

MALACANANG
MANILA

Earl Inigo, Nixon's biographer, has just inter-
 viewed me and he says I should be so high above
 the newspapers and the crowd now that we should not be
 concerned what the papers print because if it is bad, the
 people will not believe it anyway.

Two questions have come up in his interview:
 1. Are the U.S. Military bases in the Philippines
 a deterrent or a magnet to bombing and/or nuclear
 attack. (The Peto Naval position is that they are more
 magnets not deterrents and are not only used but pre-
 judicial to Philippine national interest. I personally believe
 that now with the present nuclear capability of Red China and
 the ABM buildup of the U.S, we need these bases for the
 defense of the Phil. If China had not developed its nuclear
 capability we would not need them. Pres. Nixon explained
 to me last March when Imelda and I attended the
 Eisenhower memorial services in Washington D.C. how
 the U.S would use the ABM (Anti-Ballistic Missile)
 to counteract any nuclear threat from Red China.

2. What will happen to our economy, especially
 the sugar industry if the U.S. does not extend our special
 preferences. (Of course the sugar industry would collapse
 because special preferences on the quota given us in the American
 market allows us to sell our sugar at the favored price of
 7 cents a pound as against 3 cents a pound in the world market.
 And our cost of production is from 3 to 4 cents a pound. Our
 dollar earnings from sugar alone is \$160 million out of a
 total dollar earnings of \$1.5 billion.