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NATIONAL SECURITY STUDY
DIRECTIVE NUMBER 6-87

The Philippines (S)

This National Security Study Directive establishes the terms of reference for an interagency review of United States policy towards the Philippines in light of the continued political, economic, and security challenges to President Aquino's government. The study should focus on all instruments of United States influence available to help the Philippine Government meet current challenges and those likely over the next two years. (S)

The review should focus on our capabilities and limitations in helping the Government of the Philippines deal with its problems in ways consistent with our goals of strengthening democratic institutions, restoring economic health, and preventing a Communist takeover in the Philippines. The review should also analyze third-country and international influence and assets that could complement our own efforts. (S)

At a minimum, the review should cover the following topics:

- The current strategy of the Aquino government to effect political stability, restore economic health, and defeat the insurgency, and the likelihood of its success or failure;
- the likely impact of this year's constitutional plebiscite and legislative/local elections on the Aquino government's efforts to promote democratic stability;
- the current strengths and weaknesses of the New Armed Forces of the Philippines and their likely role under various scenarios;
- the likelihood of the formation of a significant non-Communist loyal opposition, its composition, policy positions, and likely prospects and evolution in a constitutional framework;
- an analysis of the factors inhibiting investor confidence;

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- an update on CPP/NPA strengths and weaknesses, their likely strategy, and an assessment of the threats to both Philippine and U.S. interests in the current and projected political environment;
- popular Filipino attitudes towards the Communists and projections concerning future recruitment potential or support;
- the prospects for a permanent cease-fire and political settlement of the insurgent problem, and their impact on U.S. interests; and
- the likely strategy of the Philippine Government towards the next Military Bases Agreement review. (S)

Policy recommendations should be formulated in, but not limited to, the following areas:

- the most effective ways for the United States to support President Aquino's efforts to strengthen democratic institutions and political stability;
- the adequacy and effectiveness of the current economic and military assistance programs of the United States and other donors;
- the most effective ways for the United States to promote foreign investment, expanded trade ties, and economic development in the Philippines;
- the most effective ways for the United States to support the Philippine Government's counterinsurgency effort without generating pervasive charges of interference or direct U.S. involvement;
- the most effective ways for the United States to communicate its concerns to the Aquino government and to exert United States influence;
- our options in the event of a worsening insurgency situation and the lack of an effective Philippine response;
- our options in the event of a threatened military takeover or other extra-constitutional challenge to the Aquino government;

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- the most appropriate approach for the United States to take in its dealings with the Aquino government to prepare for the 1988 base review; and
- the most effective ways to ensure continued bipartisan support in the Congress for a responsible United States policy towards the Philippines. (S)

The study shall be conducted by the Interdepartmental Group chaired by the Assistant Secretary of State for East Asian and Pacific Affairs and should be completed by February 27, 1987.

(S)

Ronald Reagan

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