SECRET/AIR

ENVELOPE (b)(3):10 USC 424;(b)(3):50 USC 3024(i) HEADER (b)(3):50 USC 240603Z AUG 91 (b)(3):50 USC 3024(i) 3024(i) FM JOINT STAFF WASHINGTON DO RUCQVAB/USCINCSOC MACDILL AFB FL RUEALGX/SAFE (b)(3):10 USC 424 220716<u>Z AUG 91</u> TO RUEKUCS/DIA WASHDO INFO RUHQHÇA/USCINOPAĞ HDNDLULU KI (b)(3):10 USC 424;(b)(3):50 USC 3024(i) RUHGSJA/USCINCPAC RUEAHQA/HQUSAF WASHDO (b)(3):50 USC 3024(i) (b)(3):50 USC CONTROLS 3024(i) ■ SECTION 01 OF 08 (b)(3):10 USC 424 /******* THIS IS A COMBINED MESSAGE *********/ (b)(3):10 USC 424 **BDDY** SUBJECT: ASSESSMENT COMPIDENTIAL -- ENTIRE TEXT. (b)(3):10 USC 424;(b)(6);(b)(1);Sec. 1.4(c) (b)(3):10 USC 424 THE PHILIPPINES WENT THROUGH DIFFICULT THE POLITICAL LANDSCAPE WAS CHANGED BY THE OCCURRENCE OF YET TIMES. ANOTHER ATTEMPTED COUP D'ETAT IN DECEMBER 1989 AND A MAJOR REBELLION IN OCTOBER 1990, A DEFENSZMINISTERIAL WHICH TURNED INTO A DEBACLE, A DEVASTATING EARTHQUAKE WHICH ENERGIZED THE FULL CAPABILITY OF U.S. MILITARY DISASTER ASSISTANCE THROUGH CLARK AND SUBIC, A WORLD-CLASS TYPHOON (WORST TO HIT THE PHILIPPINES IN TEN YEARS) WHICH AGAIN CALLED INTO ACTION THE U.S. MILITARY FOR BOTH LIFE SAVING AND

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DISASTER RELIEF EFFORTS, AND FINALLY, THE ERUPTION OF MT. PINATUBO IN JUNE 1991 WHICH FORCED THE EVACUATION OF OVER 16,000 AMERICANS. IRONICALLY, THE VOLCANO OCCURRED BEFORE THE FINAL ROUND OF BASE

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NEGOTIATIONS AND GAVE THE U.U. PANEL FULL JUSTIFICATION FOR CLOSING DOWN CLARK, EXTENDING THE DURATION AT SUBIC AND REDUCING THE TOTAL AMOUNT OF BASE COMPENSATION. AS THIS ASSESSMENT IS BEING WRITTEN, THE OUTCOME OF THE BASES AGREEMENT IS STILL UNCERTAIN, BUT I WILL ATTEMPT TO FORETELL HOW IT WILL TURN OUT -- AND WEAT WILL BE THE US/RP RELATIONSHIP OF THE FUTURE.

(b)(3):10 USC 424

4. THIS ASSESSMENT RECESENTS THE PERSONAL VIEWS AND JUDGMENTS OF IT WILL ADDRESS THE FOLLOWING TOPICS:

THE ARMED FORCES OF THE FHILIPPINES

AFP LEADERSHIF TRENDS

THE INTELLIGENCE EFFECTIVENESS OF THE AFP

AFP MODERNIZATION

GRAFT AND CORRUFTION IN THE AFP

POLITIZATION OF THE AFP

THE APP: THE GODD, THE BAD AND THE UGLY

THE FHILIPPINE NATIONAL FOLICE

PNP LEADERSHIE

PNP ROLES AND MISSIONS

THE PNP: PROSPECTS FOR THE FUTURE

THE THREATS TO PHILIPPINE NATIONAL SECURITY

CPP/NPA/NDF

THE MNLF/MILF: A DYING MOVEMENT

THE THREAT FROM THE RIGHT

THE POTENTIAL FOR A SUCCESSFUL COUP E'ETAT

CHALLENGES AND DOMINANT ISSUES

THE THREAT TO AMERICANS

AMNESTY AND NATIONAL RECONCILIATION

BASE NEGOTIATIONS

THE 1992 ELECTIONS

THE DIRECTION OF THE US/RP RELATIONSHIP

THE ARMED FORCES OF THE PHILIPPINES

AFP LEADERSHIF TRENDS. A NEW BREED OF LEADERSHIP IS GRADUALLY EMERGING IN THE AFP. WITH THE APPCINTMENT OF GENERAL LISANDRO C. "BOY" ABADIA AS THE CHIEF OF STAFF, AFP, AND MAJOR GENERAL ARTURD "BOY" ENRILE AS COMMANDING GENERAL, PHILIPPINE ARMY, THE BEGINNING OF BOLD MOVES TO PUT THE BEST QUALIFIED MAN IN THE JOB HAS BEGUN. MANY HAVE ARGUED THAT THESE APPOINTMENTS ARE THE EPITOME OF A PITICIZED

PROMOTION AND ASSIGNMENT PROCESS. IN FACT, THE EPPUTY CHIEF OF STAFF, AFP, MGEN ALEXANDER P. AGUIRRE RESIGNED IN CONTEMPT, CPENLY CHALLENGED THE WISDOM OF THE PRESIDENT IN AFPOINTING ABADIA (2*9 8 JUNIOR TO HIM), AHD TESTIFIED AT THE COMMISSION ON APPOINTMENT

/***** BEGINNING OF SECTION 002 ******/

HEARINGS ON THE APPOINTMENTS OF ABADIA AND EHRILE, AMONG OTHERS. THAT THE APPOINTMENTS OF ABADIA AND ENRILE WERE SUPPORTED BY THE VAST MAJORITY OF PERSONNEL IN THE AFP, INCLUDING SEVERAL OFFICERS SENIOR TO ABADIA, IS ENCOURAGING.

1 BELIEVE THE LEADERSHIP QUALITIES OF THE TWO "BOYS" ARE PRECISELY WHAT IS NEEDED IN THE AFP TODAY -- DIRECT, FORCEFUL LEADERSHIP BASED ON ACCURATE ASSESSMENT OF THE SITUATION AND CAPABILITY TO INFLUENCE OTHERS. ABADIA IS FOLLOWING THE PRINCIPLE OF PUTTING THE "BEST QUALIFIED" IN POSITIONS DOWN THE LINE IN THE SERVICES. THE AFP BOARD OF GENERALS IS SELECTING OFFICERS FOR PROMOTION IN EACH MAJOR SERVICE BASED ON PROVEN ABILITY TO PRODUCE RESULTS, AND THEY ARE APPDINTING YOUNGER OFFICERS AS BATTALION AND SQUADRON COMMANDERS. THE PEOPLE SQUAWKING THE LOUDEST ARE THOSE MOST DIRECTLY AFFECTED BY THE CHANGES AND THOSE WHO HAVE BENEFITED FROM A SYSTEM WHICH PROMOTES BASED ON SENIORITY AND PERSONAL FAVDRITISM, NOT

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NECESSARILY ONE'S CAPABILITIES. AS THE NEW AFP LEADERSHIP IMPLEMENTS CHANGES IN THE PROMOTION SYSTEM, THE AFP WILL BECOME MORE PROFESSIONAL, LESS POLITICAL -- A MAJOR KEY TO COUNTERING THE THREAT FROM OFFICERS ASSOCIATED WITH THE ORIGINAL REPORM THE ARMED FORCES MOVEMENT (RAM) AND THE RECENTLY FORMED YOUNG OFFICER'S UNION (YOU).

THE INTELLIGENCE EFFECTIVENESS OF THE AFP. A MAJOR SUCCESS STORY DVER THE LAST 18 MONTHS. THE AFP INTELLIGENCE ORGANIZATION HAS CONE EXCELLENT WORK AGAINST BOTH THE LEFT AND THE RIGHT. FOR EXAMPLE. SINCE JAN 91, THEY HAVE NEUTRALIZED 57 CPP/NPA MEMBERS INCLUDING FIGHT TOP LEADERS; THEY HAVE NEUTRALIZED 43 MEMBERS OF THE RAM/YOU, INCLUDING ALL EXCEPT FIVE OF THE CORE GROUP. THESE ARRESTS HAVE SIGNIFICANTLY REDUCED THE CAPABILITY OF THESE GROUPS TO ACT AGAINST THE COUNTRY FOR THE TIME BEING. IN ADDITION, THERE IS IMPROVED COORDINATION AMONG INDIVIDUAL INTELLIGENCE UNITS THROUGH THE JOINT IHTELLIGENCE COMMITTER (JIC). PREVIOUSLY THERE HAS LITTLE OR NO SHARING OF INTELLIGENCE INFORMATION AMONG SERVICE UNITS, AND IN FACT, AN UNHEALTHY COMPETITION FOR RECOGNITION AND RESOURCES EXISTED. NDW THEY ARE ACTUALLY WORKING IDGETHER AND PRIORITIZING TARGETS. EVEN WITH THE CREATION OF THE PNP, THERE IS BETTER COORDINATION OF THE INTELLIGENCE EFFORT. RECENT SUCCESSES AGAINST THE CPP/NPA AND THE RAM/YOU ARE EXAMPLES OF IMPROVEDE NTELLIGENCE OPERATIONS.

AFP MODERNIZACION. A MAJOR CHALLENGE FOR THE AFP. THE PAF IS WOEFUL, THE PN FOURTH OR FIFTH RATE, THE PA A BIT BETTER BY COMPARISON, BUT STILL IN NEED OF OVERHAUL IN THE EQUIPMENT AND LDGISTICS AREAS. THE PAY WANTS THE F-16. THEY ARE AT LEAST A DECADE AWAY FROM AN AIRCRAFT SIMILAR TO THE F-16. AT THE TRAINING CENTER AT FERNANDD AIR BASE, NONE OF THE TRAINING AIDS AND SYSTEMS MOCK-UPS ARE OPERATIONAL. EVEN MORE TELLING, THEY ARE FOR THE F.. # WHICH WAS PHASED OUT OF THE PAR INVENTORY OVER TWENTY YEARS AGO. THERE IS NO WAY THE PAF IS READY TO BRING ON A MODERN FIGHTER. THEY HAVE TO FIRST DEMONSTRATE CAPABILITY TO KEEP THEIR MD-528'S, S-211'S, THE NEWLY ACQUIRED C-130'S AND OV-10'S OPERATIONAL. AN INTERIM FIGHTER LIKE THE F-SE, UPGRADED WITH A MORE MODERN AVIONICS FACKAGE, MAKES MUCH MORE SENSE FOR THE PHILIPPINES FOR THE NEXT DECADE. THEN THEY MAY BE READY TO BEGIN PHASING IN ANOTHER FIGHTER. NOW IT IS OUT OF THE QUESTION BECAUSE NOT ONLY CAN THEY NOT AFFORD TO ACQUIRE A NEW JET FIGHTER, THEY CANNOT MAINTAIN THE SYSTEMS REQUIRED TO OPERATE AND EMPLOY IT. EVEN AN UPGRADED 6-5E MAY BE TOO EXPERSIVE FOR THE PAF AT THIS POINT,

GRAFT AND CORRUPTION IN THE AFP. STILL A MAJOR FROBLEM. EXAMPLES ARE EVERYWHERE AND NO ONE SEEMS TO BE DOING MUCH ABOUT IT. DN MY LAST TRIP TO DLARK, FOR EXAMPLE, A USAF JUNIOR OFFICER TOLD ME OF SOME INITIAL HORROR STORIES OF STRIPPING FACILITIES FOLLOWING TURNOVER. APPARENTLY PHILIPPINE AIR FORCE PERSONNEHENTER THE BUILDING AFTER THE TURNOVER AND TAKE EVERYTHING THEY CAN: LIGHT FIXTURES, FIRE EXTINGUISHERS, TOILETS, WALL PANELING -- WHILE THE PAFLOOKS THE OTHER WAY.

THE MEDIA REPORTS ALMOST DAILYHF CHARGES OF APP INVOLVBMENT IN ILLEGAL ACTIVITIES. ND SENIOR OFFICER IS IMMUNE. FORMER SECRETARY OF NATIONAL DEFENSE (SND), FIDEL V. "EDDIE" RAMDS IS FENDING OFF CHARGES OF IMPROPER INVOLVEMENT IN ILLEGAL LOGGING. RENATD S. DE VILLA, WHO IS RELATIVELY CLEAN, IS FACING STIFF CUALLENGES FROM THE COMMISSION ON APPOINTMENTS OVER HIS APPOINTMENT AS SND. IT GOES DN

D ON: IT SOES DOWN TO THE LOWEST LEVELS. GRAFT AND CORRUPTION IS

/***** BEGINNING OF SECTION 003 ******/
SYMPTOMATIC OF THE CULTURE OF THE ENTIRE COUNTRY.

POLITIZATION OF THE AFP. HAS ALWAYS BEEN A PROBLEM IN THE AFP. THE UPCOMING ELECTION WILL BE ONE OF ITS GREATEST TESTS. THE PRESIDENT HAS DIRECTED ABADIA AND PHILIPPINE NATIONAL POLICE DIRECTOR CESAR P.

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NAZARENO TO KERP THE AFP/PNP OUT OF THE ELECTIONS. THE ROLE OF THE MILITARY AND THE POLICE IS TO ENSURE SAFE AND DRDERLY ELECTION, NOT TO ENTER THE POLITICAL FRAY AND EXERT INFLUENCE ON THE DUTCOME.

POLITIZATION HAS BEEN DNE OF THE ROOT CAUSES OF DISUNITY IN THE AFP. A STRONGLY POLITICAL JUNIOR OFFICER CORPS CONTRIBUTED TO THE 1986 REVOLUTION WHICH REMOVED PRESIDENT MARCOS FROM POWER. DNCE TOUCHED WITH THE SENSE OF POLITICAL POWER, THESE YOUNGER, IDEALISTIC OFFICERS WERE HUNGRY FOR MORE. WITHOUT AN INFLUENCE IN THE POLITICAL CURRENTS IN THE COUNTRY, THEY BECAME RESTLESS AND IMPATIENT. THE RESULT WAS AN ATTEMPTED COUP D'ETAT IN AUGUST 1987 AND AGAIN IN DECEMBER 1989.

THE AFP: THE GODD, THE BAD AND THE UGLY.

THE GCOD: THE AFP HAS BEEN INSTRUMENTAL IN PRESERVING AN INFANT DEMOCRACY. IT HAS LEAD A CAMPAIGN FOR STABILLTY IN GOVERNMENT TO PAVE THE WAY FOR ECONOMIC AND SOCIAL GROWTH. TEROUGH STRONGER LEADERSHIP, THESAFP HAS MADE PROGRESS AGAINST THE CPP/NPA, 8.8,8*3\$ THE THREAT FROM THE ULTRA RIGHTISTS AND IMPROVED ITS INTELLIGENCE EFFECTIVENESS.

THE BAD: GRAFT AND CDRRUPTION IS STILL A MAJOR PROBLEM IN THE AFP. HUMAN RIGHTS ABUSES STILL OCCUR. THERE IS LITTLE DISCIPLINE FOR THE MAINTENANCE AND CARE OF VALUABLE EQUIPMENT. AS AN ARMED FORCES, THE AFP IS IN BAD SHAPE IN TERMS OF MAJOR EQUIPMENT END LITEMS SUCH AS AIRCRAFT AND NAVAL VESSELS. MODERNIZATION OF THE PHILIPPINE AIR FORCE AND THE PHILIPPINE NAVY ARE TOP PRIORITY FOR THE AFP.

THE UGLY: SENIOR OFFICERS LINE THEIR POCKETS WHILE THE SOLDIERS IN THE FUELD SURVIVE ON NOTHING. ATROCITIES COOUR AND THE LEADERSHIP LOCKS THE OTHER WAY.

NOTWITHSTANDING THE BAD AND THE UGLY, WHICH ARE PROBLEMS THROUGHOUT THE PHILIPPINE CULTURE, THE AFP IS BECOMING MORE PROFESSIONAL THROUGH BETTER LEADERSHIP. THE KEY TO THE FUTURE FOR THE AFP IS MODERNIZATION WHICH IS TIED TO A CONTINUED PRESENCE OF U.S. FORCES IN THE COUNTRY.

PHILIPPINE NATIONAL POLICE (PNP)

PNP LEADERSHIP. GOING THROUGH GROWING PAINS AND AN IDENTITY CRISIS. GENERAL NAZARENO AND MOST OF THE RANKING PNP OFFICERS CAME FROM THE PHILIPPINE CONSTABULARY. THEY ARE MILITARY OFFICERS FIRST, POLICE OFFICERS SECOND. THEY DO NOT LIKE THEIR NEW CIVILIAN POLICE RANKS AND ARE ATTEMPTING TO RETAIN THE LEGITIMATE USE OF THEIR MILITARY RANK. IN PRACTICE THEY DO ANYWAY.

THE LEADERSHIP OF THE PNP IS EFFECTIVE BECAUSE IT DERIVES ITS STRENGTH FROM YEARS OF SERVICE IN THE CONSTADULARY AND THE NOW DEFUNCT INTEGRATED NATIONAL POLICE. THE RELATIONSHIPS AND CONNECTIONS IN THE PNP ARE TIGHT. THE INTELLIGENCE NETWORKS ARE EXCELLENT, AND BECAUSE CHIEF SUPERINTENDENT GERARDO N. FLORES (PMA 62) MAINTAINS CLOSE LIAISON WITH HIS CLASSMATES IN THE APP (BG CARLOS "CHARLIE" TANEGA, CHIEF, INTELLIGENCE SERVICE OF THE APP ANDNG AUFREDO L. FILLER, J-2, AFP), THE PNP AND APP INTELLIGENCE DRGANIZATIONS MAINTAIN GOOD COMMUNICATION.

GRAFT AND CDRRUPTION IN THE PNP ARE PROBABLY AT EPIC PROPORTIONS, BUT CHARGES AGAINST ANY LEAGERS IN THE PNP WILL PROBABLY NEVER STICK. KVEN WHEN EXPOSED AND CHARGED, PNP DEFIDERS ARE SELDOM TRIED AND CONVICTED. THERE HAVE BEEN NUMEROUS EXAMPLES OF PNP PERSONNEL BEING INVOLVED IN ILLEGAL ACTIVITIES -- DRUGS, GAMBLING, ILLEGAL 1DGGING, SALE OF ARMS AND AMMUNITION, EXTORTION -- YET THE CK ES JUST SEEM TO EVAPORATE. IT IS AS IF THERE IS AN UNSPOKEN AGREEMENT NOT TO PURSUE THE PROBLEM ANY FURTHER.

ON THE SURFACE, THINGS LOOK FRETTY GOOD. THE LEADERSHIP SAYS THE

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RIGHT THINGS AND THEY HAVE DONE A GOOD JOB PESSITCER PEAK WHILE THE PHILIPPINES IMPROVES ITS IMAGE AND INFLUENCE AMONG THE SOVEREIGN NATIONS OF THE PACIFIC R89,.
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/***** BEGINNING OF SECTION 004 ******/
PNP ROLES AND MISSIONS. WITH THE FORMATION OF THE PNP EFFECTIVE
JANUARY 1, 1991, MAJOR POLICY DECISIONS IN BOTH THE PHILIPPINES AND
THE UNITED STATES ARE AFFECTED. THUS FAR, THE ADMINISTRATION OF
FORMING THE PNP IS NEARLY COMPLETE. THE MOST SIGNIFICANT CHANGE IS
FOR THE PNP TO TAKE OVER RESPONSIBILITY OF THE INTERNAL SECURITY OF
THE COUNTRY. OPERATIONALLY, THIS CHANGE HAS HAD LITTLE REAL CHANGE
IN HOW THE AFP AND THE PNP ARE COUNTERING THE INSURGENCY IN THE
COUNTRY.

THE AFP, WHICH PROFESSES TO BE IN A SUPPORT ROLE, IS STILL BEAVILY ENGAGED THROUGHOUT THE COUNTRY IN COUNTERINSURGENCY OPERATIONS. GENERAL KAZARENO IS STATING THAT THE PNP IS TAKING OVER, AND HE IS TALKING ABOUT ACQUIRING AIRCRAFT, NAVAL VESSELS AND ADDITIONAL GROUND EQUIPMENT AS THEY TRANSITION TO FULL RESPONSIBILITY FOR INTERNAL SECURITY. THE PNP HAS SET UP TWO AREAS FOR TESTING THEIR STRATEGY AND TACTICS AGAINST THE NPA IN MINDORO AND LEYTE. SO FAR, THE RESULTS HAVE BEEN DISAPPOINTING.

THE PNP: PROSPECTS FOR THE FUTURE. IT WILL TAKE LONGER THAN THE TWO YEARS PROGRAMMED FOR THE PNP TO BE READY FOR FULL RESPONSIBLITY FOR THE COUNTERINSURGENCY. CHANGES ARE GOOD THAT THE ADDITIONAL TWO YEARS FROVIDED FOR TRANSITION WILL BE NECESSARY. IF THE INSURGENCY HAS NOT BEEN ELIMINATED BY 1995, IT IS UNLIKELY THE PNP WILL BE ABLE TO COMPLETE THE JDB BY ITSELF. THE AFP WILL CONTINUE TO OPERATE AGAINST THE INSURGENCY AS LONG AS IT EXISTS IN THE COUNTRY.

ONE OF THE ASSUMPTIONS UNDERLYING THE SHIFT OF RESPONSIBILITY FOR THE INSURGENCY FROM THE AFP TO THE PNP WAS THAT IT WOULD BE DEFEATED BY 1992. THAT IS NOT GOING TO HAPPEN. FOR THE NEXT SEVERAL YEARS, THERE WILL BE A DIVISION OF EFFORT BETWEEN THE AFP AND THE PNP OVER FIGHTING THE NPA IN THE FIELD -- AND FOR A SHARE OF THE SECURITY ASSISTANCE MONIES ACCRUING FROM THE BASE COMPENSATION PACKAGE. A MAJDR POLICY DECISION FOR THE US IS WHETHER THE PNF IS ENTITLED TO ANY SECURITY ASSISTANCE AT ALL BASED ON ITS RESPONSIBILITY FOR COUNTERINSURGENCY. WITHOUT SOME ACCESS TO SECURITY ASSISTANCE MONEY, THE PNP WILL NOT BE ABLE TO TRAIN, EQUIP AND OPERATE AGAINST THE NPA.

THE PNP WILL BE ABLE TO PERFORM ITS CTHER RESPONSIBILITIES FOR CRIME PREVENTION, CIVIL LAW AND ORDER, COUNTERNARCOTICS, AND INTERNAL SECURITY ON A NATIONWIDE BASIS. IT MUST OVERCOME THE PROBLEMS OF GRAFT AND CORRUPTION AND DECENTRALIZED COMMAND AND CONTROL IF IT IS TO IMPROVE ITS EFECTIVENESS AS THE NATIONAL POLICE FORCE.

THREATS TO HILIPPINE NATIONAL SECURITY

CPP/NPA/NDF. THE CPP/NPA/NDF IS STILL THE MAIN THREAT TO THE COUNTRY'S SECURITY. THEIR OBJECTIVE IS TO SEIZE POWER AND THEIR COUNTRYWIDE CAMPAIGN TO WAGE WAR CONTINUES. HOWEVER, RECENT ACTIONS ON THE PART OF THE AFP HAVE SERVED TO WEAKEN THE 1EADERSHIP AND PLACED THE CPP/NPA/NDF IN A CRUCIAL CONDITION. SINCE JANUARY 1991, THE AFP HAS NEUTRALIZED 57 MEMBERS OF THE CPP/NPA, INCLUDING EIGHT HIGH RANKING OFFICERS OF THE CENTRAL COMMITTEE AND THE NPA GENERAL COMMAND. THESE SETBACKS FOR THE CPP/NPA FURTHER EXACERBATE AN UNRESOLVED LEADERSHIP CRISIS AND THE IDEOLOGICAL DIFFERENCES EMERGING AS A RESULT OF WORLDWIDE EVENTS.

THE AFP CONTINUES TO USE "QUICK LOOK" PARAMETERS FOR MEASURING TRENDS AGAINST THE INSURGENCY. AS OF 30 JUN 91, THE NUMBER OF CPP/NPA INSURGENTS IS DOWN ANOTHER FIVE PERCENT TO 16,360, AND THE NUMBER OF CPP/NPA FIREARMS DECLINED EIGHT PERCENT. THE NPA LOST 48 GUERRILLA FRONTS AND REGAINED 31 FOR A NET DIFFERENCE OF 17 FEWER FRONTS; THERE WERE 73 GUERRILLA FRONTS IN JAN 91 AND THERE WERE 56

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FNONTS AS OF 30 JUN 91. THERE HAS BEEN AN ESCALATION OF NPA-INITIATED ARMED CONFLICTS IN THE FIRST SIX MONTHS DE 1991 TO COUNTER THE EFFECTIVENESS OF THE AFP. IN ADDITION, THERE HAVE BEEN MORE FREQUENT MASS PRIEST ACTIONS AND URBAN PARTISAN WARFARE HAS INCREASED THROUGHOUT THE COUNTRY INDICATING THAT THE CPP/NPA/NDF HAS NO INTENTION OF RENOUNCING IT'S BID TO SEIZE POWER.

THE MNLF/MILE: A DYING MOVEMENT. THE SECESSIONIST MOVEMENT OF THE MORO NATIONAL GREERATION FRONT (MNLF) AND THE MORO ISLAMIC LIBERATION FRONT (MILF) IS WEAKENED, FACTIONALIZED AND DEMORALIZED. MDRE THAN 1200 MEMBERS HAVE SURRENDERED SINCE THE BEGINNING OF 1991. THE AFP BELIEVES THE THREAT FROM THE MNLF AND MILF WILL CONTINUE TO DECLINE AS THE ARAB NATIONS CONTINUE TO EXCLUDE THEM FROM THE ORGANIZATION OF THE ISLAMIC CONFERENCE. THE MNLF IS RESORTING TO CRIMINALITY FOR RECOGNITION AND MEANS FOR SURVIVAL.

THE THREAT FROM THE RIGHT. THE THREAT FROM ULTRA RIGHTIST GROUPS NS

/***** BEGINNING OF SECTION 005 *****/
SIGNIFICANTLY DIMINISHED. BOTH THE MARCOS LOYALISTS AND THE RAM

SUFFER FROM REDUCED SUPPORT OF CIVILIAN BACKERS. RECENT ARRESTS OF RAM/YOU MEMBERS, .8,:)7\$8,\$ 3,34-) 9! 3 .95 3!!3:58;3)3-\$34, HAVE HURT THESE GROUPS. THE YOU CONTINUES TO FOCU ON A LONG TERM BUILD UP OF ORGANIZATION AND STRUCTURE, DEVELOPMENT OF A MASS BASE OF SUPPORT, AND EQUIPAGE OF THEIR ARMEE COMPONENT. THE LATEST ROUND OF EXPLORATORY TALKS BETWEEN REBEL OFFICERS CND AFF INTERMEDIARIES INCLUDED THE CSAFF'S WARNING TO THE RAM LEADERSHIP TO ENTER A DIALOGUE WITHIN 72 HOURS OR OQERATIONS AGAINST THEM WOULD RESUME. ABADIA HAS KEPT THE DOCR OPEN FOR DIALOGUE WITH HDNASAN AND COMPANY ANE HAS ALLOWED DETAINED REBEL OFFICERS TO LEAVE CONFINEMENT TO TALK TD THEM. THREE TIMES THE AFP HAS CHASED OPERATIONS AGAINST THE REBELS TO EEMONSTRATE ITS SINCERITY IN PROPOSING A DIALOGUE. THE MDST RECENT WARNING BY THE CSAFP WENT UNHEEDED AND ABADIA SAID HE WDULD RESUME OPERATIONS AGAINST THE REBELS AS OF NOON ON 10 AUG 91. THE RECENT ATTEMPTED JAILBREAK BY SEVERAL REBELS WEAKENED THE HOPE OF A SUCCESSFUL DI9&73 285# 543 -!O. HOWEVER, THE CSAFF STILL HOPES TO DRAW "THE MODERATES" AMONG THE RIGHTISTS AWAY FROM "THE VIOLENCE-PRONE RADICALS." MY ASSESSMENT IS THAT THE RIGHTISTS WILL CONTINUE TO WEAKEN DVER TIME AS THE AFP RESUMES ITS OPERATIONS AGAINST RAM/PJVXXI

COUP D'ETAT BETWEEN NOW AND SEPTEMBER 1992 WILL NOT SUCCEED. FOR THE NEXT YEAR, COUP PLOTTERS WILL NOT HAVE MUCH SUPPORT FOR AN ACTUAL CDUP ATTEMPT. SYMPATHY? YES. SUPPORT. NO. THE NEW ADMINISTRATION MUST PROVIDE STRONG LEADERSHIP, DIRECTION AND VISION WHICH GIVES IMPETUS TO THE ECONOMY AND DELIVERS MORE GOODS AND SERVICES TO THE COUNTRYSIEE. IF LIFE DOES NOT IMPROVE FOR THE AVERAGE FILIPING IN THE FIRST SIX MONTHS OF THE NEW ADMINISTRATION, THEN THERE WILL LIKELY BE ANDTHER COUP ATTEMPT. IT WILL PROBABLY SUCCEED.

THE HST PROMINENT FACTION FAVORING OVERTHROWING THE GOVERNMENT IS STILL THE RAM/SEP/YOU. THEIR RANKS HAVE BEEN HARD HIT BY A COMBINATION OF LACK OF RESOURCES AND CIVILIAN SUPPORT FOR THEIR "DREAMS THAT WILL NEVER DIE." A TOUGHENING OF THE GOVERNMENT'S HANDLING OF THOSE CHARGED WITH REBELLION ANDRAGOUXM BY THE AFE/FNF XMSERIOUS THREAT TO THE GOVERNMENT AT THIS TIME.

SIMILARLY, OTHER FACTIONS SUCH AS THE CPP/NPA, THE MNLF AND THE MARCOS LOYALSTS DO NOT HAVE THE POTENTIAL TO OVERTHROW THE GOVERNMENT. NONE OF THE GROUPS WILL BE IN A POSITION TO LAUNCH ANOTHER COUP ATTEMPT PRIOR TO SEPTEMBER 1992. BEYOND THAT TIME FRAME, THE POTENTIAL FOR ANOTHER COUP IS A FUNCTION OF HOW EFFECTIVE IS THE NEXT ADMINISTRATION.

CHALLENGES AND DOMINANT ISSUES

OF CREAME

- OP CRETINATE

THREATS TO AMERICANS. THE THREAT STILL EXISTS ALTHOUGH IT DOES NOT "FEEL" AS MENACING NOW AS IT HAS IN PREVIOUS MONTHS. COMPLACENCY AND CARELESSNESS ARE DEFINITE FACTORS IN THE SECURITY SITUATION FOR AMERICANS AT THE MOMENT.

5#3 3:13:5 9! .5. PINATUBO HAVE NO DOUBT ALTERED THE THREAT AREAS. WITH THE CLOSURE OF CLARK IN PROGRESS, THE FOCUS OF THE THREAT TO AMERICANS WILL PROBABLY SHIFT TO SUBIC AND MANILA. RECENT SETBACKS SUFFERED BY THE CPP/NPA LEADERSHIP, MCST HOTABLY THE CAPHRE OF ROLLIE KINTANAR, COULD ALSO INFLUENCE THE THREAT TO AMERICANS.

IN THE NEAR TERM, THE THREAT IS POSSIBLY REDUCED WHILE THE CPP/NPA RECOVERS FROM LEADERSHIP LOSSES, SELECTS NEW LEADERS AND ASSESSES THEIR CURRENT SITUATION IN LIGHT OF THE OUTCOME OF THE BASE NEGOTIATIONS. ASSUMING THERE IS GOING TO BE AN AGREEHENT WHICH PROVIDES FOR CONTINUED U.S. PRESENCE IN THE PHILIPPINES, THE CPP/NPA WILL REVISE THEIR STRATEGY ON TARGETING AMERICANS AFTER THE AGREEMENT IS RATIFIED. THAT WILL BE THE TIMEFRAME WHEN AMERICANS COULD BE AT GREATEST RISK. THE CPP/NPA HAS BEEN HIT HARD BY THE AFP/PNP. THEY HAVE NOT SCORED A MAJOR PROPAGANDA VICTORY FOR A LONG TIME AND THEY

/***** BEGINNING DF SECTION 006 *****/
MAY BE FACED WITH A NEW BASE AGREEMENT WITH SUBSTANTIAL ASSISTANCE
GOING FROM THE U.S. TO THE AFP. WHAT THEY WILL DO IS UNCERTAIN, BUT
AN ATTACK ON U.S. PERSONNEL OR FACILITIES IS A DISTINCT POSSIBILITY.

AMMESTY AND NATIONAL RECONCILIATION. WILL BE AN ISSUE IN THE UPCOMING PRESIDENTIAL ELECTION. THERE HAS TO BE SOME FORM OF NATIONAL RECONCILIATION TO CLEANSE THE SLATE. THE GOVERNMENT HAS BEEN CONSUMED WITH PROSECUTING ENEMIES OF THE STATE AT THE EXPENSE OF DEVOTING VALUABLE TIME AND RESOURCES TO DEVELOPMENTAL AND GROWTH AREAS.

THE CPP/NPA/NOT IS SENDING SIGNALS TO THE GOVERNMENT THAT THEY ARE WILLING TO ENTER A UNILATERAL CESSATION OF HOSTILITIES IF THE GOP REJECTS A BASES TREATY. HOW THE CAPTURE OF TOP CPP/NPA LEADERS WILL AFFECT THY PROSPECTS FOR PEACE TALKS WITH THE LEFT IS STILL UNCERTAIN. TERMS OF THE RECONCULIATION FOR MEMBERS OF THE LEFT WILL BE DIFFICULT TO DEFINE.

THE RAM LEADERS HAVE INDICATED THAT CLEMENCY FOR ALL DETAINED RAM MEMBERS IS A PREREQUISITE FOR EXTERING A PEACE DIALOGUE WITH THE SCVERNMENT. ABADIA HAS MADE IT A PERSONAL PRIORITY TO RESCLVE THE PROBLEM POSED BY HONASAN AND THE RAM. HIS INITIATIVES TO SEND DETAINED MEMBERS OUT TO CONTACT HONASAN AND OTHER LEADERS AT LARGE IS A GENUINE ATTEMPT AT RECONCILIATION. THOUGH THEY HAVE NOT YET FUBLICLY SAID IT, BOTH RAMOS AND DE VILLA WILL SUPPORT SOHE FORM OF AMNESTY AND NATIONAL RECONCILIATION FOR THE MAJORITY OF REBEL OFFICERS IN CUSTODY. WHAT THEY HAVE IN WIND FOR THE CORE LEADERS WHO HAVE LEAD SEVERAL COUP ATTEMPTS AGAINST THEM IS A DIFFERENT STORY.

IN MY VIEW, THE COUNTRY NEEDS A FRESH START. RIGHT NOW THE DOMESTIC ENEMIES OF THE STATE, FROM BOTH THE LEFT AND THE RIGHT, ARE SAPPING THE STRENGTH OF COUNTRY AT A TIME WHEN ALL ENERGY SHOULD BE FOCUSED ON UNITY AND NATIONAL GROWTH. A WELL CONCEIVED AMNESTY AND NATIONAL RECONCILIATION PROGRAM COULD GIVE THE COUNTRY THE BREATHING SPACE IT NEEDS TO BEGIN A RECOVERY.

BASE NEGOTIATIONS. ANOTHER ENERGY-SAPPING ISSUE. REGARDLESS OF HOW THE CURRENT NEGOTIATIONS TURN OUT, THE QUESTION OF U.S. PRESENCE IN THE COUNTRY WILL CONTINUE TO BE THE FUNDAMENTAL ISSUE IN THE REFUS RELATIONSHIP. AS THIS PAPER IS BEING WRITTEN, THE FATE OF A NEW BASING AGREEMENT, DEFINED OVER THE PAST 14 MONTHS OF NECOTIATIONS, RESTS WITH THE PHILIPPINE SENATE. IF THE VOTE WERE TAKEN TOWAY, THE TREATY WOULD BE DEFEATED.

IT IS HARD TO IMAGINE FHAT THE AGREEMENT FACES POSSIBLE DEFEAT, PARTICULARLY WHEN RATIFICATION IS FAVORED BY 75 - 80 PERCENT OF THE

CFCRFT/AFF

SECRETARY

FILIPINO PEOPLE, A LARGE MAJORITY OF THE ARMED FORCES AND THE NATIONAL POLICE, THE EUSINESS COMMUNITY, A LARGE MAJORITY OF ELECTED POLITICIANS, THE INTERNATIONAL COMMUNITY AND THE CURRENT ADMINISTRATION, INCLUDING A PRESIDENT WORKING HARD TO COMPLETE A SUCCESSFUL AGREEMENT. IT IS A UNIQUELY FILIPING SITUATION IN WHICH THE FUTURE OF A RELATIONSHIP BETWEEN TWO SOVEREIGN NATIONS FALLS IN THE HANDS OF 33 SENATORS. DNE OF THEM TOLD ME IT DID NOT MATTER WHO OR HOW MANY PEOPLE ARE FOR THE AGREEMENT. HE IS GOING TO VOTE BASED ON WHETHER HE THINKS IT IS A "GOOD DEAL" AND RIGHT NOW HE DOES NOT THINK IT IS.

I THINK THE AGREEMENT WILL EVENTUALLY BE RATIFIED. SOMETHING -I CAN'T SUGGEST WHAT -- WILL GIVE THE BORDERLINE SENATORS AN
OPPORTUNITY TO VOTE "FOR" THE AGREEMENT. NEVER BEFORE HAVE MOST OF
THEM EXPERIENCED SUCH INFLUENTIAL LIMELIGHT. THEY LOVE IT. AND THEY
KNOW THAT A "YES" VOTE IN A PRO-BASES ADMINISTRATION MEAHS THEIR
POLITICAL STOCK WILL INCREASE. I THINK THEY ARE LOOKING FOR A
GRACEFUL WAY TO VOTE IN FAVOR OF RATIFICATION. THEY, LIKE MOST OF US
ON THE U.S. SIDE, ARE ANXIOUS TO GET THE BASE AGREEMENT SETTLED SO
THEY CAN MOVE ON TO THE NEXT BIG EVENT.

THE 1992 ELECTIONS. THE NEXT BIG EVENT. ELECTION FEVER HAS ALREADY STARTED. PRESIDENTIAL CANDIDATES ARE BEGINNING THEIR CAMPAIGNS AND LINING UP LOYALTIES, WHICH WILL CONTINUE TO BE SLIPPERY UNTIL FAVORITES START TO CRYSTALLIZE.

1 LIKE EDDIE RAMDS. I THINK HE WILL BE ELECTED IN A RELATIVELY FAIR ELECTION. I BELLEVE HE WILL DO A FINE JOB AS PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES. I WOULD BET MONEY ON IT -- BUT NOT TOO MUCH.

THE DIRECTION OF THE US/RP RELATIONSHIP. THIS IS A CRITICAL JUNCTURE IN THE US/RP RELATIONSHIP. MY CRYSTAL BALL IS MURKY, BUT I DO SEE SOME TRENDS.

/***** BEGINNING OF SECTION 007 ******/

FIRST, THE END OF OUR PERMANENT MILITARY PRESENCE AT U.S. FACILITIES IN THE PHILIPPINES IS IN INEVITABLE. VIRTUALLY ALL OF THE PRESIDENTIABLES ARE IN AGREEMENT THAT U.S. MILITARY FACILITIES IN THIS COUNTRY MUST EVENTUALLY GO. FROM THE U.S. VIEWPDINT, TOO, PERMANENT BASES ARE NOT NEEDED. WE NEED A STRONG BILATERAL RELATIONSHIP AND ACCESS RIGHTS WHEN NATIONAL SECURITY INTERESTS DICTATE.

SECOND, THE RELATIONSHIP WILL MATURE IN A HEALTHY, BUT PAINFUL WAY. IF EVER THE PHILIPPINES WILL PROSPER AND MATURE, IT MUST SEVER THE DEPENDENT TIES ON THE UNITED STRPBXUULU AGM 909, 5#384 92, 8! 5#36 -43 TO SURVIVE. THEY WILL HAVE IT THEIR WAY.

THIRD, OUR SUPPORT FOR THE PHILIPPINES WILL CONTINUE BUT IT WILL BE LINKED TO THE VALUE OF THE BILATERAL RELATIONSHIP. THE BENEFITS FOR THE PHILIPPINES OF THE SO-CALLED SPECIAL RELATIONSHIP WILL CONTINUE AS LONG AS WE HAVE A SPECIAL RELATIONSHIP. IF THEY CHOOSE TO CHANGE THE TERMS, THEN SO WILL U.S. SUFFORT FOR THE PHILIPPINES CHANGE PROPORTIONATELY.

FOURTH, AS U.S. PRESENCE AND INFLUENCE IS REDUCED, OTHER COUNTRIES PRESENCE AND INFLUENCE WILL INCREASE. THE HOPE FOR THE PHILIPPINES IS THAT THEY WILL BE STRONG ENOUGH TO STAND ON THEIR OWN BY THE TIME THE U.S. PHASES OUT ITS MILITARY PRESENCE. IF THEY ARE NOT, AND THE U.S. LEAVES, THE PHILIPPINES WILL TURN TO OTHER COUNTRIES FOR HELP. THE GROUNDWORK FOR THAT EVENTUALITY IS ALREADY BEING LAID.

5. THIS ASSESSMENT IS BASED ON GUT FEELINGS AS WELL AS SOME FACTS NO PERSONAL OBSERVATIONS. THE PAST TWO YEARS HAVE BEEN CHOCK FOLL

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F CHALLENGES AND INTERESTING TIMES FOR THE PHILIPPINES. WE ARE AT A CRITICAL JUNCTURE IN OUR RELATIONSHIP WITH THIS COUNTRY AND, AT THIS MOMENT IN TIME, IT IS VERY DIFFICULT TO FREDICT WHICH WAY IT WILL GOM

- A. ONE THING IS CERTAIN -- THE RELATIONSHIP HAS BEEN STRAINED, PERHAPS TO IRREFARABLE LIMITS. THE PROCESS OF NEGOTIATING A TEATY BASED UPON A NEW RELATIONSHIP OF FRIENDSHIP, COOPERATION AND SCURITY HAS TAKEN ITS TOLL ON THE EXISTING RELATIONSHIP. IT HAS BEEN AN INTERESTING DOSE OF REALITY FOR THE PHILIPPINES.
- B. THE US/RP RELATIONSHIP HAS GRADUALLY EROOFD SINCE THE BEGINNIN OF THE 1988 MBA REVIEW. IT TOOK A SIGNIFICANT TURN FOR THE WORSE AS A RESULT OF THE CHENEY VISIT IN FEBRUARY 1990 WHEN, AS A RESULT OF STRANGE FILIPING LOGIC, PRESIDENT AQUINO REFUSED TO SEE SECRETARY CHENEY. THE CHENEY SNUB ACCELERATED THE DETERIORATION OF THE OFFICIAL RELATIONSHIP AT A TIME WHEN THE PHILIPPINES COULD LEAST AFFORD IT.
- 6. SINCE I WILL BE LEAVING THE PHILIPPINES ON SEPTEMBER 16, 1991, I WILL HAVE TO FOLLOW PHILIPPINE EVENTS FROM MY LIVING ROOM IN PHOENIX. I MAY WATCH ANOTHER COUP D'ETAT OR NATURAL DISASTER, AND OF COURSE, I WILL WATCH WITH INTEREST THE RESULTS OF THE 1992 ELECTIONS.
- 7. AS A PARTING SHOT, I'LL MAKE ONE FINAL PREDICTION. I BELIEVE THE PHILIPPINES WILL FIND A WAY TO KEEP THE U.S. PRESENCE HERE FOR ANOTHER DECADE. THE PHILIPPINE SENATE WILL PROBABLY RATIFY THE AGREEMENT 16-7... BEGRUEGINGLY. THERE WILL BE A VERY BRIEF PERIOD OF HOLLOW EUPHORIA FOLLOWED BY A COUPLE OF YEARS OF PAINFUL MATURING FOR THE PHILIPPINES AND THE RELATIONSHIP.
- A. THE NEXT ADMINISTRATION WILL CONTINUE THE TRANSITION TO A FUNCTIONING DEMOCRATIC SYSTEM. AFTER TWO TO THREE YEARS OF ADJUSTMENT TO THE NEW RELATIONSHIP, THINGS WILL BEGIN TO NOTICEABLY IMPROVE. THE EDONOMY, THE INTERNAL SECURITY SITUATION, CONFIDENCE IN THE GOVERNMENT AND THE ARMED FORCES, AND EVEN THE RELATIONSHIP WITH THE UNITED STATES. IT WILL TAKE THAT LONG FOR THE PHILIPPINES TO ACCEPT THAT THE U.S. REALLY IS LEAVING AT THE END OF THE DECADE. THEY WILL FINALLY REALIZE THAT THEIR SOVEREIGNTY AS A NATION HAS NEVER BEEN IN QUESTION.... CERTAINLY NOT IN THE EYES OF THE UNITED STATES.
- B. THE UNITED STATES AND THE REPUBLIC OF THE PHILIPPINES WILL REMAIN GOOD FRIENDS AND ALLIES FOR A LONG, LONG TIME -- WELL INTO THE TWENTY FIRST CENTURY. THERE WILL ALWAYS BE PEAKS AND VALLEYS IN THE

/***** BEGINNING OF SECTION 008 ******/
RELATIONSHIP. WE ARE IN A DEEP VALLEY NOW, BUT WITH A SUCCESSFUL
AGREEMENT FOR FRIENDSHIP, COOPERATION AND SECURITY, THE RELATIONSHIP
WILL BEGIN TO MATURE. BY THE TURN OF THE CENTURY, THE US/RP
RELATIONSHIP SHOULD BE MOVING TOWARD ANOTHER PEAK WHILE THE
PHILIPPINES IMPROVES ITS IMAGE AND INFLUENCE AMONG THE SOVEREIGN
NATIONS OF THE PACIFIC REGION.

ADMIN

SBCL: SADR

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