Saturday, Jan. 6, 1940

6th day — 360 days follow

Epiphany

Conference at Malacanang - 11:00 to 1:15
Present - Sec Sison. Valdes. Francisco. Sim
Garcia. Segundo. Buencamino, De Jesus.
Subject - Justification of proposed cut of budget
loss of confidence in MacArthur
expressed by the Pres. The experts, Mc
Mc a failures - to tell out when budget reduced.
to tell
16 million is only for training purposes. The failed
to explain Mindanao defense. The places too
much confidence op contingencies that may
not happen.
Trend of the Presidents' thoughts —
1. Country can not defend itself under present plan
2. Money could be better used by altering present
plans.
3. Peoples that have interest in the govt must
be the ones to be prepared most as then they
shall defend the govt.
4. Interest of American armament - to be able to
dictate terms of peace at end of war.
5. Japanese interest — to share in wealth of
country, to be master of the orient. Pres. Q
does not believe Japan will come to the
Phil and risk a war with America as
America is one of her best trade customers.
Pres. Q. request the Gen-Staff to exert its
utmost to provide the countrys defense
after Mc A. leaves.
Pres. Q. agrees with Gen. Staff views on
reduction of budget. The changes made as
presented are considered vital by him.

Played Polo today —