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ZCZC 17:11:05Z (ST) EMI DTG: 87040911233006

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FM AMEMBASSY TOKYO

TO RUEHC/SECSTATE WASHDC PRIORITY 8896

INFO RUEHML/AMEMBASSY MANILA PRIORITY 2268

BT

EZ1:

SECRET TOKYO 06230

EXDIS

EZ2:

FROM AMBASSADOR BOSWORTH

E.O.12356: DECL: OADR

TAGS: PGOV, PREL, RP, US, MASS, MARR

SUBJECT: THE PHILIPPINES -- SOME PARTING REFLECTIONS

1. (S - ENTIRE TEXT.)

THE PHILIPPINES IS AN IMMEASURABLY HEALTHIER COUNTRY NOW THAN ANY OF US WOULD HAVE HOPED A COUPLE OF YEARS AGO. WITH THE ELECTION OF A NEW CONGRESS NEXT MONTH AND NEW LOCAL OFFICIALS IN AUGUST, THE PHILIPPINES WILL HAVE A FULL SET OF DEMOCRATIC INSTITUTIONS OPERATING UNDER A NEW CONSTITUTION. THE SURVIVAL OF THE AQUINO GOVERNMENT SEEMS NO LONGER IN QUESTION, AT LEAST FOR THE FORESEEABLE FUTURE. THE ECONOMY HAS BEGUN TO GROW AGAIN, AND PER CAPITA REAL INCOME WILL INCREASE IN 1987 FOR THE FIRST TIME IN MANY YEARS. MOST STRIKING IS THE CHANGE IN THE NATIONAL MOOD. THE COLLECTIVE VIEW OF THE FUTURE IS ONE OF MODEST OPTIMISM, A DRAMATIC REVERSAL OF THE DEEP PESSIMISM OF THE LAST YEARS OF MARCOS.

3. THE U.S.-PHILIPPINE RELATIONSHIP IS ALSO IN FAR BETTER CONDITION THAN MANY OF US WOULD HAVE FORESEEN A SECRET

FEW YEARS BACK. OUR RELATIONS WITH THE AQUINO GOVERNMENT AND OUR IMAGE AMONG THE FILIPINO PEOPLE ARE GOOD. MRS. AQUINO KNOWS WE WANT HER TO SUCCEED AND APPRECIATES THE ECONOMIC AND POLITICAL SUPPORT WE HAVE PROVIDED. THE POPULATION RETAINS AFFECTION AND ADMIRATION FOR THE UNITED STATES AND CONSIDERS THAT, FOR THE MOST PART, WE HAVE DONE THE RIGHT THINGS HERE OVER THE PAST FEW YEARS.

4. ON THE OTHER HAND, THE CHARACTER OF THE PHILIPPINES
HAS NOT BEEN TRANSFORMED. NOR HAVE THE COUNTRY'S
ENORMOUS PROBLEMS FADED AWAY. THIS IS STILL A SPRAWLING,
TEEMING COUNTRY WHERE THE CENTRAL GOVERNMENT IS
IRRELEVANT TO THE LIVES OF MOST PEOPLE AND WHERE MORE
THAN HALF OF THE POPULATION WILL REMAIN BELOW THE
NATIONAL POVERTY LINE EVEN WITH SEVERAL YEARS OF ECONOMIC
GROWTH. THE COMMUNIST-LED INSURGENCY IS A SERIOUS
NATIONAL PROBLEM AND IS LIKELY TO REMAIN SO FOR SEVERAL
YEARS. AND THE COUNTRY'S POLITICS WILL CONTINUE TO BE
FRACTIOUS, MESSY, AND EVEN AT TIMES CHAOTIC, PARTICULARLY
WHEN VIEWED FROM THE OUTSIDE.
MRS. AQUINO'S LEADERSHIP

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^{5.} PRESIDENT AQUINO HAS GROWN ENORMOUSLY IN HER FIRST YEAR IN OFFICE. SHE IS NOW FAMILIAR WITH THE PROCESS OF GOVERNMENT AND IS FAR MORE CONFIDENT OF HER OWN ABILITY AND JUDGMENT. SHE HAS BECOME TOUGHER AND MORE ASSERTIVE. SHE IS ESTABLISHING MORE DISCIPLINE OVER HER CABINET, AND AS THE GOVERNMENT GAINS EXPERIENCE AND SOME IMPORTANT PERSONNEL MOVES ARE MADE, IT IS SLOWLY BECOMING MORE EFFICIENT.

^{6.} HOWEVER, WHILE MRS. AQUINO ARTICULATES A SET OF BROAD NATIONAL GOALS (RESTORATION OF DEMOCRACY, RECONCILIATION, ECONOMIC RECOVERY, SOCIAL JUSTICE, ETC.), SHE HAS NOT FOR THE MOST PART PROVIDED AN ACCOMPANYING STRATEGY OR PROGRAM OF GOVERNMENT. THE ONE PARTIAL EXCEPTION TO THIS HAS BEEN ECONOMIC POLICY WHERE HER TEAM HAS LAID OUT A FAIRLY COMPREHENSIVE MARKET-ORIENTED APPROACH TO ECONOMIC GROWTH.

^{7.} BUT THE PRESIDENT DOES NOT HAVE THE EQUIVALENT OF ONGPIN, MONSOD, AND CONCEPCION IN OTHER AREAS OF PUBLIC POLICY. MOREOVER, SHE HAS THUS FAR GIVEN PRIORITY TO HOLDING TOGETHER AS MUCH AS POSSIBLE OF THE AMORPHOUS POLITICAL MOVEMENT WHICH BROUGHT HER TO POWER. GIVEN THE CONFLICTS AND COMPETITIONS WHICH CHARACTERIZE EVEN THE BROAD CENTER OF THIS COALITION, SHE HAS HAD TO PROCEED SLOWLY AND CAUTIOUSLY.

^{8.} I WOULD EXPECT THAT HER PERSON L GRO T AND THE SLO IMPROVEMENT IN THE EFFICIENCY OF HER GOVERNMENT WILL CONTINUE. BUT WE SHOULD NOT EXPECT ANY MARKED CHANGE IN HER STYLE OF LEADER H P. NOR SHOULD WE EXPECT DRAMATIC IMPROVEMENT IN THE OVERALL EFFECTIVENESS OF THE CENTRAL GOVERNMENT.

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9. THE PROCESS OF GOVERNMENT IS LIKELY TO BECOME EVEN MORE COMPLICATED WITH THE ESTABLISHMENT OF THE CONGRESS, WHICH WILL BE VERY MUCH A CENTER OF POWER IN ITS OWN S E C R E T SECTION 02 OF 04 TOKYO 06230 EXDIS

FROM AMBASSADOR BOSWORTH

E.O.12356: DECL: OADR

TAGS: PGOV, PREL, RP, US, MASS, MARR

SUBJECT: THE PHILIPPINES -- SOME PARTING REFLECTIONS RIGHT. I EXPECT THAT MRS. AQUINO WILL BE ABLE TO MARSHAL WORKING MAJORITIES IN THE CONGRESS ON THOSE ISSUES WHERE SHE CHOOSES TO COMMIT HER PERSONAL PRESTIGE. BUT AS WE HAVE SEEN, SHE HAS HER OWN SENSE OF TIMING, AND SHE WILL CONTINUE TO SEEK CONSENSUS BEFORE SHE ACTS. THAT CONSENSUS WILL NOW HAVE TO INCLUDE THE CONGRESS, AND THE SETTING OF WELL-DEFINED NATIONAL PRIORITIES AND THE IMPLEMENTATION OF PROGRAMS TO REALIZE THEM WILL BE EVEN MORE DIFFICULT.

POLITICAL DEVOLUTION

10. I DON'T MEAN THIS TO BE A PESSIMISTIC ASSESSMENT, HOWEVER. GIVEN THE STILL VIVID EXPERIENCE WITH MARCOS AND MARTIAL LAW, I DOUBT THAT THE COUNTRY WOULD RESPOND POSITIVELY TO A SUBSTANTIALLY STRONGER, FROM-THE-TOP-DOWN STYLE OF LEADERSHIP FROM MRS. AQUINO. I ALSO DOUBT THAT THIS IS IN FACT WHAT THE COUNTRY REALLY NEEDS. FIRST OF ALL, THE CENTRAL GOVERNMENT LACKS BOTH THE MONEY AND THE ADMINISTRATIVE REACH TO HAVE MUCH DIRECT EFFECT ON THE BASIC CONDITIONS OF LIFE IN THE COUNTRYSIDE. ITS STATED RELIANCE ON THE PRIVATE SECTOR AS THE ENGINE OF BOTH ECONOMIC GROWTH AND SOCIAL CHANGE MAKES SENSE. 11. MOREOVER, THERE IS NOW SOME EVIDENCE THAT MORE INITIATIVE AND DE FACTO DECISION-MAKING AUTHORITY HAVE BEGUN TO FLOW BACK TO THE PROVINCIAL AND LOCAL LEVELS OF GOVERNMENT, REDUCING THE CONCENTRATION OF POWER IN THE MALACANANG PALACE WHICH OCCURRED UNDER MARTIAL LAW. LOCALLY CONCEIVED INITIATIVES IN THE AREAS OF ECONOMIC DEVELOPMENT AND COUNTER-INSURGENCY IN SUCH PLACES AS NEGROS AND DAVAO ARE EXAMPLES OF WHAT COULD BECOME A MORE GENERAL TREND. WE SHOULD TRY THROUGH OUR AID PROGRAM AND OTHER ACTIVITI S TO ENCOURAGE THIS DEVOLUTION OF POLITICAL AUTHORITY.

THE ECONOMY

^{12.} THE BRIGHTEST AREA IN THE CURRENT OUTLOOK IS THE ECONOMY. THERE IS NOW UNAMBIGUOUS EVIDENCE THAT RECOVERY IS UNDER WAY. IN PART, THIS IS A REACTION TO POSITIVE MOVES BY THE GOP OVER THE PAST YEAR. IT IS ALSO ATTRIBUTABLE TO THE FACT THAT, WHILE CORRUPTION HAS BY NO MEANS ENDED, THE CENTRALLY-DIRECTED CORRUPTION OF THE MARCOS ERA IS NO LONGER DRAINING A MEASURABLE PERCENTAGE SECRET

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OF GDP OFF THE TOP OF THE ECONOMY.

13. THE COUNTRY'S ABILITY TO SUSTAIN THIS RECOVERY AND TURN IT INTO SEVERAL YEARS OF STABLE GROWTH WILL DEPEND IN SOME MEASURE ON FOLLOW-THROUGH IN THE ENACTMENT OF THE VARIOUS STRUCTURAL REFORMS THE GOP HAS LAUNCHED. POLICY IMPLEMENTATION HAS BEEN SLOWER THAN THE GOP ECONOMIC TEAM HAD EXPECTED AS OLD -- AND NEW -- VESTED INTERESTS HAVE DUG IN AS, FOR EXAMPLE, IN THE CASE OF PRIVATIZATION. WE SHOULD CONTINUE TO PUSH FIRMLY, BUT QUIETLY, IN SUPPORT OF THESE REFORMS.

14. THE COMMUNIST-LED INSURGENCY IS WITHOUT QUESTION THE CAUSE OF OUR MOST ACTIVE CONCERN AS WE CONTEMPLATE THE FUTURE OF THE PHILIPPINES. I AM MYSELF CONFIDENT THAT MODEST BUT SUSTAINED IMPROVEMENTS IN THE QUALITY OF GOVERNANCE IN THE COUNTRYSIDE AND THE ECONOMY WILL PREVENT THE CPP/NPA FROM GROWING TO THE POINT AT WHICH IT BECOMES LIFE THREATENING TO THE EXISTING POLITICAL SYSTEM OF THE COUNTRY IN THE FORESEEABLE FUTURE. MORE IMMEDIATELY, HOWEVER, I WOULD LIKE TO SEE MORE PROGRE S IN THE BUILDING OF A MILITARY FORCE CAPABLE OF TAKING THE FIGHT TO THE NPA AT LEAST ON A REGIONAL BASIS. A PROTRACTED STALEMATE IN THE STRUGGLE WITH THE INSURGENCY IS BAD FOR AFP MORALE, DIVERTS ATTENTION FROM ECONOMIC RECOVERY, AND WILL INEVITABLY ADD TO TENSIONS BETWEEN THE MILITARY AND THE CIVILIAN GOVERNMENT.

15. MARCOS, ENRILE, THE MILITARY ITSELF, AND EVEN THE GOVERNMENT OF MRS. AQUINO MUST TAKE PRIMARY RESPONSIBILITY FOR THE INADEQUACIES OF THE AFP, THE S E C R E T SECTION 03 OF 04 TOKYO 06230 EXDIS

FROM AMBASSADOR BOSWORTH

E.O.12356: DECL: OADR

TAGS: PGOV, PREL, RP, US, MASS, MARR

SUBJECT: THE PHILIPPINES -- SOME PARTING REFLECTIONS FACTIONALISM WITHIN ITS RANKS, AND THE CONTINUING TENSIONS IN THE CIVIL/MILITARY RELATIONSHIP. BUT WE HAVE NOT PERFORMED AS WELL AS WE SHOULD HAVE FITTED

NOT PERFORMED AS WELL AS WE SHOULD HAVE EITHER.

16. I APPRECIATE FULLY OUR OWN BUDGET PROBLEMS. BUT THERE IS SIMPLY NO REALISTIC ALTERNATIVE TO OUR FINANCIAL SUPPORT IN THE REBUILDING OF THE MILITARY CAPABILITIES OF THE AFP. AT DOLS 100 MILLION PER YEAR, WE ARE BARELY STAYING EVEN IN TERMS OF SPARE PARTS, MOBILITY, COMMUNICATIONS, ETC. WHEN WE CUT THAT AMOUNT BY 50 PERCENT THIS YEAR, WE SENT A STRONG NEGATIVE SIGNAL TO THE AFP AND TO THE CIVILIAN GOVERNMENT. WHEN WE THEN PUBLICLY CRITIZE THE GOP'S ALLEGED FAILURE TO IMPLEMENT A COMPREHENSIVE COUNTER-INSURGENCY PROGRAM AND CREATE THE PERCEPTION THAT WE ARE SOMEHOW MAKING U.S. AID CONDITIONAL ON THE ESTABLISHMENT OF SUCH A PROGRAM, WE COMPOUND THE DAMAGE.

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- 17. WE DO NOT NEED TO WORRY THAT THIS GOVERNMENT IS COMPLACENT ABOUT THE INSURGENCY. INDEED, THE INSURGENCY IS RIGHT UP AT THE TOP OF ITS AGENDA. WE SHOULD ALSO CONTROL OUR IMPATIENCE ABOUT THE WAY THEY RESPOND TO THE INSURGENCY. EVEN ASSUMING THEIR APPROACH IS EFFECTIVE OVER TIME -- AND I AM INCREASINGLY CONFIDENT IT WILL BE -- IT IS UNLIKELY TO MEASURE UP TO WHAT WE MIGHT LIKE TO SEE IN TERMS OF COHERENCE, CENTRAL COORDINATION, ETC. NO STRATEGY WHICH WE MIGHT PROVIDE IS GOING TO BE ACCEPTED SO OBVIOUSLY UNABLE TO FUND IT AS WE FUNDED, FOR EXAMPLE, MAGSAYSAY'S PROGRAM.
- 18. WHAT WE SHOULD DO IS TO HELP WITH THE MONEY THEY NEED TO REBUILD THE AFP. EARLY DELIVERY ON THE DOLS 50 MILLION SUPPLEMENTAL REQUEST WOULD HELP GREATLY, BOTH POLITICALLY AND IN TERMS OF REAL RESOURCES. WE SHOULD ALSO CONTINUE TO OFFER PRIVATELY OUR HELP IN SUCH AREAS AS TRAINING AND INTELLIGENCE. WE SHOULD NOT PUSH THIS ON THEM, HOWEVER, AND I SUSPECT THAT FOR THE MOST PART THEY WILL PREFER TO DO THESE THINGS THEMSELVES.
- 19. WITHIN THE NEXT SIX TO NINE MONTHS, WE WILL FIND OURSELVES IN THE EARLY STAGES OF NEGOTIATION OVER OUR CONTINUED ACCESS TO CLARK AND SUBIC. THE GENERAL POLITICAL CLIMATE IN THE PHILIPPINES AND THE TONE AND SUBSTANCE OF OUR BILATERAL RELATIONSHIP ARE ABOUT AS FAVORABLE TO A SUCCESSFUL OUTCOME OF THESE NEGOTIATIONS AS WE COULD HAVE HOPED -- AND FAR MORE AUSPICIOUS THAN MOST OF US WOULD HAVE DREAMED TWO OR THREE YEARS AGO.
 20. IN MY JUDGMENT, THE MAJORITY OF FILIPINOS, CERTAINLY THE MAJORITY OF THE ELITES, ACCEPT AS A WORKING HYPOTHESIS THAT THE U.S. MILITARY PRESENCE SHOULD CONTINUE BEYOND 1991. I AM CONFIDENT THAT THIS IS MRS. AQUINO'S VIEW. THE BIG QUESTIONS ARE IN WHAT FORM THAT PRESENCE SHOULD CONTINUE, I.E. WHAT WILL WE BE ABLE TO DO AT THOSE FACILITIES, AND HOW MUCH ARE WE WILLING TO PAY.
- 21. THERE WILL BE A DIRECT RELATIONSHIP BETWEEN WHAT WE WANT TO DO AND HOW MUCH WE WILL HAVE TO PAY. BUT EVEN ASSUMING WE ARE WILLING TO DO SOMEWHAT LESS AND EVEN AFTER WE HAMMER THE GOP DOWN TO ITS ABSOLUTE BOTTOM LINE ON COMPENSATION, I FRANKLY DON'T SEE HOW WE WILL BE ABLE TO MEET THE COMPENSATION BILL FROM THE SECURITY ASSISTANCE ACCOUNT IN OUR BUDGET. THIS MEANS WE WILL HAVE TO BE PREPARED EITHER TO DO SUBSTANTIALLY LESS AT CLARK AND SUBIC THAN AT PRESENT, FIND MONEY IN OTHER BUDGET ACCOUNTS, OR BE WILLING TO PROVIDE SOME FORM OF NON-FINANCIAL COMPENSATION SUCH AS TRADE BENEFITS, ETC. IMPLICATIONS FOR U.S. POLICY

^{22.} WITH THE SINGLE EXCEPTION OF MILITARY ASSISTANCE, S E C R E T

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WHERE WE NEED TO PUT OUR MONEY WHERE OUR MOUTH IS, OUR OVERALL APPROACH TO THE PHILIPPINES AND THE AQUINO GOVERNMENT SHOULD, IN MY JUDGMENT, BE ABOUT THE SAME IN THE IMMEDIATE FUTURE IN TERMS OF BOTH SUBSTANCE AND TONE AS IT HAS BEEN OVER THE PAST YEAR. S E C R E T SECTION 04 OF 04 TOKYO 06230 EXDIS FROM AMBASSADOR BOSWORTH E.O.12356: DECL: OADR TAGS: PGOV, PREL, RP, US, MASS, MARR SUBJECT: THE PHILIPPINES -- SOME PARTING REFLECTIONS 23. THE RELATIONSHIP IS NOT WITHOUT PROBLEMS AND IRRITANTS. POST-COLONIAL COMPLEXES STILL EXIST ON BOTH SIDES. THE FILIPINOS ARE QUICK TO TAKE OFFENSE AT ANY EVIDENCE OF U.S. INTRUSIVENESS AND ARE SIMULTANEOUSLY SUSPICIOUS THAT WE HAVE THE MEANS TO DO FAR MORE TO SOLVE THEIR PROBLEMS IF ONLY WE WANTED TO DO SO. 24. ON OUR SIDE, WE SOMETIMES GIVE THE IMPRESSION THAT WE'RE MORE AWARE OF AND CONCERNED BY THE PROBLEMS OF THE PHILIPPINES THAN ARE THE FILIPINOS THEMSELVES. SIMILARLY, WE'RE NEVER RELUCTANT TO OFFER ADVICE BUT OCCASIONALLY FORGET THAT SUCH ADVICE IS MORE LIKELY TO BE? ACCEPTED IF OFFERED PRIVATELY. 25. THE LONGER I'VE BEEN HERE THE LESS CERTAIN I'V BECOME THAT I REALLY UNDERSTAND THE PLACE. THE PEOPLE ARE FRIENDLY, SPEAK ENGLISH, AND HAVE COUSINS, BROTHERS, AND CHILDREN LIVING IN THE U.S. BUT IT IS ESSENTIALLY A MALAY CULTURE, NON-CONFRONTATIONAL YET CAPABLE OF MINDLESS VIOLENCE, AND ORGANIZED AROUND AN IMPENETRABLE SET OF INTERPERSONAL AND FAMILY RELATIONSHIPS. 26. IT WILL NONETHELESS REMAIN OF ENORMOUS IMPORTANCE TO THE U.S. THE AURA OF CRISIS OF THE PAST FEW YEARS SHOULD BEGIN TO FADE, BUT THE PHILIPPINES WILL HAVE TO REMAIN RIGHT AT THE TOP OF OUR FOREIGN POLICY AGENDA FOR MANY YEARS. WE WILL HAVE TO CONTINUE TO B WILLING TO DEVOTE THE HIGH-LEVEL POLICY ATTENTION -- AND THE RESOURCES -- THAT OUR INTERESTS REQUIRE. BOSWORTH

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MANSFIELD

END OF MESSAGE NNNN

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