10.15 PM

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Jan. 11, 1971

Monday

MALACAÑAN PALACE

MANILA

Open house for the diplomatic corp and the public officials at 9.00 AM.

Then a meeting of the legislative leaders and the cabinet on the legislative program, the state of the nation address, the monetary policy, and diplomatic relations with Russia.

I asked the leaders of both houses to first meet on a legislative program and then see me but the agreed on a development tax (tax on foreign exchange purchases), and restructuring and simplification of tariffs and we agreed that it would not include any constitutional reforms on the State of the Nation address.

They agreed to the steps taken to stimulate economic activity by non-inflationary methods. Sec. Sicaros explained that there can be no fear of excessive expenditure and borrowing by the government as claimed by Sen. Pres. Puyat and Speaker Laurel because there are legal constraints.

On relations with Russia, we decided to meet in bipartisan caucus with the Chief Justice invited before the 18th. Sen. Pres Puyat will call the Liberals and set the date.

They agreed that we must give priority to the agricultural recovery program for which 35 million

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has been allocated.

I met Atty. Eugenio Lagaro, the leader of the bigger faction of Pasang-Bayan, as he asked to see me on an urgent matter. He revealed to me that some men claiming to be NPA had offered guns to some of the Dimero Cong. Presidente of Bulacan — that one man had accepted four Armalites and twelve hand grenades. These men were allegedly brought to a house in Aplit — a house allegedly full of guns.

One of the drivers presidente was going to be picked up this afternoon at 4:00 PM to be brought to Tabang then to Bahay Pare.

When I informed Gen. Yan of this for transmittal to Gen. Tanabe, he recalled that Gen. Tababe had disarmed the civilian guards of the mayor of Aplit.

I directed the relief of Commodore Lavadia of the National Defense College for fomenting insubordination among his staff asking them to get any lecturer with or without the clearance of G-2 and not to fear Gen Yan or Malacañan as if there is no academic freedom he will close the college.

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I transmitted the information that the Ilocos Sur local police had been infiltrated by NPA (probably Ilocos through Chairat Sugpoon's uncle Mayor Sugpoon)

Ca Aniceto Ramos reports that Lt Victor Castro has been cited in San Guillermo, Isabela, Cagayan on the way to Palanan where there is allegedly a training ground.

Then a former CIS agent Joaquin claims one of our agents a Francisco Zabala was with the Castro raiding party and that Castro was brought down from Baguio to Tarlac by the helicopter of Sen. Aquino, then in the senators car to Manila, and in the smuggler Delfin Tan's fast transit "Erlinda" from Manila to Brooke's Pt., Palawan. They are supposed to go (he has 12 armed men with him) to Balabac, then to Borneo then to China.

These reports may be misleading as Lt. Castro was definitely located in Quezon City sometime on the 4th of January. A Lt Vila was brought by Lt Ferrairol (?) and a hippie-looking young man to the Kamias Road area, the (Vila who is a classmate of Cerpuso as well as Ferrairol class of 1967) being blindfolded. When the blindfold was removed, they were in a house with Castro, Jose

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Marcos Sison, Macapagal and others. Cerpuo claimed he left the AFP because he was discriminated against (not allowed to take the Intelligence Course) the Floring Crisologo incident when he was berated openly for saying that the only solution to the peace and order program in Ilocos Sur would be the killing of Floring Crisologo, and his earlier treatment in the PMA - to the Adonis

Vila revealed the meeting with Cerpuo, as he could not sleep with the secret. But Sen. Tolentino was not informed of the revelation and when he was asked he denied the meeting with Cerpuo.

But the assessment is that Vila is telling the truth. Sen. Enrile and Sen. Tidal are also vocally in favor of the action taken by Cerpuo and may be in touch with him.

I have asked the Price Control Council to bring down the Villegas rate or increase of 2 centavos per liter of standard gasoline to 1 centavo. I asked Atty. Eugenio Lagaro to move for reconsideration of the decision of the Price Control Council to uphold the Villegas rate and to thus have the credit of this victory for the drivers. He has agreed. The arrangements are being made with Usec. Benny Tanco.

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But the striking drivers and the students supporting them (among them the Kabataan Makabayan and Father Blanco's SKIT) are going to march around the city and start violence.

Tonight they have started to stone even private cars. It is expected that it will be more tomorrow.

But the Metrocom, reinforced by three companies, are ready for any eventuality.

This is probably the beginning of the intensified activities of the KM's and NPA, and CPP for 1971.

We will keep watching for the need of the use of emergency powers.

I have a report of Customs anomalies which have been confirmed. I attach it.

So I must expedite the Customs reorganization.

MALACAÑAN PALACE

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Activists, radicals, rioters, demonstrators and the HMBs and NPA's do not now constitute a serious ~~threat~~ to our society. This is the sober judgment that I arrive at after long and serious study.

Even if the government were to help them mount a rebellion, they would still be nothing but harrassing groups incapable of taking over government.

But they pose in the minds of businessmen and prospective investors a fear of rebellion and a consequent insecurity of investment and economic activity. This fear must be dissipated.

December 10, 1970

PRESIDENT
RECEIVED
DEC 14 1970
Republic of the Philippines

His Excellency
The President of the Philippines
Malacañang Palace

His Excellency:

I beleive that it is my duty to inform you about what is really happening in Customs. Do not be deceived by the press-releases issued by the Commissioners Office for they are packed with half truths designed to impress you and the public that something good is going on in the Bureau. This Bureau has not changed a bit because the head is a man who can never discipline the men around and under him. They just laugh at his orders because they know that his trusted men occupying sensitive and premier positions disregard the same. The man who is really feared and respected in this Bureau is the Chief of the Customs Police because he does his job even against politicians, but the sad part of it is that all his efforts are wasted because Mr. Geotina does nothing about his recommendations to suspend, charge and prosecute Customs employees directly involved in anomalies, such as misdeclaration and outright smuggling. For example, Mrs. Florencia Cruz, the notorious examiner is still lording it out, inspite of the fact that she was directly involved in the gross misdeclaration of 333 cases of floor-polishers and ballast which paid taxes in the amount of some ₱5000 only when the taxes paid should be about ₱100,000.00. The records of Customs police will show that she has been involved in so many anomalies, but she is that strong with the Commissioner. What about the examiners and appraisers in the Ascuña case, they are still holding their positions. The Collector of the Port of Meriveles is still holding his position. Only the small fry gets charged, but the big ones are not even made to explain. The chief of the Legal Division and his two men were charged administartively and criminally by private persons, but they are still holding their positions. The Commissioner's private secretary has an anti-graft case but she continues to hold a sensitive position, for as secretary she has access to important papers, and precisely that was how she was able to acquire unexplained wealth - because of he being secretary to the Commissioner of Customs. What about the Cebu Port Collector whose wealth is a matter of public knowledge in Cebu City, what action has been taken against him. Instead of being booted out, this fellow Agbayani travels abroad, as far as Norway, spending arrastre funds uselessly when the country has dollar shortage. The trouble with Mr. Geotina is that he is "politicking" too much. He is indecisive. He obeys more the politician, especially if he is powerful. The politician, if not his laxity, dictates whether an employee should be charged or not. For the good of the government, he must be replaced with a competent, honest and dedicated man. He is only good in taking good care of the press, pampering them, allowing them to influence peddle, listening to thwir selfish opinions, satisfying them, etc.

We all want a clean Customs, but as long as Mr. Geotina is head, there can never be discipline, honesty and fairness in this Bureau.

Very respectfully yours,

Rosie Cruz