call for civil disobedience.
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<th>Date</th>
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<tbody>
<tr>
<td>1986 Feb. 22</td>
<td>Marcos's defense minister and deputy chief of staff defect.</td>
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<tr>
<td>1986 Feb. 23</td>
<td>People protect Camps Crame and Aguinaldo from Marcos's armed forces; troops refuse to fire on civilians.</td>
</tr>
<tr>
<td>1986 Feb. 25</td>
<td>Marcos flies to Clark Air Base and then to Hawaii; Aquino takes over presidency.</td>
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