

9:30 PM

33

Jan. 10, 1941
Sunday

MALACAÑAN PALACE
MANILA

Bongbong called up from London to say that he and Kofay arrived at quarter to eleven London time which would be quarter to six in the evening Manila time. He was able to sleep in the plane sitting up and London is not bitter cold as they expected but only as cold as the day Bongbong left. He goes to Worth Abbey School tomorrow at 4.00 PM.

Intelligence reports indicate expectation of use of explosives by Algerian-trained demolition men and target date for major disorder and violence ~~in~~ July and August to continue up to the political campaign for local elections.

I attach an intelligence report on this.

Congressman Pundatum and Ex-Cong. Raschid Sucman are reported engaged in subversive activities in Pundano and Indonesia.

I attach the report of Ambassador Farolan of Indonesia.

34
Jan. 10th (Cont)

MALACAÑAN PALACE
MANILA

The Manila Chronicle, today, has come out with a vicious front page editorial. I attach a clipping as a sample of the Lopez campaign of hate.

I also attach a memorandum prepared on the reasons for this blackmail.

Spoke before the new labor center ^{of Kito Mandaya} after meeting the Pinaybubod na Mangagawa nang Pilipinas headed by Bert Ace.

We must keep the laborers and the farmers on our side.



PACIFIC AREA TRAVEL ASSOCIATION

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CONFIDENTIAL INFO: FOR PFM

1. IMPALA CARPENTENTED (USED BY LT. CORPUS) FROM MANILA HOTEL WAS PAID FROM THE FIVE HUNDRED PESOS TAKEN FROM SEN NINOY AQUINO WHEN SOME ACTIVIST VISITED HIM ON THE 28th OF DECEMBER IN HIS QUEZON CITY RESIDENCE.(CHINO ROCES SAW CORPUS ON THE 28th.)
2. TWO MORE OFFICERS ARE BEING PROJECTED TO JOIN LT. CORPUS IN THE HILLS AND THE MOVE IS TO BE TIMED WITH A MAJOR ANNIVERSARY.....
 - 2.1 Students activist planning something big for January 26 celebration.
3. A BIG PORCE OF NPA MEN CONVERGING IN MANILA AREA DURING THE LAST SEVERAL DAYS GIVING INDICATION THAT A NEW SHIFT TO URBAN GUERRILLA WARFARE HAS BEEN STARTED.
 - 3.1 JOSE MA. SISON HAS STARTED ACTIVE LEADERSHIP OF THE MOVEMENT DANTE while still overall military head is slowly edged out by newer and more qualified recruits.
 - 3.2 With very strong following in the key universities, Sison has been meeting with student activists and labor leaders (transport mostly) and has drawn extensive plans for disturbances in key urban areas....
 - 3.3.1 Expect upturn of bombings with the arrival of Algerian trained demolition experxts. Two MUSLIM boys who recently trained in Algeria were formerly enrolled in Cairo have started a demo school in Manila for young activist.
(Check all explosives of Lumber Companies and of Dist. Engineers in provinces most especially where there are activist.)
4. NPA has also directly linked with major newspaper desk....particularly Manila Times and the Manila Chronicle and Jose Ma. Sison has decided to bury the hatchet with Renato Constantino....forged working alliance for common front.
 - 3.1 KM secretariat issuing ANG BAYAN newsletter and center of activities is UP Cell...
5. CONTINGENCY PLANS BEING PREPARED FOR EVENTUALDECLARATION OF MARTIAL LAW IN KEY URBAN AREAS. JOSE MA. SISON OPTED TO INCREASE INCIDENCE IN MANILA TO FORCE DECLARATION OF MARTIAL LAW BY PFM...
 - 5.1 That after the declaration of martial law, people will be inconvenienced thereby causing DISCONTENT.
 - 5.2 That Metrocom lacks capability of restranit in enforcing Martial law edicts.

-more-

ALASKA * AMERICAN SAMOA * AUSTRALIA * BRUNEI * CAMBODIA * CANADA * CEYLON * CHINA, REPUBLIC OF (TAIWAN) * ENGLAND * FIJI
* FRANCE * GUAM * HAWAII * HONG KONG * INDIA * INDONESIA * ITALY * JAPAN * KOREA * MACAU * MALAYSIA * MEXICO * NEPAL
* NETHERLANDS * NEW CALEDONIA * NEW ZEALAND * OKINAWA * PAPUA-NEW GUINEA * PHILIPPINES * SINGAPORE * TAHITI * THAILAND
* UNITED STATES * VIETNAM * WESTERN SAMOA

- 5.3 Local officials would want to abuse power under a state of emergency and will aggravate situation so that local election will be suspended (This is in line with the time table also of DGY LAUREL)
- 5.4 Newspapers and opposition will have a field day detailing abuses ... setting up country for possible revolution.
6. A MAJOR SEGMENT OF THE MANILA BASED CENTRAL COMMITTEEMEMBERS OBJECTED VIGOROUSLY TO SISON'S PLANS ON THE FOLLOWING REASONS:
- 6.1 PFM will be given almost absolute powers to jail key oppositionist and KM supporters and financiers, newsmen and if effectively carried out might cause the total and final collapse of elaborate structure established.
- 6.2 With leadership jailed during the first few days of martial rule, and the press controlled, normalcy can return and if properly implemented graft minimized production may take upswing and finally peace and order under strong PFM military rule.
- 6.3 The committee are also afraid of the loyal political lieutenants of PFM who will be more than too glad to go after them, especially they are well armed. NPA are checking reports that some Lt's are ~~arguing for~~ ~~that~~ ~~the~~ ~~for~~
- 6.4 THAT THERE IS PRESENTLY A CLAMOR FOR A STRONG PRESIDENT AND OCCASION MAY ONLY PRESENT PFM WITH THE NECESSARY EXCUSE.. THEY ALSO BELIEVE THAT PFM IS WAITING FOR THIS.
- 6.5 Experience of late has shown that where chief Executives (in CANADA & SPAIN) acted with determination, state of emergency measures welcomed by the majority of the citizens and have generally contributed to ~~to~~ ~~strengthen~~ Government stability .
7. STUDENT ACTIVISM WORKING CLOSELY WITH NPA/CCP OVERALL PLANS ~~XXX~~ WILL BUILD UP "ATMOSPHERE OF CHAOS" TO CLIMAX WITH THE OPENNING OF CONSTITUTIONAL CONVENTION. TARGET DATE FOR MAJOR DISORDER AND VIOLENT INCIDENTS..... JULY AUGUST .. THROUGH ELECTIONS CAMPAIGN FOR LOCAL OFFICIALS...
8. SISON HAS LAID GROUPWORK FOR PENETRATION IN ILOCOS REGION THROUGH A SERIES OF CONFERENCES WITH LOCAL POLITICIANS..... MET WITH CHAVIT SINGSON ~~XXX~~ AND PROMISED BACK UP SUPPORT IN EXCHANGE FOR PENETRATION OF NPA UNITS IN LOCAL ILOCOS SUR POLICE FORCES....
- 8.1 NPA securely established in at least six Isabela towns and penetration proceeding in Cagayan (Dupaya's district) ~~if~~ .. contacted disgruntled local politicians prosecuted by the Dupayas and are somewhat successful. NPA were chase out of Palanan area by elements of Acme lumber guards.
- 8.2 Penetration to Southern Tagalog and Bicol provinces are also laid out and will be carried out in coming local elections...
9. NARDONG PUTIK ACTIVE IN MAJOR CRIME OCCURENCES IN MANILA AND CAVITE... WAS BEHIND SHOOTING OF CAVITE CHIEF OF POLICE... HAS EFFECTED LIAISON WITH NPA FORCES OPERATING IN GREATER MANILA..... WILL BE GIVEN A FREE HAND IN CAVITE-LAGUNA-BATANGAS AREA (CRIME WAVE SMUGGLING WITH BOCALAN) PROVIDED HE WILL DISTRIBUTE NPA PROPAGANDA AND ~~XXXXXXXX~~ PLANS ARE FORMALIZED TO INTEGRATE SOME OF HIS FORCES WITH EXISTING NPA KM UNITS IN MANILA.
- 9.1 PUTIK operates closely with KAWIT Mayor BAUTISTA reportedly eyeing possibility of fighting MONTANO with NPA support. BAUTISTA is key smuggling protector of small operators and also coordinate with the set up of BOCALAN-IIPC Zone operations.
10. EXPECT ASSASSINATION AND KIDNAPPING IN COMING MONTHS ESPECIALLY AMONG KEY CABINET AND SUB CABINET OFFICIALS AND THEIR FAMILIES... THEY ARE TRYING THIS SCHEMS FOR PUBLICITY AND TH DRAMATIZED THE FACT THAT NAPA IS VERY MUCH ALIVE AND FOR IMPACT AND FOR POSSIBLE EXTORTING MONEY AMONG KEY BUSINESS PEOPLE AND ESTABLISHMENTS.
- 10.1 BOMBING OF KEY ESTABLISHMENT owned by cronies of PFM and business favored by First Family will be launch shortly to show fight against graft.. Department Stores, Car assemblies, radio and TV stations are top targets.

11. IMPORTANT THAT ALL POLICE AGENCIES ACT WITH RESTRAINT BUT MUST BE ADE-
QUATELY WITH THE BEST ANTI RIOT DEVICES PSY WAR EFFORTS MUST BE
INTENSIFIED.....INTELLIGENCE ACTIVITIES MUST BE IMPROVED..... EFFORTS TO
CRUB NEWSPAPERS EXCESSES AND SUPPORT FOR NPA ACTIVITIES MUST BE INTENSIFIED.

12. NPA ARE ALSO WAITING FOR THE MILITARY GAMES IN THE SOUTH THEN WILL START
SOME DISTURBANCES IN THE URBAN AREAS... PC INFO CENTER IS INFILTRATED.
NPA GETTING RELEASES BEFORE THEY ARE EVEN MADE AVAILABLE TO THE PALACE.
GARCIA IGNORANT OF WHATS GOING ON AND THAT SOME OF HIS OPERATIONS ESPECIALLY
PRESS RELEASES ARE BEING UTILIZED BY SO CALLED LOW MORALED MEMBERS OF THE
COMMAND BEING INFILTRATED BY LEFTIST ELEMENTS.

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STRICTLY FOR THE PRESIDENT - HIGHLY CONFIDENTIAL
THE FOREIGN SERVICE
OF THE
REPUBLIC OF THE PHILIPPINES



PHILIPPINE EMBASSY
DJAKARTA

December 23, 1970

Dear Mr. President:

Congressman and Mrs. Pendatun have just left here after a week's visit during which I feel certain they did not want me or the Embassy to know of their present, much less of the purpose of their visit. Not having sought me, although we are supposed to be on friendly terms, I made no effort to appear interested in them. They did accept, however, one luncheon engagement with the PNB representative, who is acting as my Financial Attache, Mr. R. Elepano. Since their departure, however, one of the Cotabato followers of Pendatun, who now claims to be disillusioned with him for allegedly unpatriotic activities, has come voluntarily to me to inform me of the nature of Pendatun's as well as ex-Congressman Lukman's interests and activities in Indonesia during their repeated sojourns here.

Obviously, they are interested in some business, at least in timber concessions, and tie-ups of more than purely business character with Indonesians. The timber interest was mentioned to me by Lucman but his claim ~~was denied~~ by the authorities who should know such as those of Forestry. Apparently they are depending upon or seeking the intercession of the Speaker and other members of Parliament. From here Pendatun told Elepano, he was supposed to go to the U.S. to negotiate financing, passing thru Manila. This was confirmed by my volunteer informant.

This informant is Datu Ray (Ibrahim) Uy of south Cotabato. This is the same fellow, with his brother, who had for two years been the main problem of the Philippine consulate in Manado. They were engaged in smuggling on a large scale and they were several times apprehended and their two ships, both Reparations vessels on lease to them, impounded by Indonesian authorities for some two years. During that time, however, these authorities have been using the ships for their own personal benefit while the cases of the Uys were pending in court. These cases have since been disposed of. Ray Uy has married an Indonesian and is now staying here in Djakarta. He said he continues his close association with Pendatun and Lucman both for his own security and that of his family in Cotabato and so, according to him, he can keep track of their activities and be able to inform you. He claims to have been an active supporter of Pendatun in his entire political career and transferred his support only to Congressman James Chiongbian during the last election and to you, although still nominally a Liberal. I am giving you all this information for your own assessment and to help evaluate his claims and supposed inside information.

Uy's information ~~is~~ brief is as follows: Pendatun and Lucman are engaged in highly subversive and treacherous activities both in Mindanao and in Indonesia and Malaysia and that they are preparing to set up their own government in Mindanao, seeking support in Moslem countries as far as the Middle East, specially in Kuwait and Egypt. Uy claims that he was auditor and board member of the Islamic Cultural organization which was set up to serve as front for the Islamic Association and enable it to engage in other than purely religious activities which the latter was supposed to have been intended for. Large sums of money had been raised from Moslem countries intended to help set up a large Moslem mosque in Manila, ~~has~~ been dissipated and used in the purchase of arms and ammunition by certain groups in Mindanao and to recruit and secretly bring to Mindanao Moslem mercenaries and volunteers. Such arms are now in large quantities and several thousand of the volunteers calling themselves Al-Fatah, apparently after those in the Middle East War, are now in Lanao province. There is a large training camp in a place near Pikit and Datu Piang, on a spot called Perish or Perez (supposed to have been named after an American during the early American regime) and which had been the chief hide-out of Pendatun during the guerrilla days. Uy claims to have been to this place and to have seen hundreds of young Moslems in training by outsiders hired for the purpose. He says the place is inaccessible and cannot be taken except by a large force; ordinary small patrols are ambushed and killed or scared away; and so today it is generally left alone.

Having convinced themselves (and a large sector of the Moslem population of Mindanao, Lucman, Pendatun, Alonto and company), - that you had engineered the attempt at the assassination of Pendatun, they are now out to get you; they are determined to kill you in one form or another. When and where, Uy says, he has no idea but he feels certain that such is their purpose. In their organizational set-up for this purpose, he said Lucman is the "Field Marshall" and is the one assigned to plan the strategy and to execute the assassination plan. Pendatun is supposed to be next in command as "general" with much less active part in the assassination plan but just as deeply in it. They are working with "General" Ablang Kiffli, whom you already know and whom I have reported to you to have asked me to transmit to you a letter with a proposal to set up a Moslem Republic of Southeast Asia to include Mindanao and Sulu, together with Sabah and Brunei and portions of Indonesia. Uy says Kiffli has supplied the "volunteers" now in Mindanao, mostly Lanao, out of his "army" being held in reserve in Kalimantan.

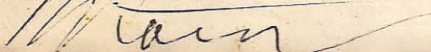
Part of the Lucman-Pendatun scheme is ~~the~~ joint venture with Indonesian in shipping, which, when operating already in the coastwise service in portions of Indonesia in close proximity to Mindanao, will be used to accelerate smuggling of arms and men. According to Uy, Pendatun is going to the U.S. after leaving Indonesia, to negotiate or sign a loan agreement with an American bank to finance their projects in Indonesia, including this proposed shipping line. An attraction of this scheme to Mindanao Moslems will be the "free" or inexpensive transportation of pilgrims to Mecca, which you no longer permit to be supported even only in the indirect manner it used to be supported.

I am reminded now that when Lucman was last here during the Afro-Asian Islamic Congress he asked me if General Nasution had already accepted the invitation of the Mindanao State University to be its guest of honor during President Tamano's investiture and I said he has, he asked to be given a day in which to play host to Nasution and to all the special guests, presumably including you, if you should attend the ceremony. Of course, I said I had nothing to do with the program and so I have no business suggesting it to General Nasution. According to latest advise and the acceptance of General Nasution, which I have just transmitted to the Department, the ceremony in Marawi City will take place anytime between April 12 and 17. Nasution left the choice of exact date to the university authorities. But he expects to be in Manila with Mme. Nasution, his ADC, a member of MPRS and a secretary, on April 10. Incidentally, you seem to have overlooked sending a gift to the wedding of Nasution's daughter last December 19, which I had suggested. Of course, I am not aware if there is any special reason that inhibited you from sending a gift, but I thought it would have been most appropriate and highly appreciated for Nasution has deep personal esteem for you.

Uy asked me to transmit this information to you at once but I told him it is of such delicate nature that I do not dare do so and that I will communicate it to you when I come there the latter part of January to address the PATA, which, as co-founder and first president, I have been invited to do, and to attend the ASEAN Secretaries General meeting the following week. This I did to avoid betraying any special eagerness on my part, which he may, considering his background, try to exploit. I expect him to keep on informing me more of what he knows or ~~as~~ what is passed on to him by his associates and I may have more to tell you next month. I suspect that he has established himself here precisely with the knowledge, understanding or even agreement with Lucman, Pendatun and Co. but if he chooses to inform us of all their schemes and activities because he disapproves them, as he claims, I shall not decline to listen to him, without in any way indicating any approval of his actions or even the slightest interest in them. I will just be a willing but ostensibly unearg listener.

With best wishes for a Merry Christmas and a Happy New Year, I beg to remain

Faithfully yours,



The Fruits of Corruption

THE STATEMENT that corruption is rampant in high places in Philippine society has become an axiom in that its truth is widely accepted without proof. The fruits of that corruption are appearing everywhere, sometimes in the form of equity in many a giant corporation or mining syndicate, sometimes in the form of vast real estates in and around Manila, sometimes in the form of imposing buildings structured to last for ages. But whatever the form, the fruits of the corruption burdening the land have two characteristics in common: magnitude and ownership.

Indeed, the situation has developed to a point where the accumulated and tangible rewards of corruption, usually a mark of disgrace in climes where honesty is still recognized as one of the virtues, can easily be made to assume a positive character in a jurisdiction like the Philippines where honesty is regarded as something for stupid and impractical idealists.

It is now a common practice of Filipinos - - the broad masses of them who can no longer swallow the endless and ill-disguised raids on the public coffers and the underhand deals which are transacted almost every hour of the day - - to point to the many tangible evidences of connivance between high officials of the Administration, on the one hand, and resourceful and prehensile cronies, on the other, as the latest acquisitions of high officials.

As our cartoon of the day shows, these evidences can very well be used as tourist attractions. They may not be natural splendors like the Inland Sea or magnificent ruins like the Coliseum, storied and hoary with age. But their interest stems from the ingenuity and callousness of the men, in and out of the government, who are responsible for their emergence on the otherwise unsullied Philippine landscape.

It is not, however, as perverse tourist attractions alone that the evidences - - the properties acquired through corruption - - are useful. They are also invaluable to the student of deteriorating societies, for the evidences that one sees around are the real cause of the gnawing poverty of the Filipino mass.

In the urban areas, he lives like a veritable animal in shanties the misery of which is further enlarged



A GUIDED TOUR

"Folks, we shall now see the fruits of corruption. On your left is a tall and imposing building which belongs to a high official, but which is registered in the name of "X". On your right is a rolling 11-hectare lot which belongs to the same high official but which is registered in the name of "Y," etc., etc. . . .

by the mansions that form their sculptured backdrop. In the hinterland, the corruption which has gained distinctive global notoriety for certain high officials is the reason for the one- or two-meal a day existence of the more than 35-million peasants.

Is there no money with which to relieve them of the suffering heaped upon an impressive majority of them by so devastating a wrath of the gods as Yoling? However, the possibility that they might indeed be the victims of a manifestation of such a wrath was cleverly used to accumulate something like a Calamity Fund. Whatever happened to that Fund? Obviously, it has disappeared like

many others - - mysteriously and thoroughly.

But the Administration had a ready solution. It raised the tariff on oil, an act which inevitably produced tension and discontent among the miserable ranks of jeepney drivers. At the moment, these human beings who live sub-human lives are on strike, and it is just possible that the desperation of their cause might lead them into the commission of unseemly acts.

Again, the Administration will have an easy solution. It will blame the traditional whipping boy, the Communists, and in the name of peace and order and for the preservation of democratic rights which, to paraphrase the tremen-

dous line of Anatole France, enable the rich and the poor to seek their livelihood from garbage piles, order the armed forces to shoot and subjugate the strikers.

And to hold the image of a benign, religious and charitable Administration intact, the trickeries and systematized lies of propaganda will be mobilized. Image-making will be raised, as indeed it has been raised, to its highest point, and gimmickery involving the use of public funds utilized to the utmost. All this is now as transparent as a see-through garment.

Much has been made of the development in the private sector. But what actually has the Administration done? It has harassed legitimate businessmen and industrialists, directly by unreasonable impositions and cancellations of mining and other rights which had been legally granted, and indirectly, by the promulgation of policies inconsistent with growth.

It is for this reason that business and industry are in such a state of doldrums; it is for this reason that the real members of the business and industrial community - - those of them who cannot boast of any connection, however tenuous, with the wielders of power - - are continually in fear, no longer of the declining rate of their profits but of their very existence. It is time for these citizens, the real builders of the nation, to free themselves of their compulsive fears, band together and stand their ground.

They must raise the issue of ethics and legality to the President; persuade him that he cannot use the vast powers in his hands and his complete domination over the government financing institutions as an instrument for the extraction of concessions and conformity without producing dire consequences; that the development of the Philippine nation from its agricultural state to an industrial and self-sufficient society can never be accomplished, even in a million years, by cronies; and that, unless he realizes, as an act of contrition, that the misery which holds the masses in its terrible grip has been brought about by the insatiable appetite of gangs of high officials who have been rendered sleepless by their greed, the future of the Filipinos cannot be anything but grim and forbidding.

WHY THE LOPEZES ARE ATTACKING PRESIDENT MARCOS THROUGH
THEIR MEDIA

The immediate cause was the refusal of President Ferdinand Marcos to give the following privileges, favors and licenses to the Eugenio Lopez corporations:

1) LUBOIL, a Lopez corporation, wants to reclaim Laguna de Bay for a factory through the Laguna de Bay Development Corporation. President Marcos refused because this was not a public purpose and Laguna de Bay Development should have projects for public purposes. The reclaimed area was supposed to be developed into a big industrial complex.

The President refused to allow government guarantee for the LUBOIL factory owned by the Lopezes.

2) POLYVINYL.... The Lopez interests wanted to obtain a license from the Board of Investments for a polyvinyl factory. President Marcos told them he could not approve it.

3) PETRO CHEMICAL Complex.... President Marcos refused to give the license to the Lopez entity.

4) ESFAC was bought by the Sugar Planters Cooperative Marketing Association (SPCMA) with the government guaranteeing it. President Marcos insisted that there be conditions that:

a) The shares be held by the Philippine National Bank and that the sugar planters should not be allowed to import fertilizers free of taxes and duties as a cooperative.

b) The export earnings of the sugar planters should be held by the Philippine National Bank to be put in as equity into the SPCMA, and so that the exposure of the government will not be too big.

c) The borrowings of the SPCMA members from the Philippine National Bank for fertilizers should be used by the bank directly to pay the indebtedness to ESFAC.

These the Lopezes did not like.

5) The Lopezes, through the Meralco Securities which they control, wanted to buy the Caltex Oil Refinery in the Philippines. President Marcos notified the Caltex people that this would be concentration of too much control and power in one corporation. Again, this caused the ire of the Lopezes.

6) Savoy, Philippines, has been one of the big delinquents in its amortizations of payments to the government financing institutions. It was served with notice of foreclosure. Now the Lopezes are compelled to sell out and are spreading the story that it is going to be bought

by President Marcos, as their retaliation against the President.

7) The Lopezes, through Bert Villanueva, president of the Private Development Corporation of the Philippines, bought the Atlantic Gulf and Pacific Corporation for ₱70 million, with the PDCP paying an initial amount of ₱5 million. Now, they want the PDCP to borrow another \$15 million from the Asian Development Bank, to be guaranteed by the government. This money they want to use again for the acquisition of an American owned corporation. President Marcos has refused to allow a government guarantee for this \$15 million loan from the Asian Development Bank until the PDCP listed down the nature of the investment for this \$15 million, which should be for new investment for new production and not for the acquisition of existing corporations. The PDCP had been branded by some people as a dummy of the Lopez interests. The Lopez interests, again, were angered by this refusal of President Marcos to allow government guarantee.

8) The increase in the rates of the Meralco was opposed by the government upon the instructions of President Marcos, just as the government has opposed other rate increases, including that of the Philippine Long Distance Corporation,

so much so that when there was some proof of the payment of ₱1 million by the Lopez interests to Commissioner Enrique Medina of the Public Service Commission in order that he would approve the increase of the rates of the Meralco, President Marcos asked Commissioner Medina to either resign or retire from the PSC. A criminal case could not be filed because the evidence was not sufficient to support a bribery case but Commissioner Medina retired. The Lopezes felt that their ₱1 million investment in Commissioner Medina was lost and were further angered.

9) The Lopezes wanted their man to be appointed as secretary of finance. They insisted on this in 1965 and again insisted on it in 1969. When President Marcos refused, to do so, they threatened him with all kinds of dire consequences.

10) The Lopezes wanted to have their man appointed as President of the Philippine National Bank. When Roberto Benedicto, who was chosen by the Board of Directors of the PNB refused to comply with their each and every whim and caprice, they felt President Marcos was responsible for his intransigence.

11) Vicente Paterno was vice-president of the Meralco. He had built up the Meralco to the size and profitability that it is now, but was never given proper recognition or

appreciation by the Lopezes. Because of this, he resigned from the Meralco and when President Marcos took him in as chairman of the Board of Investments, the Lopezes indicated that they did not want him as chairman, notwithstanding which, President Marcos appointed him chairman of the BOI. This, again, angered the Lopezes.

12) Governor Eduardo Tordesillas of the Board of Investments, in passing over the applications of the Lopezes and their corporations for BOI registration and privileges scrutinized the actuations of the Lopez brothers scrupulously and meticulously, that he caused the ire of Mr. Eugenio Lopez who personally and in his own handwriting filed the charges against Mr. Tordesillas and two other officers who were equally charged. Mr. Eugenio Lopez demanded that they be suspended and removed. President Marcos refused to do so unless there was proper investigation. Mr. Ernesto Granada was sent to President Marcos with the veiled threat that Mr. Eugenio Lopez was personally interested in the removal of these men. President Marcos insisted on a fair and just hearing. Because of this, Mr. Lopez again lost his temper.

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13) President Marcos, immediately after the elections, disapproved the SPCMA fertilizer deals on the ground that the farmers concerned, who ^{would lose} had ~~lost~~ their rights to import fertilizer tax-free as a result of the deals, were not informed or consulted. Most of these farmers now feel that the SPCMA was ill-utilized to aggrandize a few rather than the majority of the members.

14) President Marcos returned to the Bureau of Forestry and the Bureau of Mines functions vested in them by the Administrative Code, particularly the authority to issue licenses for forestry and oil concessions, that had been ^{arbitrarily} illegally gathered ^{up} thus in the hands of the Secretary of Agriculture and Natural Resources and made available to special interests. ~~This~~ The Department of Agriculture was then being utilized to freeze oil concessions needed to be opened to development in connection with the oil exploration program. It was difficult to understand why these concessions were being indefinitely held unless the intention was to reserve them for special interests.

15) The Lopez interests had begun to feel anxious over the administration's national electrification program because of the fear that it could threaten the Meralco's own program way beyond its present franchise area. The national electrification program of the administration was going to be directed mainly to the rural areas to spur industrialization. Even so, the Lopezes and their confe-

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derates thought that this could grow into a size that would undermine their own monopoly of electric power.

These are just some of the reasons why the Lopezes have mobilized their media arms on a campaign of total vilification against President Marcos and his family.

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