



SCHWEIZERISCHE VERTRETUNG
REPRÉSENTATION SUISSE

in / à Manila

an	FB	KD	4/4	Final		
Datum	4.7					
Visa						
EDA		01.07.88		16		
Ref. <u>v. C. H. 103.3/43/</u>						

129. 1. (43)

EJPD
Generalsekretariat
EJPD
Bundesamt für Polizeiwesen
EDA
Politische Abteilung II
EDA
Finanz- und Wirtschaftsdienst*
EVD/BAWI
Länderdienst
EVD/BAWI
Dienst für Entwicklungsfragen

Ihr Zeichen
Votre référence

Ihre Nachricht vom
Votre communication du

Unser Zeichen
Notre référence

Datum
Date

521.52 - DA/WO 30. Juni 1988

Gegenstand / Objet Das Marcos-Vermögen und die Schweizerbanken

Die Diffamierungskampagne gegen Schweizer Banken als Folge der in der Schweiz vermuteten hohen Beträge von Marcosgeldern und der geringen "Ausbeute" der kürzlichen Reise von Präsidentin Aquino in die Schweiz nimmt zu. Zwei Titel: "Swiss Gnomes are black pirates" und "Chocolate box (im Hotel in Genf) was worth all that trouble".

Der erstzitierte Artikel endet mit der beleidigenden Bemerkung "The flag of Switzerland with a white cross on red background, should be hauled down and replaced by the skull and bones to mark the Swiss as the black pirates they really are".

Ein ebenfalls beigelegter Artikel eines etwas mehr respektierten Kolumnisten in einer angesehenen Tageszeitung ist neutral mit "Swiss bank accounts" betitelt. In der Folge wird jedoch der Ton recht aggressiv: "Swiss banks derive incalculable revenues from secret accounts of foreign dictators who couldn't touch their ill-gotten fortunes, from deposits "forgotten" by their owners and from deposits abandoned one way or the other. Maybe Switzerland supports itself mainly with these secret accounts". Der Mischkredit kommt ohne direkt erwähnt zu werden auch zur Sprache: "In the meantime, we can expect to benefit from "Swiss generosity" in the form of a few million francs in credits and loans. These represent but a small fraction of the interest paid on the billions Philippine money secretly deposited in Swiss banks. That is the tragedy of depositing hundreds of millions in numbered accounts in the famed Swiss banks". Ganz allgemein werden Zweifel geäußert,

./.

* zur Weiterleitung an die Schweiz. Bankiervereinigung. ✓ 5-7-88



ob die Regierung je das Geld erhalten wird.

Ich sprach gestern mit dem Justizminister (dem früheren Generalstaatsanwalt Ordonez): er rät, gegenwärtig nichts zu unternehmen; so werde die Kampagne rascher in sich zusammenfallen. Sollte wider Erwarten das Thema von weiteren Zeitungen aufgegriffen werden oder im Parlament zur Sprache kommen, versprach mir Ordonez, eine Erklärung von Präsidentin Aquino, wonach sie weiterhin volles Vertrauen in die Schweizer Justiz habe, an die Medien abgeben zu lassen.

Der Schweizerische Botschafter



(M. Dahinden)

MAKE MY DAY!

HILARION M. HENARES JR.



Swiss gnomes are black pirates

MARCOS is not the first ruler who looted his country. In the 1920s, the fortune of the Russian Romanovs, stashed away in France, was the subject of litigation between banks, the Soviet Union and the Tsar's relatives including a woman who claimed to be the Tsar's daughter. (Remember the movie *Anastasia* starring Ingrid Bergman?)

After World War II, the assets of I.B. Farben who made poison gas for Buchenwald and Dachau, found their way into Swiss banks. In 1961, Alfred Schaffer, president of Union Bank of Switzerland (UBS) saw President Kennedy's father Joseph about a scheme to chop up the assets of I.B. Farben in the USA. General Aniline & Dye Corp., which makes photo film, changed hands; but the rest of the assets under a new name Interhandel remained under the control of the Swiss UBS.

In 1986, after the death of Mohammad Reza Pahlavi, the Shah of Iran, his fortune of some \$3 billion in Swiss banks, was "frozen" by the authorities, and is still under litigation between the banks, the heirs and the Tehran government.

The fortunes stashed away in Switzerland by US-supported dictators -- Duvalier, Somoza, Trujillo, Marcos and other such thieves -- have been similarly "frozen" by the Swiss.

An American who spent time as a banker in Europe, says that the most vicious and greedy carpetbaggers in the world are not American robber barons, or Japanese *zaibatsu* or German

junkers -- they are the Swiss gnomes, so-called because in the dark nether-regions they are forever counting their dirty lucre.

Said the American banker: "Swiss bankers are the most constipated assholes in the world, exemplified by Franz Blaufeld, the archvillain of James Bond movies, head of SPECTRE which extorts money from both the Americans and the Russians. He is the one always fondling a white pussycat on his lap.

"These gnomes function as the Black Hole of international finance; all the dirty money is drawn into it and never goes out. Gnomes kowtow to every thieving dictator, giving him secret numbered accounts and guarantee against public exposure ... but only as long as he is in power. The minute he is ousted or dies, the gnomes use every trick to get the money for themselves."

When Marcos got sick recently, champagne flowed freely in parties along the Bahnhofstrasse in Zurich, in anticipation of his early death; banker's wives went on a shopping spree in the richest shopping street in the world, richer than Rodeo Drive in Beverly Hills, Via Veneto in Rome, Bond Street in London.

The American says that the Swiss will give us only a small fraction of the Marcos wealth, and keep the rest for themselves. He claims most of Marcos' wealth was already transferred since December 1986 to Austria, Spain, Canada, and Japan -- by a relative of the Rothschilds. "A real Rothschild," he said, "not the faggot fake who comes here to

be lionized by the cosmopolitan crowd."

God, you should listen to Swiss bankers pontificate on morality and business ethics, they sound like Jimmy Swaggart and Jim Bakker -- long on self-righteousness, short on virtue. Currency manipulation, laundering of drug profits, handling of Mafia and CIA funds -- name it, they've done them all, these vultures bloated with self-importance.

Swiss gnomes operate a reverse life insurance for thieving dictators. The dictators loot their country's wealth, and put all the payments into a numbered bank account. Then when they lose power or die, the Swiss gnomes collect the benefits.

The wealth of Farben, the Shah, Marcos and all the tin-horn tyrants that ever blighted this earth are all in Swiss banks and likely to remain there forever.

In 1974, when the OPEC forced the price of oil from \$8 per barrel at 15 percent royalty to the nation, to \$32 per barrel at up to 65 percent royalty. The Arabs were warehousing billions of dollars, which the Swiss bankers hauled away at two percent interest per annum.

In the 1980s, the interest rate rose to 20 percent and the Arabs begged to be paid more. No way, the Swiss gnomes held their money hostage at two percent while getting 20 percent lending it to others.

The flag of Switzerland with a white cross on a red background, should be hauled down and replaced by the skull and bones, to mark the Swiss as the black pirates they really are.

Malaya June 28, 1988

Choc'lit box was worth all that trouble

The latest report from Switzerland — to the effect that, contrary to expectations fostered by the government of Aling Cory, it might take a long time before the Philippines could lay hands on Macoy's money deposited in secret Swiss bank accounts — must be a terrible blow to two of our most vocal hidden-wealth hunters:

The two are Ramoning Diaz, chairman of the PCGG (also known as the Panay Cupit, Gastos at Gapang), and Frankie Chavez, the top solicitor of the government.

Their credibility is at stake. Remember how Ramoning and Frankie have been beguiling and regaling the media with amusing stories of how much money the Philippines would be getting from banks in Geneva and Zurich? How, before the advent of mid-year, the treasury of Aling Cory's government would be overflowing with the dollars that these bright boys — how lucky Aling Cory was in yoking these two into the public service! — would be able to round up?

Why, Ramoning — with sufficient support from the glib King Doromal, his assistant — even

Mice & Mortals in the eyes of Apung Tolome



the average of their figures was \$4 billion. American dollars!

Well, we now know that Aling Cory came home empty-handed. This must have caused much embarrassment to Ramoning and Frankie.

It should not, though. Aling Cory did not really come home empty-handed. She was given a box of Swiss chocolates when she checked in at her Geneva hotel.

That more than makes up for all the trouble and the expense involved in her European trip.

assured Congress that so many billions of pesos (converted from the billions of Macoy hidden dollars) would be available to finance the land acquisitions under the Controversial Agrarian Recovery Plan (CARP)!

And the voluble Frank, after failing in his effort to have Macoy tried extra-territorially in Hawaii, even made another trip abroad some months ago, with the loudly announced intention of conferring with certain Swiss lawyers who were ready to surrender Macoy's money for immediate delivery to Manila.

When Aling Cory left for Geneva recently, and many of her countrymen wondered why she was going to spend more than P2 billion for an unnecessary trip, both Ramoning and Frankie, as if on cue, separately justified the junket by claiming that she would be bringing home plenty of mazuma, tons of spondulicks. In short, lots of bread.

Of course, they could not agree on the exact amount. But

Manila Bulletin June 29, 1988.

Swiss bank accounts

former President Marcos' supposed secret deposits in Swiss banks.

* * *

He suggests that the PCGG and the Solicitor General should stop saying that the "Judge" of Swiss courts had called for publication of bank documents on the Marcos "billions."

"Judge d'instruction" is equivalent to our fiscals or prosecutors who conduct preliminary investigations and do not issue judicial decisions.

* * *

In any case, their "decisions" are still subject to appeal to the Cantonal Court of Appeals and eventually, the Swiss Federal Supreme Court.

If we're lucky, he says, it's the next President of the Philippines who'll be able to receive part of the so-called Marcos loot!

* * *

In the meantime, we can expect to benefit from "Swiss generosity" in the form of a few million francs in credits and loans.

These represent but a small fraction of the interest paid on the billions Philippine money secretly deposited in Swiss banks.

That is the tragedy of depositing hundreds of millions in numbered accounts in the famed Swiss banks.

* * *

A Filipino diplomat-lawyer who studied at a Geneva university and lived in Switzerland for years thinks our approach to ill-gotten wealth is cockeyed.

* * *

He's referring in particular to

It will be recalled that in the mid-sixties a former cabinet secretary of the RP died mysteriously in the French Riviera after trying to withdraw from a secret Swiss bank account, the number of which was known only to him.

On the basis of this Filipino

experience and the experiences of former dictators with the Swiss bank accounts, I can say almost with certainty that we'll never be able to lay our hands on the hidden funds we're searching for.

Unless, of course, FM and FL themselves will confess publicly that they really have secret deposits in Swiss banks, and how much.

* * *

Bank secrecy in Switzerland is treated with more rigidity than their defense plans.

In the sixties, a very bright Foreign Service Office of RP happily resigned her vice consul commission in Paris to marry a Swiss student.

She was hoping she would eventually get a high paying job in one of the major Swiss banks.

Unfortunately, Swiss laws are so strict that only natural-born Swiss citizens can work in Swiss banks.

* * *

After 20 years, that Filipina had to meekly apply to be reinstated as vice consul.

If she did not resign, she would have been chief of mission in 1986 like her contemporaries. *Kawawa naman!*

* * *

Swiss banks derive incalculable revenues from secret accounts of foreign dictators who couldn't touch their ill-gotten fortunes, from deposits "forgotten" by their owners and from deposits abandoned one way or the other.

Maybe Switzerland supports itself mainly with these secret accounts.

Malaya June 29, 1988.

Marcos asks court to OK his return

Loyalists' airport plot bared

By DESIREE CARLOS
and NESTOR ARELLANO

Former President Marcos yesterday asked the Sandiganbayan to allow him to return from his exile in Hawaii to defend himself and his wife Imelda in the 35 civil suits filed against them and 315 of their relatives and associates for allegedly plundering the country of billions of pesos.

The ex-president, through counsel Rafael Recto, also asked that he be permitted to defend himself in the criminal cases the Aquino government is poised to file against him through the Presidential Commission on Good Government.

The petition coincided with the military's discovery of a plot by soldiers and civilians loyal to the former leader to hijack an international jetliner at the Ninoy Aquino International Airport to demand that Marcos be allowed to come back and be reinstated as head of government.

Col. Manuel Oxales, National Capital Regional Defense Command deputy chief, said about 300 to 500 discharged soldiers, members of the Guardians Brotherhood, Inc. and civilian Marcos supporters also planned to spring former lieutenant colonel, now Ilocos Norte Vice Gov. Rolando Abadilla, from detention at Fort Bonifacio in Makati.

Marcos, in a 10-page petition filed by Recto, invoked a constitutional provision granting defendants in criminal cases the

right to be present during preliminary investigation, pre-trial and trial.

Recto justified the ex-president's petition, saying Marcos needs access to law books and must personally examine documents submitted in court against him to be able to defend himself.

He also said Marcos has to confer with his 315 co-defendants, all of whom cannot go to Hawaii.

He asked the government to let the former strongman return so that court summons could be personally served on him.

Recto criticized Philippine Consul General Tomas Gomez III's style of serving the summons on the Marcoses by tossing them over the fence into the ex-president's Hawaii residence last June 17.

He said the summons should have been served personally on the Marcoses or should have been left with a person of "suitable age and discretion" living at the ex-president's abode or at his office.

"Bushes do not qualify as persons," Recto said, noting the summons landed at the garden of Marcos's house.

Oxales said the NAIA has been placed under close watch amid reports that Marcos followers were plotting to hijack a 747 jumoo jet and fly it to either Mindanao or Ilocos Norte, to bargain for Marcos's comeback.

He said the group plans to hold diversionary attacks on Malacanang and stage rallies at the United States Embassy in preparation for the takeover of the airport and military camps, including the Villamor Air Base in Pasay City and Sangley Point in Cavite.

Brig. Gen. Rodolfo Biazon, NCRDC chief, said, however, the loyalist group has no capability of mounting a coup attempt and overthrowing the Aquino government.

He said the group can only launch destabilization attempts aimed at "making the government fail."

"They'll continue these destabilization moves until 1992 if they can," he added.

He said the plot was detailed in the 33-page document codenamed "Ninoy Salisi," one of the items seized by government troops and policemen from a suspected loyalist safehouse in Tondo, Manila Friday.

Arrested in the raid were two former army draftees, a civilian and a woman who claimed to be a secretary at the Czechoslovakian Embassy.

The four were linked to the Black Forest Commando, an elite unit of renegade Lt. Col. Reynaldo Cabautan's Nationalist Army of the Philippines, which is fighting for Marcos's return.

The group is suspected to be behind the raid at the Camp Crame armory last June 18.

Also found from the Tondo safehouse were Armalite bullets and grenade launchers.

CHARGES

Charges of illegal possession are being readied against the four.

Oxales said the military confiscated sketches of the layout of Fort Bonifacio where Abadilla is being held, leading them to believe the loyalists planned to free him.

Abadilla, arrested for his alleged

involvement in the takeover of the GMA-television station, is detained at Ground Operations Tactical Intelligence Battalion headquarters at Fort Bonifacio.

The Marcos loyalists are demanding:

- The return of Marcos and his reinstatement as president.
- The ouster of communist leaders within the government.
- A stop to the implementation of a bill legalizing the Communist Party of the Philippines.
- General amnesty for "rebel" soldiers.
- A stop to the filing of a bill dropping the country's claim on Sabah.
- Upgrading of the Armed Forces of the Philippines and the Integrated National Police.
- Investigation of corrupt government officials.
- A stop to filing of a bill renaming public roads and highways.
- Implementation of a bill awarding damage claims to people affected and property destroyed during the Aug. 28 coup.
- Political reforms.

Rep. Ali Dimaporo (NP-KBL, Lanao del Sur) yesterday advised the military to concentrate its search for coup plotters within its ranks instead of maligning "Marcos loyalists" through publicity.

"Military authorities should seriously consider the revelation of Sen. Juan Ponce Enrile in Cebu last Saturday that 'another coup attempt is in the offing, this time plotted by forces right inside the military establishment,'" Dimaporo said. He pointed out that the military has both the motivation and the capability to seize state power.

"Insiders are at vantage position to strike and also have the motive, given the division within the military," he said.

The Phil. Star June 28, 1988.

Crony bares FM foreign holdings

A former Marcos associate testified that the deposed president owned companies in Hongkong, Panama and the Netherlands through false trusts that also concealed extensive company ownerships in the Philippines.

A Reuter report said one-time Marcos associate Jose Yao Campos, in a statement filed with the Presidential Commission on Good Government (PCGG), said he had fronted trusts for the former strongman covering six offshore concerns and 28 domestic companies.

Campos, godfather to Marcos's son Ferdinand Jr., made the admission along with the return of deeds and cash in exchange for immunity for prosecution.

Meanwhile, a PCGG official who requested anonymity told newsmen yesterday that the commission does not expect ill-gotten wealth

believed deposited by Marcos in Swiss banks to be recovered within this year, citing the "long and complicated" process in Swiss courts.

The official said the Swiss government may initially agree to hand over bank documents which will determine the amount of the Marcos' Swiss deposits, but the transfer of actual money to the Philippine government may take a longer time.

Marcos, now exiled in Hawaii, has denied allegations that he virtually gutted the Philippine economy during his 20 years as President, stealing up to \$10 billion for himself and his powerful friends.

President Aquino, who has battled to recover wealth from Swiss and other foreign bank accounts, has said she will allow Marcos to return to the Philippine to face the criminal charges the Swiss government has said must be filed before money can be repatriated.

The Swiss Justice Ministry warned Saturday that recovering the money would be a long-term process.

A judge in the canton of Fribourg has ordered banks to hand over \$47 million deposited there by Marcos but a justice ministry spokesman said courts in Geneva and Zurich are likely to be less forthcoming.

"There will probably be no recovery of money from Geneva or Zurich this year," spokesman Joerg Kistler told Reuter in

Zurich.

The PCGG official said even if the money is handed over to the Philippine government, it will have to be kept in escrow while the Sandiganbayan determines its true owner.

An earlier report said the Swiss government is asking for the trial of Marcos in Philippine courts and that the recovery of the Marcos deposits can only be acted on by the Swiss government if Marcos is convicted.

The PCGG official also doubted estimates that the Marcos' Swiss deposits reach \$5.1 billion, saying that the actual amount is "probably only a fraction of this."

He said PCGG's primary objective at present is to obtain Swiss bank documents to determine the actual amount of Marcos' Swiss deposits.

PCGG chairman Ramon Diaz is expected to arrive today from Switzerland after holding negotiations with the Swiss government on the recovery of the alleged ill-gotten wealth.

In Honolulu, AP reports that Marcos may be asked to return to the Philippines in January to face criminal charges.

Consulate information officer Horacio Paredes said Saturday the PCGG wants to prosecute Marcos so it can recover assets Marcos allegedly has placed in Swiss bank accounts.

Diaz has indicated he feels the commission will be ready to go to court in January, Paredes said.

Swiss officials are reluctant to

release any Marcos accounts unless it is part of a criminal prosecution.

In another development, members of the House of Representatives are not inclined to extend the sequestration powers of the Presidential Commission on Good Government beyond its constitutional deadline of Aug. 2, Rizal Rep. Emigdio Tanjuatco said yesterday.

Tanjuatco, who called on President Aquino yesterday morning in Malacanang, noted the PCGG's poor record in its pursuit of the ill-gotten wealth of the Marcoses and their cronies.

"My feeling is, the extension of the sequestration powers of the PCGG is not going to gain support in the House of Representatives," Tanjuatco told reporters.

Since the start of the Aquino administration in February 1986, the PCGG has sequestered 296 companies with combined assets of over P40 billion, Tanjuatco said.

But the assets actually turned over to the government amounted to only P3.4 billion, and these are mostly assets surrendered to the PCGG, Tanjuatco observed.

"I don't think it's anything to crow about," he said. "Let the people be the judge."

Under the Constitution, the PCGG has only up to Aug. 2 to place any company under sequestration. The deadline, however, can be extended by the legislature. — Chito Lozada/Amy Pamintuan/Wires



Recovery of FM loot from Swiss
banks delayed. We'll wait forever.
Bet?

The Phil. Inquirer June 27, 1988

Delay seen in recovery of FM loot

ZURICH -- The recovery of money held by former Philippine President Marcos in secret Swiss bank accounts could take a long time despite Manila's agreement to Swiss conditions, the Swiss justice ministry said on Saturday.

The Philippine government earlier said it would allow Marcos to return from exile in Hawaii to face trial, as it understood charges had to be filed against him before Switzerland would be ready to hand over his frozen assets.

President Aquino had earlier refused to allow Marcos to return, saying he must first give back \$10 billion he allegedly stole during his 20-year rule. Ms. Aquino now says Marcos may return home to face trial in Manila.

Swiss justice ministry spokesman Joerg Kistler confirmed that conditions set by the Swiss Supreme Court last July were that Marcos should be charged in a trial and

have the right to defend himself.

"The Philippines sent a diplomatic note in December saying they were willing to do this," Kistler said from Berne.

Earlier this month, a Swiss judge ordered banks in the canton of Fribourg to hand over to the Philippine government 70 million Swiss Francs (\$47 million) deposited by Marcos.

Marcos' lawyers have appealed against the decision and are fighting attempts to recover millions of dollars in banks in the cantons of Zurich and Geneva.

Kistler said the process could be long and complicated since the courts in Geneva and Zurich -- un-

like Fribourg -- would probably agree initially only to hand over bank documents and not money.

"There will probably be no recovery of money from Geneva or Zurich this year," he said.

Marcos' lawyers would be able to appeal against court decisions by going first to cantonal courts and, failing victory there, to the Supreme Court, he added.

A Philippine government body tracking down Marcos' wealth has estimated he stashed away \$5.1 billion in Swiss accounts.

But Kistler said: "I would doubt that the figures are that high. It's probably more like a fraction of this." REUTER

Aquino committed to Marcos return

The Manila Chronicle June 25, 1988

By MALOU MANGAHAS
Staffmember

PRESIDENT Aquino has categorically agreed to allow deposed President Marcos to return and face trial in Manila in exchange for continued Swiss assistance to uncover ill-gotten wealth stashed away in Swiss banks.

Mrs. Aquino made this commitment to two of three Swiss lawyers helping the Philippines in cases against Marcos when they met in Malacañang before her European trip, Press Secretary Teodoro Benigno said yesterday.

The lawyers "made clear to Mrs. Aquino that Swiss law on the matter is very clear: the assets of Marcos would not be given unless and until there is an assurance that formal charges will be filed against him," Benigno told Malacañang reporters.

"That (assurance) includes," Benigno added, "formal trial and indictment that should take place in Manila."

According to Benigno, the President, therefore, "has to accept the possibility of Marcos returning home."

Earlier, Mrs. Aquino had made it clear as Government

policy that Marcos cannot come back unless he returns all the money he had allegedly acquired illegally.

"But the Swiss courts won't accept that," Benigno said. "They are for due process."

When the (Swiss) lawyers told Mrs. Aquino about this, Benigno said, "she stated clearly that she is willing to accept the decision of the court."

As a result, it would appear that Marcos' return has now become "a judicial matter" instead of a political question.

This was explained to the 'Chronicle' by Solicitor General Francisco Chavez in an interview.

Chavez said Swiss government assistance is crucial in the Philippine efforts to complete the evidence needed to file criminal charges against Marcos.

"Factually, we don't have the necessary evidence to support the filing of a *prima facie* case," Chavez admitted.

The preliminary investigation for the criminal charges to be filed against Marcos started in April 1986 "but it has not been closed," he said.

"It remains open up to this time because we are waiting

for the Swiss government to grant us a request for three points: the release of information (on Marcos' Swiss bank accounts), the release of evidence and initial remittance of at least \$70 million" of the money deposited in Swiss banks, according to Chavez.

This amount was "only the tip of the iceberg," Chavez said, adding that Marcos' total ill-gotten wealth in Switzerland was between \$6 billion and \$7 billion.

Thus, the filing of criminal charges against Marcos would depend largely on data that will be gathered from Swiss banks, Chavez said.

But the trial and, consequently, Marcos' return, will take place by early 1989, he said.

Chavez explained that the investigation of Marcos Swiss accounts and the Swiss courts' decision to lift the country's banking secrecy laws on his accounts may lag until the end of this year.

He said the decision of the Fribourg canton (state) court favoring this would have to be sustained by a similar court in Geneva.

The Philippines expects the second decision to come out "in the next 10 days," he said.

By July, Chavez hoped the same decision will be announced by the Zurich court.

But, as expected, Marcos will appeal the decisions to the higher level, until finally the case is submitted to the Swiss federal Supreme Court.

Chavez estimated that four months are needed for the entire process until the Swiss federal Supreme Court can resolve the issue.

"Only then can the Philippine Government dispatch to Switzerland a task force of accountants, data analysts and computer technicians to examine the bank accounts and establish the total amount stashed away by Marcos (in the Swiss banks)," he explained.

This data would then form the bulk of "the evidence" needed by the Philippine Government to complete preliminary investigation and file criminal charges against Marcos with the Sandiganbayan, he added.

Chavez said the criminal charges cannot be filed before the Swiss government had completed its investigation into the Marcos bank accounts.

Otherwise, "the Swiss government will just refuse our request for assistance," he said.

Before the year is over, Chavez said the Sandiganbayan would have decided when to

summon Marcos to come home.

However, he cited another legal problem that may arise from the expected indictment of Marcos by the New York grand jury in the next 10 days.

When this happens, Marcos would be under the jurisdiction of the US judicial system and, thus, cannot leave US territory.

"If he does not return (to the US), then the US court loses jurisdiction over him," Chavez explained.

The Manila
CHRONICLE OPINION
on Sunday

June 26, 1988



T E N C E R E R U I Z 6 25

* * *

It is very likely that Mr. Marcos will come home, possibly for Christmas at the earliest,

single cent of his Swiss assets for the Aquino Administration.

The decision to allow Marcos to return has, therefore, been shuffled from one branch of Government to another. It was a "political question" rife with security implications for the Executive office, that has become a matter of law for the judiciary.

* * *

Solicitor General

Frank Chavez argues for a Manila trial for Mr. Marcos on three counts: this is the venue of the crime or crimes he has allegedly committed; there is here "a sufficient judicial system" that would accord Mr. Marcos due process; and it would be "a very significant statement" that Manila can bring back a fugitive to account for his crimes "and at the same time maintain political stability."

That the last proposition can be carried out remains a question mark. Yet Chavez is undaunted by all forecasts that Mr. Marcos could cause harm anew to the nation's fragile democracy, if more fragile security situation.

As chief government counsel, Chavez would get a crack at prosecuting Mr. Marcos, after criminal charges are filed against him. A marksman's hand itches at the sight of a good target. Any lawyer would likewise get revved up at prospects of a case of such historical, and dramatic, dimensions as Mr. Marcos' is.

But what if, God forbid, the weak Mr. Marcos doesn't make it to the day of indictment? "That would be too frustrating," Chavez sighs. Fate could just steal away this Chavez dream case.

THE BUFFALO
— A NEW LOOK
AT MUSCLE POWER

A SLAWBEEK

JUNE 24, 1988

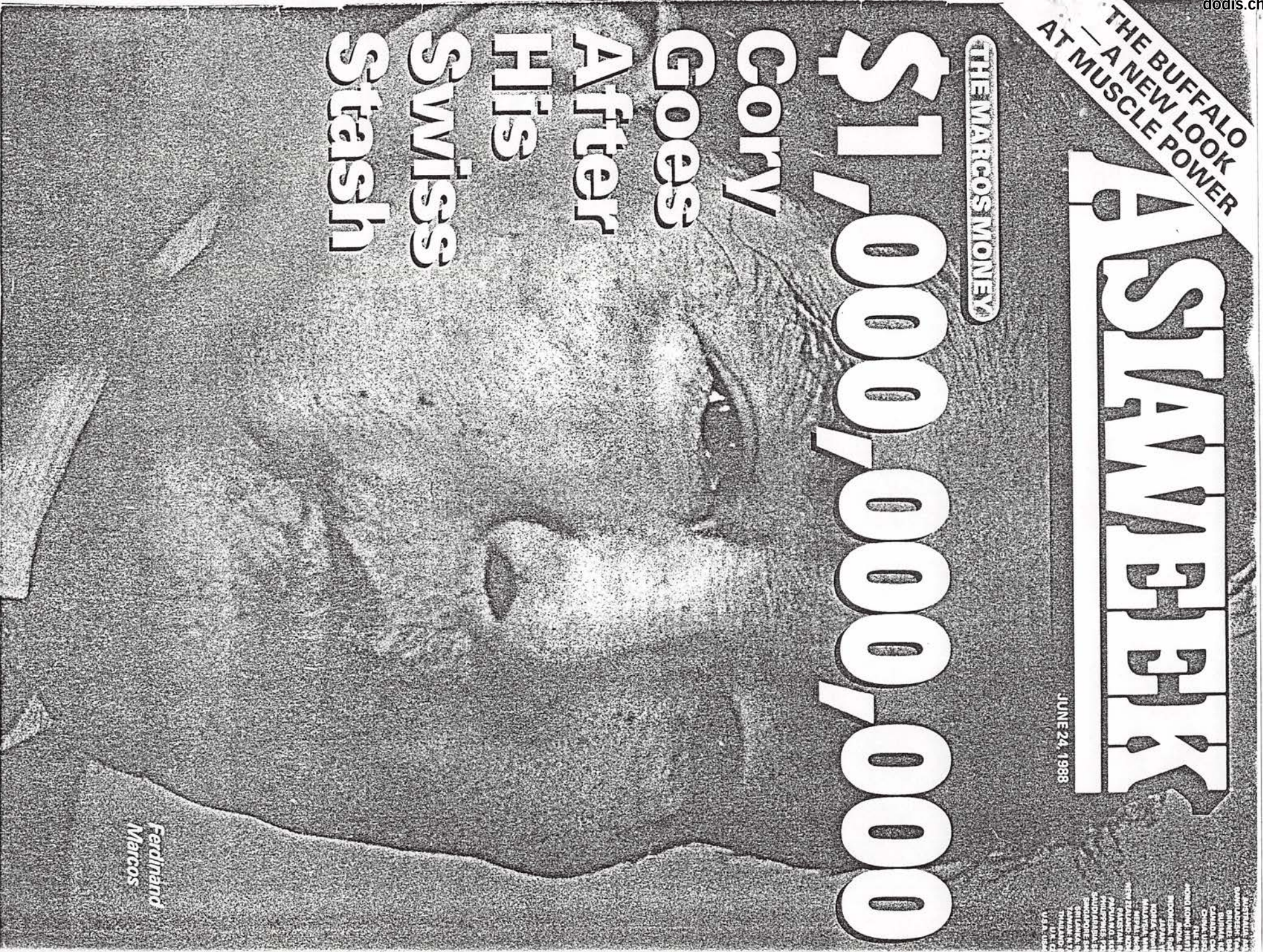
THE MARCOS MONEY

\$1,000,000,000

Cory Goes After His Swiss Stash

APPROXIMATELY 100 MILLION AMERICANS ARE
SIPPING THE MILK OF HUMAN KINDNESS
CHINA, JAPAN AND THE U.S. ARE
THE ONLY COUNTRIES THAT
PRODUCE AND CONSUME
MILK. THE U.S. IS THE
LARGEST PRODUCER AND
CONSUMER OF MILK IN
THE WORLD. MILK IS
THE MOST NUTRITIOUS
AND HEALTHY FOOD
AVAILABLE. MILK IS
THE ONLY FOOD THAT
CONTAINS ALL THE
ESSENTIAL AMINO ACIDS
AND VITAMINS. MILK IS
THE ONLY FOOD THAT
CONTAINS ALL THE
ESSENTIAL MINERALS
AND TRACE ELEMENTS.
MILK IS THE ONLY
FOOD THAT IS
EASILY DIGESTED
AND ABSORBED.
MILK IS THE ONLY
FOOD THAT IS
NATURAL AND
HEALTHY.

Ferdinand
Marcos



Asiaweek June 24, 1988.

INTERNATIONAL AFFAIRS



A.B. Gadi



Emerto Antonio

The president departing for Europe last week; in Manila, Marcos's still-vocal allies: Following a billion-dollar trail

PHILIPPINES

Cory's Treasure Hunt

President Corason Aquino landed in Switzerland last week hoping to do some serious business with the alpine nation, whose two-way trade with Manila barely totals \$82 million a year. Her target was a deal worth at least ten times that, perhaps far greater. Aquino was not talking coconuts or sugar, however. She was seeking repatriation of at least \$1 billion of deposed president Ferdinand Marcos's alleged ill-gotten wealth believed to be stashed in Swiss bank accounts. Those banks are famous for their discretion, and Manila's efforts to retrieve that part of Marcos's hidden wealth believed to be in their vaults have long been fruitless. But recent events have encouraged the Philippine government. At the same time, Aquino's visit raised the distinct possibility that Marcos will be al-

lowed to come home next year from exile in Hawaii — to face criminal charges.

The official itinerary of the president's first European trip featured a round of speeches and diplomatic meetings during six days in Switzerland and Italy, including a June 17 audience with Pope John Paul II at the Vatican. But most of the attention back home was focused on her June 15 talks in Berne with Minister of Justice and Police Elizabeth Kopp, the highest Swiss official responsible for Manila's request for assistance in retrieving the Marcos cache.

The meeting was timely. Aquino is scrambling for funds to finance her am-

bitious, just-signed land reform program (see BUSINESS & FINANCE p.52). Ramon Diaz, chairman of the Presidential Commission on Good Government (PCGG), the graft-busting body set up to recover

Marcos's hidden wealth, said of Aquino's trip: "She is not there begging for justice. She is asking that justice be done. The plunder of Marcos has caused tremendous economic aberration to our country."

Others thought it inappropriate, however, that the head of state would personally chase after the Marcos stash. "Why do you need the president to go to Switzerland to do the job of a lawyer?" asked opposition Sen. Juan



George Tapan

The exile: Returning?

INTERNATIONAL AFFAIRS

Ponce Enrile. Then, too, there are those pesky, still-unanswered allegations (vehemently denied) of dubious financial goings-on within Aquino's own powerful Cojuangco clan, which Aquino critics say the president needs to address if she is to maintain her credibility.

Still, for a country with a \$28 billion foreign debt and little means to pay it, the idea of recovering billions in Marcos money seems too tempting to pass up. After more than two years in power, Aquino's government still has no idea just how much wealth the ousted strongman, now 70, accumulated during his 20-year reign. The hunt has led investigators on a labyrinthine trail, both at home and abroad, through various bank accounts, property holdings and company relationships.

Marcos denies he stole money as president. He says that he "discovered part, if not all, of the Yamashita treasure, which was sold legitimately." Ironically, Malacañang Palace lent credence to his story this year by granting 47 treasure-hunting permits to fortune seekers hoping to dig up Japanese general Yamashita Tomoyuki's fabled wartime booty in the Philippines.

Despite all its groundwork, the PCGG has little to show in loot retrieved. Initial estimates placed the Marcos hoard at \$5 billion to \$10 billion. By April this year, the PCGG claimed to have recovered only \$167 million, mostly voluntarily surrendered by Marcos business cronies. Nothing has come from secret deposits believed parked by Marcos and wife Imelda in Switzerland, Liechtenstein, Luxembourg, Netherlands Antilles, Austria, Australia, Brazil and elsewhere. "The biggest of the deposits are in Switzerland," Diaz told Asiaweek. "The first deposit, for \$250,000, was made in 1968." So that's where the hunt began.

But Switzerland has played it cool. On one hand, it has let the Philippines pierce its banking system's once-impregnable wall of secrecy. In an unprecedented move, the Swiss government in March 1986 ordered its banks to freeze all the Marcoses' deposits and assets. And last month it ordered Credit Suisse of Zurich to let the local bar association and district attorney verify alleged Marcos deposits. Swiss authorities have also ignored Marcos's claim for immunity from suits. Then, a week before Aquino landed in Geneva, a judge in Fribourg canton ordered some \$70 million of alleged Marcos deposits delivered to Manila's Sandiganbayan anti-graft court, which is to keep the money pending determination of its true owners. Marcos is contesting the decision.

On the other hand, Swiss authorities have been careful not to alarm foreign depositors who might perceive that Switzerland is no longer a secure haven for treasure troves, ill-gotten or not. So, while

RAIDS

Counting Losses

With seeming ease, 20 hooded men descended on the Philippine Constabulary (PC) headquarters at Camp Crame on June 11 and cleaned the armoury of at least 24 automatic rifles in less than 30 minutes. On the same morning, a mysterious fire damaged the top half of the 14-storey Quezon City Hall. Missing from the City Hall vault were a dozen guns used as evidence against Marcos loyalist Col. Rolando Abadilla. A group led by renegade PC Maj. Reynaldo Cabauatan claimed responsibility for the bloodless raid on Camp Crame. Former members of deposed Ferdinand Marcos's elite Presidential Security Command were also believed to be among the raiders.

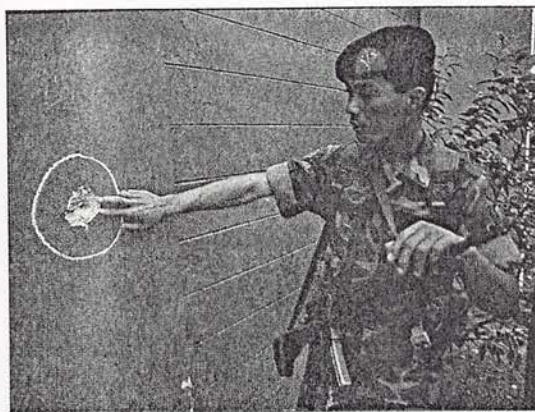
Although the attack on what Sen. Juan Ponce Enrile called "the citadel of the police organisation in this country" came at a time when the entire 250,000-man Philippine Armed Forces was on red alert, President Aquino nevertheless went ahead with her planned European trip. "I leave for abroad without wild speculations about the stability of the government," she declared in her departure statement. "The country is in good hands."

Nevertheless, Enrile wondered why the seat of the country's police could have been so vulnerable to rebel attack. Calling for the Senate Defence Committee to investigate the matter, Enrile fumed: "Something is really wrong. This is like the Pentagon being penetrated by marauding foreign elements." The lack of bloodshed, he surmised, "indicates the raiders and the guards knew each other well." PC chief Maj.-Gen. Ramon Montano suspects that the raiding party planned to spring Col. Orlando Dulay and 52 other soldiers locked up in Camp Crame for their alleged participation in various coup attempts against the Aquino government.

The fire and the Camp Crame raid were the latest indications that all is not well within the military. Despite attempts by Aquino to forge a united armed forces, Marcos still seems to enjoy a significant following, especially among the officer corps, 80% of whom

speak Ilocano, the dialect of Marcos's home region in northern Luzon.

The two-year-old Aquino government also remains under threat from the left. The attacks by Marcos loyalists came in the wake of a renewed offensive by the communist New People's Army. The leftist rebels seem intent on proving that the recent arrests of their top leaders have not blunted their force. Since May 5 a wave of killing has claimed more than 28 victims in Angeles City, near the Clark U.S. Air Force base. On June 1, 60 NPA guerillas raided a San Miguel Corporation poultry farm 82 km south of Manila, resulting not only in loss of property but also in the kidnapping of four army lieutenants. When the rebels threatened



Bullet-scarred Camp Crame: Double threat

to try their captives, Southern Luzon Command chief Brig.-Gen. Alejandro Galido appealed to the NPA to extend prisoner-of-war rights to his captured officers, something the government has in the past refused to grant the communists.

A few days later, on June 5, NPA guerillas ambushed an army platoon in central Negros, killing two soldiers and fourteen volunteers. On June 9 the communists struck again. This time a force of 200 seized two towns in Bataan, near the U.S. Subic naval base. Although government troops regained the towns four hours later, the fierce fighting left seventeen dead — seven soldiers, nine rebels and a civilian.

Laments Senate defence committee chairman Ernesto Maceda: "The situation has not stabilised in the provinces." Enrile agrees: "The NPA has become strong and militant. It is very difficult to dislodge them without bloodletting." The continuing violence seems to belie recent military intelligence reports that the communist ranks are dwindling. ■

Asiaweek June 24, 1988.

INTERNATIONAL AFFAIRS



Emerito Antonio

Pacifico: "Where would he get the money?"

Manila has scored stunning legal victories, it has not retrieved a single cent.

Now Bern has agreed to help on two conditions: that a criminal case be filed against Marcos, and that the case meet a procedural requirement of the European Convention for the Protection of Human Rights allowing Marcos to defend himself in person. To win release of the evidence and facilitate the transfer of Marcos's wealth, Aquino agreed to let Marcos return if the courts so order. "Definitely, we will respect the decision of the courts," she told reporters June 9.

Aquino's change of heart came 27 months after Marcos fled Manila on Feb. 25, 1986, at the height of the "People Power" revolt that put Aquino in power. He claims he was "kidnapped" by the Americans and taken to Honolulu, Manila, fearing for the country's stability, had wanted Marcos to remain in Hawaii. It asked the U.S. Justice Department to allow trial in the U.S., but was denied. Sen. Enrile claims Aquino "is under terrific pressure" to take Marcos off the Americans' hands. The former president, ventures his one-time defence minister, "would be very happy to come back here and face charges."

Also pressing Aquino to relent on her ban against her predecessor's return are Marcos loyalists, who have staged noisy street demonstrations since the May 4 death of Marcos's mother, Josefa. Marcos's brother Pacifico wants the burial "done at the soonest possible time." Six

weeks after her death, Doña Josefa's embalmed body was finally taken June 15 to Batac in her home province of Ilocos Norte. Although family members in the Philippines have not given up hope that Marcos would return to preside over his mother's funeral, said his sister Fortuna Marcos Barba, "we also cannot escape the stark reality that the dead must be buried."

Aquino finally agreed to modify her ban on Marcos's return when the PCGG's Swiss lawyers told her bluntly: "Mrs. President, if you go to Switzerland and say he cannot come home, we will lose our case." Aquino listened intently, then told Diaz and the Swiss lawyers: "Frankly, I am against his coming home. However, if the courts issue a warrant of arrest, I will not interfere with the judicial process. If you believe it's time to file the [criminal] case, then go ahead and file it." Diaz confidently forecasts that "we will get the evidence towards the end of this year" and file charges against the Marcoses early in 1989. Enrile ominously predicts that Aquino's promise to let Marcos return "will haunt her." Diaz disagrees: "The alarm, the threat, the fear of the present administration about instability being created by Marcos should have a time limit. He cannot threaten us with instability forever."

The PCGG filed 35 civil cases in Manila against Marcos, his family and cronies in August 1987 seeking recovery of up to two trillion pesos (\$97.5 billion) in alleged illegally gotten wealth. The suits have gathered dust since then. Diaz blames the frustrating delays in Switzerland not so much on Swiss reticence, but on litigation. Marcos, he says, employs "35 really high-powered lawyers" in the country. He has no doubt that Marcos's Swiss bank deposits exist, adding that Marcos "documented everything," including his practice signatures as William Saunders, his pseudonym. Imelda used the name Jane Ryan, he says. Does the PCGG have hard evidence? Making a pun on Marcos's nickname, the normally taciturn Diaz grins: "We have the real Macoy."

According to Diaz, the first documentary evidence of Marcos's Swiss deposits surfaced when a young Filipino banker, Michael de Guzman, went to Honolulu on March 20, 1986, and obtained from the Marcoses two handwritten letters of authorisation for him to move their funds out

of Switzerland. De Guzman surfaced in Zurich on March 24, 1986. But instead of handing over the deposits, says Diaz, the banks went to the supervisor of banks, who went to the finance minister, who went to the Federal Council. Even before Manila could ask for a hold order on the deposits, the Swiss government unilaterally imposed a freeze that very evening.

Diaz is optimistic a criminal case against Marcos will pay off. According to PCGG records, Marcos accumulated just 1.57 million pesos in presidential salary from 1966 to 1985. But others have their doubts. Pacifico Marcos, a Manila physician, maintains that "as president of the Philippines, every amount of money that went to his office and every amount that he spent was properly vouchered. I don't know how or where he would get the money to hide anywhere in the world." Marcos lawyer Rafael Recto contends that even if the PCGG locates a cache, "it has to prove specific acts of graft penalised by the Anti-Graft Law." Says Recto: "Just because a person has plenty of money doesn't mean he stole it. Proving that will take forever and ten days."

The PCGG is also pursuing cases to recover alleged Marcos-owned properties in the U.S. The commission has sold two New Jersey houses for \$1.47 million and raised \$1.9 million in auctions of furniture and paintings. It is trying to sell Lindemere Estate for \$3.2 million, three New York Olympic Towers apartments for \$4.5 million, and a Marcos house in Honolulu for \$2.2 million. Also for sale are four New York buildings, although it is unclear who owns them. They supposedly belong to four Panamanian companies whose ownership is in the form of bearer shares. "Whoever has the bearer shares is the owner of the buildings," says Diaz. The PCGG insists Marcos has them. In June 1986 Saudi businessman Adnan Khashoggi claimed he was the real owner.

In Manila, the PCGG has sequestered 347 companies and entities allegedly owned in whole or in part by the Marcoses and their cronies, including four of the country's largest: San Miguel Corporation, Philippine Long Distance Telephone, Benguet Corporation and Manila Elec-

tric. Diaz puts the combined net worth of the 347 companies at \$4 billion. The extent of the sequestrations is worrying lawyers and investors, who fear that the PCGG is dampening private initiative in the country. Such worries will likely fade away, however, if Aquino succeeds in unlocking the tightly guarded vaults of Switzerland's banks. ■



Eddie Alfonso

Diaz: Hard evidence