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Jan. 4, 1970

Ex-Pres Macapagal (who is vacationing in Singapore
says that he is alerted by the news that there is
supposed to be a secret agreement for the Sabah
claim to be relinquished by the Philippines after the
resumption of diplomatic relations.
There is no such agreement. I used Mr. Moon
Park and Mr. Chang Hyo Won as emissaries to
Prime Minister Tunku Abdul Rahman and Deputy
Prime Minister Tun Abdul Razak so that they would
agree to the resumption of diplomatic relations. The Tunku
had insisted on such relinquishment of the claim and
a recognition formally of the sovereignty of Malaysia over
Sabah, but I refused and they finally agreed that
after diplomatic relations our two peoples should get used
to each other travelling in our respective countries before
we spoke of these matters. The Filipinos should not go
to Sabah and invest there.

VP Agnew in Thailand and Taipeh has said that
I asked him whether Asia was slowly withdrawing
from Asia and he had answered in the negative.
I asked Pres. Nixon the same thing. He was more vague,
although when he reached the U.S. he did say what
Agnew is saying now.
What I want to know is what bases they are
going to keep in Asia and what troops, where, and understand
arrangements.

Agnew is quoted as saying he had told us that
in Cebu we understand that he told me

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that, of course, the number and location would change with the need.

He told me nothing of the fund.

On the last day of his stay here, Jan 1st, when I talked to him about the U S helping us on our present balance of payments problem he was evasive. I did not press the point. Either he has no power to commit the U S or he is still feeling his way around.

During the conference at 11:30 A M of Dec. 31st when I met all the special envoys of 44 governments who attended my inauguration, the only matter on which there was some vestige of promise of help was on studies of typhoons and their control. Amb. Byroade is supposed to follow this up. I impressed on VP Agnew that we in Asia could not make any plans on our security if we did not know these plans but that however even in such state of ignorance we the Philippines are moving to prepare to defend ourselves on our own.

He invited me to come to the US after September 1970 — preferably not while the other Heads of State are in the U S on the UN anniversary. I made no commitment on the exact date but did promise to go.

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Pres Nixon and VP Aguinaldo were very evasive about helping the Philippines how although they are supporting us in IMF and IBRD on our efforts to get dollar loans.

I am skeptical about the wisdom of a trip to the U.S.

I have told Joe Romulo repeatedly that there should be no further talks of the US military bases and our wish to remove them as in the "ultimate weapon" in the we will use this as the "ultimate weapon" in the trading that may be needed to obtain recognition of our special preferences in the American market. Jeff our quota on sugar is not extended by the Sugar Acts extension this year or by treaty - the replacement of the Laurel-Langley agreement, the sugar industry is wrecked and our economy may be disastrously affected.

So I have told VP Aguinaldo that before the formal negotiations on trade and security start we should have an understanding as to what terms such negotiations would arrive at. I said that I would like Amb. Byroade to be able to sit down with me on this.

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Rod Reyes, editor of the Manila Chronicle, has just told Fitz Tatad that they are planning to serialize the libelous book of Chito Navarro on Imelda.

We have to watch the foggy and moneylibano. They are still sore for my veto of their franchise to operate a telephone and telecommunication company and cable in the Philippines and the Philippine Cable television company that would select programs from any of the television companies without permission from the latter and broadcast to their subscribers by cable. Both were illegal and unconstitutional but they lack offense of the veto.

They are the worst oligarchs in the country. I must stop them from using the government for their own purposes.

Judge Montelibano is working on the redemption project of Republic Real Estate — pending adjudication of the courts.

Jaime Lopez strongly urged that Jaggonut Ordoñez as Secretary of Finance as if the position were vacant. This was a repetition of the recommendation in 1965.

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Peace and order must be immediately attended to.

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I must work out the programs for exports and tourism.

Then I must appoint the replacement of Gov. Calalang as Governor of the Central Bank. The IMF consultative group arrives on Jan 10th.

There are more than 100 CFI judges vacancies & Court of Appeals, one in the Supreme Court and another vacancy coming up in February.

The Armed Forces has too many hold-overs who should be retired.

All must change the strategy - Central Luzon against the Huks. We must restrict the use of civilians either as agents or informers.

There are three basic problems that I am personally attending to:

1. Peace and Order
2. Balance of Payments
3. Land Reform

Exports and Tourism comes under the 2nd and Central Luzon under the 1st.