

A VIEW OF PHILIPPINE GOVERNMENT CORRUPTION: THE HARRY STONEHILL SCANDAL REVISITED

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Abstract

The corruption scandal involving American businessman Harry Stonehill in the 1960s showed how corruption permeated high government offices in the Philippines. The scandal was the biggest controversy in terms of political and social impact up to that time, and it changed the political fortunes of political leaders like Diosdado Macapagal who lost his bid for a second term for the Philippine presidency in 1965. The Stonehill affair would be later superseded by future corruption scandals in the latter decades such as those involving President Ferdinand Marcos, Gloria Macapagal-Arroyo and Rodrigo Duterte. Corruption always involves two parties: the one that provides the opportunity to do corrupt acts and the other who does the actual corruption. In the case of Stonehill, his rise to prominence as a genius in Philippine business would not be possible without him providing bribes in exchange for favors and advantages. It also made him feel untouchable as he felt “everyone has a price” and he could get away with anything. On the other hand, officials who became corrupt also developed the same impunity knowing that they would not be held accountable for their acts. They developed ways and means to hide their corruption and its fruits which is ill-gotten wealth. This article examines corruption in the Philippines and the factors which led to its pervasiveness in Philippine society. By revisiting the Stonehill scandal in the 1960s, it studies the modes developed by corrupt officials in hiding their wealth and how the Philippine legal system failed in deterring acts of corruption.

Keywords: Harry Stonehill, Philippines, corruption, Stonehill, scandal, ill-gotten wealth

Introduction

Corruption is defined as improper and usually unlawful conduct intended to secure a benefit for oneself or another party. Its forms include bribe-giving and bribe-taking, extortion, influence-peddling and the misuse of inside information.¹ According to Transparency International, corruption can involve anyone: politicians, government officials, public servants, businesspeople, and members of the public. It may take many forms and behaviors such as public servants demanding money and/or favors in exchange for services; politicians using public money or granting public jobs and contracts to their sponsors, friends and families; and corporations bribing officials to get lucrative deals. Corruption can happen anywhere. It could happen in business, government, the courts, the media, in civil society as well across all sectors including health, education, infrastructure and sports. Even religious institutions such as the Church are not immune.²

According to Gardiner, a precise definition of corruption is impossible: the dictionary says only “to abuse” means “to misuse,” or “to do something improper.”³ He was referring to the abuse of positions by public officials for private gain and to misuse the resources of the office for his own benefit. Both modes are certainly improper for a public official whose position is a public trust. Gardiner states that no definition of corruption will be equally accepted in every nation and these variations can be found whether definitions are based on statutory criteria, on the impact on the public interest, or on public opinion.⁴ Corruption has a devastating effect on society. It undermines one’s individual freedom and the rule of law. Ordinary citizens for example cannot expect to get a fair treatment from the government and its courts if the officials and judges are paid off by the other parties. In the private sector, one also cannot expect fair treatment if a corporation already favored an individual or group. Corruption thus creates a social inequality dividing the people into favored ones and those who were not favored.⁵

One pernicious effect of corruption is that it renders the government inefficient and unresponsive to the needs of the people. They would receive inadequate care and services if there are any. Corruption also eliminates the chance to have a healthy environment and a sustainable future. For example, companies which have bribed the government disregard environmental laws. An economic cost of corruption is that it destroys one’s opportunity to build and grow wealth as the government already favored certain individuals or groups. Corruption is one of the reasons why some economic opportunities are missed.⁶ A more sinister effect of corruption when it is committed by government officials and public servants, is the loss of credibility by the government. People begin to believe that government exists to cater to certain personalities and that it exists to be robbed and plundered by its officials and employees. They would have a low regard for public officials and would be reluctant in paying their taxes.⁷

In an article in ABS-CBN news in 2019, P700 billion (US\$12.45 billion) is lost yearly due to corruption. This corresponded to around 20% of the country’s total budget.⁸ With that amount of money, 1.4 million people could be given proper housing or medical assistance for around seven million people or a sufficient rice stock for an entire year. According to Deputy Ombudsman Cyril Ramos “No Filipino would be left hungry,”. Ramos said that the Philippines ranked 6th most corrupt among Asia-Pacific countries.⁹ Much of the corruption is committed through kickbacks, bribes and outright extortion. Corruption need not involve money but the giving and peddling of favors. “We need to keep reminding ourselves how destructive corruption is, especially for developing countries like ours,” Ramos said.¹⁰

According to the United Nations Office on Drugs and Crime (UNODOC), the effects of corruption include the undermining of sustainable development growth, economic loss, creating crony capitalism, nepotism, stoking poverty and inequality, inefficient and inadequate infrastructure, impunity and injustice and a dysfunctional public and private sector. These are in addition to personal loss and inconvenience multiplied several times depending on the affected persons. Corruption also breeds insurgency and terrorism as disadvantaged sectors lost hope in the way of how the government is run and they take up armed struggle as a solution overthrow a corrupt system.¹¹ Along with graft,¹² corruption presents a pernicious problem in contemporary society as cases involving the twin crimes run to billions and even trillions of pesos.

Corruption During the Colonial Era

Corruption is endemic in Philippine society. It was present during the Spanish era as seen in the embezzlement and abuse of power by Spanish civil and religious officials and their subordinates. Colonial officials both civil and ecclesiastical, took advantage of their positions, privileges, and the distance of the Philippines from the court in Madrid to enrich themselves. Even native officials became corrupt as they engaged in practices like bribery, nepotism, and abuse of power.¹³ One example of corrupt practices by colonial officials was the flagrant flaunting of royal decrees involving the Manila-Acapulco trade. At the beginning of the trade in the 16th century, traders in Manila were limited to ship half a million pesos worth of goods to Mexico while Manila-bound goods would be pegged at double that amount. However, the possibility of earning huge profits prompted the Manila traders to ship more than the authorized volume and local colonial officials and even the officials in Acapulco simply looked the other way as they were given bribes by the traders. Thus, galleons were usually overloaded with goods which were not in the official manifest. Consequently, the size of the galleons became bigger than that was authorized.¹⁴

Another example of corruption that was openly practiced was the disregarding of royal orders for the Philippines not to trade with other European nations. However, Manila traded with ships from countries like Portugal, France and even with England and the Netherlands which were Spain's enemies. The Americans later participated in the illicit trade with Manila during the late 18th century. Eventually Manila was opened to world trade in 1834 technically making it legal to what was before illegal.¹⁵ Other forms of corruption during the Spanish period involved receiving bribes from businessmen, contractors, foreign investors, and even religious orders. One example was Governor General Jose Raon who warned the Jesuits in the Philippines that a royal decree from King Charles III ordering their expulsion was forthcoming. Raon provided this information in exchange for a large amount of money. He also delayed the implementation of the decree which allowed the Jesuits to hide their properties and destroy all evidence that would link them to corruption and anomalies in the islands.¹⁶ During his term, Raon was ordered to deport the Chinese for supporting the British during their invasion of Manila in 1762. He did not implement the order in full measure as the Chinese remained in the islands and the foreign vessels continued to anchor in Manila contrary to the recommendations of the auditor general of the Royal Audiencia.¹⁷ According to Foreman, Raon received "presents" from the Chinese and the captains of the foreign vessels.¹⁸

Jose Rizal wrote extensively about corruption in the 19th century. Rizal described corruption as a "malaise that ailed the country and he described the perpetrators: friars, whose ubiquitous presence made them a fixture in daily life; the Spanish secular officials at the top of the country's colonial hierarchy and local officials, Filipinos among them."¹⁹ The civil officials ranged from the governor general down to the *gobernadorcillo* or town mayor and to the *barrio* or village leaders. Rizal cited Governor General Valeriano Weyler as an example of a corrupt official. Taking advantage of the waning moments of his administration, Weyler made shameful demands for bribes from British investors of the Manila-Dagupan Railroad Company in exchange for removing obstacles that he placed that delayed the opening of the railroad.²⁰

Weyler's wife, the Marchioness of Tenerife was also involved in corruption. Rizal described her as "star extortioner of the first magnitude," of the Hacienda de Malinta in Tambobong (now Malabon in Metro Manila). According to Rizal, she "invented deviltries to squeeze the pockets of the Chinese and Filipinos, collecting taxes on lotteries through her husband's office, imposing fees on all kinds of gambling. On many occasions she trained little boys to ask for Christmas presents from the Chinese, instructing them to go from store to store, from shop to shop which she collected. She also collected the gifts from the *gobernadorcillos* on days when they are received at the palace, and they transact official business. Mrs. Weyler also appropriated the rich curtains of Malacañang to make her to her gowns and established offices to replace employees, to obtain favors, graces and official credentials from her equally cunning husband.²¹ Down the official ladder, the provincial governor, according to Rizal, the high and noble functions he performs were nothing more than instruments of gain. He monopolized business and abused his powers, thought only of destroying all competition that may trouble him or may to share in his profits. It matters little to him that the country is impoverished, without culture, without commerce, without industry as long the *alcalde* (the term for governor) is enriched!²²

Other functionaries used their positions for their private gain: the constable used farmers as unpaid or underpaid labor; the civil guard arrested farmers for a motley of reasons i.e. for not saluting properly, not carrying their cedula (identification papers), for being suspicious-looking or perhaps no reason at all. Then the constable makes them clean the barracks; the court or provincial officer who summoned the farmer or worker without regard for the costly two-to-three-day journey to the town center only to be told to return the next day only to be asked by an angry judge of some difficult and obscure question which he cannot answer. Then the poor fellow, continues Rizal, goes to jail and emerges later more stupid than before and everybody thinks of him as a good Christian always and finally the volunteer company passing through the town which could arrest a farmer on mere suspicion without due process of law and without any cause whatsoever.²³

Rizal had special mention for the friars whom he described as "a permanent calamity in the archipelago."²⁴ He accused them of unjustly increasing the rents and taxes of the hacienda, manipulating elections, instigating the civil guard to commit abuses and making the farmers and workers for free. The farmers were beaten if they were not satisfied with their work. When Rizal's sister was hauled to court for constructing a house without authority, the judge confessed that he could not rule against the wishes of the friars because he was also their employee. Corrupt practices continued well into the American period and as the colony's economy expanded, so did corruption. The common practice of corruption was receiving bribes from Chinese businessmen and extorting money from them. The Chinese for the most part kept silent since they stand to lose if they gained disfavor from officials. Activities such as smuggling and misdeclaring income was rampant as officials in the customs and internal revenue services received bribes or "gifts." In the government, bribery, nepotism and influence-peddling became all too common.²⁵

With the advent of the Philippine Commonwealth in 1935, Filipino leaders were now in active charge of their own government as the Americans left to them its day-to-day management. By this time, Filipinos developed an indifferent and even permissive attitude to corruption, that it was an accepted part of life. With more power and responsibility placed in their hands and with Philippine politics practically dominated by one political party, the temptation to misuse and abuse power became greater than ever.²⁶ Typical of these practices was the “*padrino*” system which is described as a value system where one gains favor, promotion or political appointment through family affiliation which results in nepotism; or through friendship which becomes cronyism. Compared to applying for offices or winning government contracts based on one’s merit, Filipinos were forced to obtain the patronage of a high government official just to occupy a government position or improve their social and economic status.²⁷ The *padrino* system has been the cause of many controversies and corruption in the country.

The Post World War II and Early Independence Period

The economic difficulty in the Philippines following the massive devastation as an aftermath of the Second World War made corruption a way of life.²⁸ Corrupt practices such as black marketeering, misappropriation of government property and bribing functionaries were rampant. It was a common practice for people who were never involved in the resistance movement against the Japanese to bribe secretaries in the defense department to be include their names in the roster of recognized guerrilla units for the purpose of receiving backpay. However, in terms of value, the war surplus property scandal involved almost a billion dollars. A commission called the Surplus Property Commission was formed to account and properly dispose war surplus material turned over by the United States to the Philippine government. These included ships, planes, bulldozers, trucks, jeeps, construction supplies and canned goods which could be either sold to civilians or turned over for use by government agencies. The value of the US war surplus properties amounted to a billion dollars. However, most of these properties were lost through theft, pilferage, undervaluation, improper storage and lack of maintenance. Military personnel who were the custodians of the surplus properties were involved in the massive losses. Many of them were bribed by civilians who wanted to get their hands on the goods and avoid going through the proper paperwork. President Roxas knew about the massive theft but chose to do nothing about it, saying that the people were hungry.²⁹

Filipinos resorts to humor when hearing stories about corruption. During the campaign in 1946 to amend the Philippine Constitution to grant parity rights for Americans wishing to exploit the country’s natural resources after their recognition of Philippine independence, they punned parity to “*para ti*” – Spanish meaning “for you” and the Tagalog word “*parating*,” became another word “bribe.”³⁰ During the same period when communist forces were taking over the Chinese mainland, thousands of refugees fled to the Philippines in droves. Many of these refugees had relatives in the islands and a large number of them were businessmen and professionals. Many of them wanted to stay in the Philippines permanently. The illegal Chinese immigrants became a source of corruption for government officials and journalists as they became targets for extortion. Government officials took advantage of the strict Philippine Immigration Act which made it

difficult for aliens to seek permanent Philippine residency. They knew how to go about the law by exploiting its loopholes and were sought after by Chinese immigrants who rewarded them with “goodwill money.” The Chinese community on the other hand, resorted to forming organizations, hiring lawyers and befriending high government officials and politicians to protect their interests. It became a common practice for Chinese communities to provide “voluntary contributions” to politicians and political parties every time election season draws near.³¹

Perhaps the most callous attitude towards corruption was exemplified by the resentment of politicians regarding investigations about their activities. On January 17, 1947, Senate President Jose Avelino lectured President Elpidio Quirino during a dinner hosted by the Chief Executive. In his speech to the President, Avelino was to have said:³²

*“Why did you have to order an investigation, Mr. President? If you cannot permit abuses, you must at least tolerate them. **What are we in power for?** (underscoring mine) We are not hypocrites. Why should we pretend to be saints when in reality we are not? We are not angels. And besides, when we die we will all go to hell. Anyway, it is preferable to go to hell where there are no investigations no Secretary of Justice, No Secretary of interior to go after us”*

Avelino ended by invoking Jesus Christ saying “Jesus Christ condoned the sins of the thief and that the Master would look tolerantly on those who acted on the more worldly principle.”³³

Though critics claimed that Avelino was misquoted, his words were later used against him by the President’s supporters when he ran for President in 1949. Avelino’s attributed words “what are we in power for,” became associated with political leaders using the perks and powers of their offices in committing and justifying acts of corruption. These politicians also justified taking the spoils in a victory and would not feel qualms of guilt and accountability. Since many politicians were also seasoned lawyers, they clung to the principles presumption of innocence unless proven otherwise, the right to undergo due process, and the saying “if it is not illegal, it is alright.” This mindset allowed many Filipino politicians do anything improper as long it suits them.

Harry Stonehill and the Rise of Big Business

While the widespread devastation of the Philippines after World War II brought deprivation and sorrow, but it also brought opportunities. One of those who saw great potentials in the Philippines was a former US Army lieutenant named Harry Solomon Stonehill. While serving in the army, Stonehill oversaw the management of American military supplies. Stonehill saw that consumer goods were scarce in the Philippines. He began by selling items like threads and needles in Manila’s Chinatown which were supplied by his mother from Chicago. He found out that the Filipinos loved Christmas but there was no one producing Christmas cards. He started importing these from the US and soon he had the monopoly on the sale of these cards.³⁴

According to Julius Willis, who personally knew Stonehill, Stonehill used his rank and authority to sell four to five dozen US army trucks and a military fuel barge. He managed to make about \$70,000 in cash. Stonehill then moved to selling army surplus goods ranging from boots, chocolates, Spam luncheon meat and jeeps. He made his fortune selling these items.³⁵ Stonehill fell in love with the Philippines and its people. He noted that Filipinos can be “bought” and that being an American he “get away with murder. And after World War II, the going rate was cheap.”³⁶

Figure 1: Harry Stonehill: It all started with Christmas cards



Source: globalnation.inquirer.net. <https://globalnation.inquirer.net/100504/the-whistle-blower-in-the-harry-stonehill-case>

After his discharge from the US Army, Stonehill left for the United States but vowed to return. He was unsuccessful in convincing his wife to relocate to the Philippines, so Stonehill divorced her and returned to the country. Using the money he made earlier, he married Lourdes Blanco, a member of the prominent Blanco family in Manila.³⁷ Stonehill formed his first corporation, the Universal Trading Company with his friend in the US Army, former Sergeant Ira Blaustein as his partner. The company was engaged in imports and exports. Stonehill tried to convince another army buddy, Stan Lee would later become famous for his Marvel Comics, to come to the Philippines. Lee, like Stonehill was never really involved in combat during the war but was responsible for creating propaganda materials for the US army. Lee recounted his conversation with Stonehill in 2002:³⁸

Actually, he's a guy I knew when I was in the Army. After the war, he said to me, "Hey Stan come to the Philippines with me." I said, "Why?" And he said, "I found out that they don't have Christmas cards there. I'm going to buy a batch of Christmas cards and start a business." I said, "I love ya, Harry, but you're a lunatic." And I went back to my comics and he went off to the Philippines. To make a long story short, a few years later, he was the wealthiest man in the

Philippines. He was a billionaire. He started with the cards, but that was just nonsense. He ended up owning an import/export line with God knows how many steam ships, I think he had the American Tobacco franchise, he started glass factories – he was the biggest thing in the Philippines.

Later Stonehill established a business empire which included the Republic Glass Corporation for glass production; Philippine Tobacco Corporation for tobacco and tobacco curing; the Philippine Cotton Corporation for cotton and textile manufacturing; the American Asiatic Oil Corporation for petroleum products trading; the Far East Publishing for media and publishing, Republic Real Estate Corporation for low-cost housing projects, Industrial Business and Management Corporation, Universal Trading Corporation and other ventures. All in all, Stonehill established eighteen companies. He envisioned the reclamation of land in the Manila Bay area.³⁹ In recounting his friend's continued success, Lee remembers getting in touch with his old buddy Harry Stonehill.⁴⁰

“I remember once writing to him and asking, ‘What kind of car are you driving? Because we always used to talk about cars. He (Stonehill) wrote back, ‘Stan, I own half of the cars here in the Philippines. I’ve got dealerships.’”

Lee concluded with this wry observation: “Yep, any time my ego needs deflating, I remember how I was too smart to leave my comic books and go into business with ol’ Harry!”

Personally, Stonehill was known to be generous and cheerful. He hired experts to train farmers in Ilocos region on how to plant, cultivate and cure tobacco seeds. These seeds were high-grade Virginia tobacco from the United States. Stonehill promised to buy all their produce at very handsome prices. This made him a hero to the Ilocano farmers. Stonehill also imported ten million kilos of high-grade tobacco which gave him a monopoly of raw tobacco that every cigarette maker including top US brands had to buy from him. Stonehill bragged that he had all his competition “by their shorts and curlies (sic).”⁴¹ At its height, Stonehill's businesses were valued at \$50 million (or US\$ 501.20 million in today's money)⁴²

Stonehill's tobacco business was a threat to the Chinese traders and it also brought him into the crosshairs of the US government: it was against federal law to export high-grade tobacco seeds from the US.⁴³ According to Reilly, Stonehill's products were threatening American cigarette exports to the Philippines which was a big consumer.⁴⁴ According to Willis, the US tobacco industry wanted Stonehill prosecuted for his “treasonous act.” and the US Federal Bureau of Investigation went to work. It wanted Stonehill flushed out of the Philippines.⁴⁵

Figure 2: Stan Lee, the Creator of Marvel Comics knew Stonehill



Source: https://images.search.yahoo.com/search/images;_ylt=Awr98NchSFZlYr4MoOhXNyoA

Stonehill's path to success however, had a dark side. To establish his many businesses, he had to pay off many politicians and officials. He used his wealth to influence the country's politics and he was instrumental in the withdrawal of Senator Rogelio de la Rosa from the 1961 presidential race. According to historian Lewis Gleeck, the Central Intelligence Agency also utilized Stonehill in funding the National Movement for Free Elections (NAMFREL) during Ramon Magsaysay's presidential campaign and it was not the CIA that funded NAMFREL but American businessmen like Stonehill.⁴⁶ Stonehill was also a major contributor to the presidential campaign of Carlos P. Garcia. Though it was illegal for foreigners to provide financial contributions to political candidates, Stonehill remained untouched. There were accusations of Stonehill evading taxes and Congress tried to investigate him for perceived crimes, but Stonehill managed to shake off the congressmen and turn every hearing into a media event calling it a campaign of vilification.⁴⁷

After having survived many congressional hearings and unsuccessful attempts to charge him with smuggling, tax evasion and other crimes, Stonehill felt invincible and since he had supported many political leaders and bribed many officials. He thought he could buy everybody. "I am the government," Stonehill once boasted.⁴⁸ However not everyone can be bought, and Justice Secretary Jose Diokno already targeted him for prosecution. According to Willis, Diokno placed all kinds of pressure and obstacles in Stonehill's way making the American commit more blunders. Members of Congress and other officials whom he had bribed and who were supposedly "under his control" soon started abandoning their benefactor. President Macapagal distanced himself from Stonehill.⁴⁹

Stonehill's downfall as the country's wealthiest business tycoon was triggered by the revelations of Menhart Spielman, a Czech Jew and survivor of the Holocaust. Spielman was the general manager of Stonehill's Philippine Tobacco Corporation. Spielman tried to blackmail Stonehill and his business partner Robert Brooks into turning over a share of the business.⁵⁰ According to Willis, Stonehill fired Spielman for insubordination and for dipping into the company's coffers.⁵¹ Spielman narrated during a meeting with Stonehill and his partner Robert Brooks, Stonehill "pulled a couple of pistols from his desk, ostentatiously played with them and

mentioned what would happen to people who did not play ball.” Then he and Brooks beat Spielman and knocked him unconscious.” Spielman then fled to the US embassy on December 9, 1961, and reported Stonehill’s alleged crimes there.⁵²

Figure 3: Spielman: Spilled the beans on Stonehill



Source: https://images.search.yahoo.com/search/images;_ylt=Awr90TokSFZI0kMit4yJzbf

While being interviewed by American embassy officials, Spielman sported a very severe black eye, a swollen left cheek, a bad cut inside his mouth and number of bruises on his chest and arms. In his interview, Spielman said he faced death many times during the war years, spent so much time in concentration camps and lived constantly in fear of death. After the war, Spielman became an American citizen in the hope and expectation that he would thereafter be a free man and he cannot now see himself subject to the threats of the Stonehill group. Spielman also shared information about a certain “blue book” in which Stonehill recorded all payoffs to Philippine government officials.⁵³ After taking Spielman’s statement, the embassy officials also contacted Justice Secretary Jose W. Diokno who was also interested in nailing down Stonehill for his role in corrupting Philippine government officials.

Later a representative from the US Internal Revenue Service filed a case against Stonehill. American officials persuaded the Philippine government to raid Stonehill’s offices. On March 3, 1962, two hundred agents from the National Bureau of Investigation (NBI) raided 27 offices and corporations controlled by Stonehill. The documents were enough to load 35 military trucks.⁵⁴ Also seized were wiretapping devices. On the same day Stonehill and Brooks were arrested on charges of on charges of tax evasion, blackmail, economic sabotage, corruption of public officials among others. During the investigation, Spielman was never subjected to investigation by Stonehill’s lawyers. But Stonehill and Brooks were accused of frustrated murder.

At the time of his arrest, Stonehill was about to leave his office at the Ramon Magsaysay Building on Roxas Boulevard to join his poker buddies at the Wack-Wack Golf and Country Club in San Juan when the NBI agents arrived. The agents told him that Secretary Diokno wanted to talk to him in his office. But upon arrival at the NBI headquarters he was fingerprinted and photographed and “treated like an ordinary criminal.” Stonehill was detained for three days in a “rat-infested cell” which, according to him “was bugged throughout for the slightest sound.” It

was also at the Ramon Magsaysay office that the “blue book” which contained the list of officials who allegedly received bribes from Stonehill, was taken.⁵⁵

Meanwhile, Spielman mysteriously vanished. Apparently, he was dissatisfied with the way he was treated by the NBI and the US embassy and he approached Stonehill’s lawyers to hammer out a deal. Spielman then attempted to flee the Philippines with the help of Stonehill’s men. There was no certain story of what happened to him but according to confessions obtained by Philippine authorities from the crewmen of the boat, *The Kingdom*, the crewmen attacked Spielman while he was asleep on the boat, knocking him semi-conscious then threw him into the shark-infested Sulu Sea. American authorities however doubted the story.⁵⁶ The Filipino authorities shared their treasure trove of documents with the Americans. The Internal Revenue Service (IRS) found out that Stonehill was less thorough as to reporting on his income. According to the IRS Stonehill owed the US government 13 million in taxes covering the years 1958 to 1961. The tax cases underwent a series of appeals until 1983 when a US tax court ruled against Stonehill with finality.⁵⁷ These cases were still active as of 2011.⁵⁸

As for the Philippine government, Stonehill was never charged of any crime. Along with documents, the NBI had seized wiretapping devices from Stonehill. It showed that he had bugged the offices of several government officials. The most explosive piece of evidence, the “blue book” which contained the names of more than 200 officials, businessmen and media people who received money from Stonehill in exchange for favors and information. The then Senator Ferdinand Marcos was said to be on the list and even President Macapagal was also on the list for having received three million pesos worth of campaign funds. On August 3, 1962, President Macapagal ordered the deportation of Stonehill and Brooks “by the first available transportation out of the Philippines.” The two men were escorted to the airport by elite government troops. Meanwhile, the media crucified Stonehill portraying him as an evil person and a corruptor. It overlooked the fact that the corruption he helped create would not be possible without the role of the Filipinos themselves. The media also ignored Stonehill’s role in the industrialization of the Philippines and that his empire created employment and livelihood for thousands of Filipinos. Despite being a foreigner, Stonehill demonstrated fondness for the Filipinos and considered the Philippines as his home.⁵⁹

Meanwhile, Secretary Diokno who had ordered the NBI to raid Stonehill’s offices was fired from his job. His sacking was a shock to the public and to Diokno himself as he learned about his dismissal only through news reports. Aside from Senator Marcos and President Macapagal Stonehill’s blue book contained a list of top government officials that he had bribed. The list also included President Macapagal’s predecessor, President Carlos P. Garcia and a lot of personalities from the ruling Liberal Party and the opposition Nacionalista Party. The blue book showed that Stonehill operated a network of corruption that has penetrated all levels of government. If Stonehill is forced to testify on the scandal, Macapagal would surely be implicated, and it would result in his impeachment. Therefore, Macapagal acted swiftly, he had Stonehill deported.⁶⁰

Stonehill's deportation absolved him of any crime as it would be impossible for him to defend himself in court. Since Stonehill cannot be called a criminal, he was simply deported as "an undesirable alien."⁶¹ Questioning Macapagal's decision to deport Stonehill, Diokno complained, "How can the government now prosecute the corrupted when it allowed the corrupter to go?"⁶² Diokno received death threats from the President's supporters prompting him to rely on Manila Mayor Arsenio Lacson for his personal security.

Figure 4: Diokno: "How can the government now prosecute the corrupted if it allowed the corrupter to go?"



Source: images.search.yahoo.com/search/images;_ylt=AwrjectrSFZl9SwjtIuJzbf

As for Stonehill, he and his family wandered from country to country while being hounded by American authorities. After staying shortly in Mexico in 1963, the Mexican government deported him. In the following year, Canada also expelled him. He stayed in Japan, England and Brazil before finally settling in Switzerland and Spain. Speaking about his erstwhile buddy, Stan Lee concluded:⁶³

"He (Stonehill) was the biggest thing in the Philippines. At some point, the government fell because of him – there were accusations of graft and corruption – and he claims that the CIA or the FBI or some government agency wanted to get him out of there because he had become more powerful and influential than the United States government. And he started suing the United States government, and the lawsuit – as far as I know – is still going on. They had to get him out of the Philippines by submarine – he thought they were going to kill him – and he ended up Switzerland and England and all over."

Stonehill considered himself an exile and longed to return to the Philippines. He did return in 1987 but had to leave shortly. He hinted that he would recover his wealth. However, he died in Malaga, Spain in March 2002 at the age of 84⁶⁴.

The Aftermath of the Stonehill Case

Reeling from the shockwaves from the Stonehill scandal, President Macapagal undertook a purge of government officials whom he suspected had links with the disgraced American businessman. The President fired scores of officials for “unethical dealings.” According to Executive Secretary Salvador Mariño, who had gone over Stonehill’s list of government officials who received favors from him, the name of Vice President Emmanuel Pelaez was also in it. When informed about the matter, Pelaez resigned from his post as Foreign Affairs Secretary. Other officials who were not even in the list were also removed from their posts. Their only sin was they had been too closely associated with Stonehill. According to Macapagal, government officials, “like Ceasar’s wife, must be above suspicion.”⁶⁵

Soon Macapagal also began targeting other foreigners for alleged crimes. He deported Peter Lim, a ranking official of the Federation of the Chinese Chambers of Commerce, and he was preparing to deport more than a hundred ethnic Chinese, among them were Ernesto Ting and Francisco Coking, whom the President described as “have no right to be one of us.”⁶⁶ Macapagal also considered deporting Robert Stewart who owned the Republic Broadcasting System (today’s Greater Manila Area (today’s GMA 7 Network -avv). Stewart who came to the Philippines during World War II as a war correspondent of the United Press International, became popular because of his children’s show. Macapagal accused Stewart of violating electoral laws. Filipino children cried upon learning that the President is going to deport “Uncle Bob” as Stewart was known to them. Their parents made a successful appeal to let Stewart stay. Macapagal’s campaign against foreigners soon generated a universal fear that became a xenophobia.⁶⁷

Actually, Macapagal wanted Stonehill’s list to reveal who among his Nacionalista rivals were on his payroll but to his dismay many of the President’s close associates were also on the list. *The Philippines Free Press* demanded that the list be made public. The President was so sensitive whenever any of his cabinet officials were implicated. A week later, he accepted the resignations of Executive Secretary Amelito Mutuc and Finance Secretary Fernando Sison. Mutuc’s connection with Stonehill was that he only served as an attorney on the importation case of Stonehill’s tobacco company while Sison was an officer in several of his businesses.⁶⁸ Meanwhile, Stonehill’s blue book went missing and nothing was heard about it. The government also tried to prosecute three unidentified Moros who served as seamen on the boat where Menhart Spielman was allegedly beaten to a semi-conscious state and thrown overboard in the Sulu Sea. These Moros were merely identified as John, Robert and Richard Doe.⁶⁹ With the alleged killers unknown and the absence of the body of the crime, the case went nowhere.⁷⁰ The Stonehill scandal severely hurt the Macapagal administration. It hounded President Macapagal’s reelection campaign and it contributed to his election defeat in the 1965 presidential elections. He was defeated by Ferdinand Marcos, whose name was also allegedly in Stonehill’s blue book.

Postscript

Even after the deportation of Stonehill and Brooks, matters involving their case remained active years after. In 1967, the case was reopened so the courts may rule on the seized evidence. The Supreme Court of the Philippines released its decision with finality. The evidence in question did not include the vaunted blue book which remained missing. In his decision Supreme Court Chief Justice Roberto Concepcion ruled the seized evidence such the typewriters, ledgers, balance sheets and cigarette wrappers were divided into two categories: those that were seized in the offices and those which were seized in the residences. Concepcion wrote that the first group of evidence were covered in a valid search warrant. He cited American jurisprudence *Remus vs. the United States* (C.C.A) 291 F.501, 511 and other American jurisprudence, companies and corporations have their own juridical personality. This means that they have become parties to a lawsuit as their assets and liabilities are considered separate from private citizens. Thus, the rights granted to the privacy of citizens are of different standards from corporations.⁷¹

However, the evidence that was seized from Stonehill's residences which belong to the second category, according to Concepcion, were illegally seized. The basis for this decision was Article III Section 1 (3) of the 1935 Philippine Constitution which specifically states that:⁷²

(3) The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, to be determined by the judge after examination under oath or affirmation of the complainant and the witnesses he may produce, and particularly describing the place to be searched, and the persons or things to be seized.

Had President Macapagal allowed the criminal prosecution of Harry Stonehill and his associate to continue, both would surely be acquitted. On the surface, Macapagal was accused by his critics of initiating a coverup so that his connections to Stonehill would not come out in the open. Commenting on his party mate, Jovito Salonga said that Macapagal may deport Stonehill, but they can never deport the truth.⁷³

As for the evidence belonging to the first category, the NBI agents who conducted the raids on Stonehill's offices and residences were sloppy. According to reporter Amando Doronilla when the NBI agents raided Stonehill's properties their search warrants did not specify what documents, papers or things to be seized.⁷⁴ When NBI raiders raided Stonehill's offices and residences, they took everything that could be used as evidence. Stonehill complained that the NBI raiders took everything "even his love letters to his wife." According to Stonehill "My wife kept them for sentimental reasons all these years. She pleaded that they (the letters) be returned. But they (the NBI agents) have not."⁷⁵

The evidence seized by the NBI were later shared with the US Internal Revenue Service. Stonehill's lawyers argued that this were also inadmissible in court as the raid conducted by the NBI violated the Fourth Amendment of the US Constitution which states:⁷⁶

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

What happened on the day of the NBI raid was “a fishing expedition” where the NBI would just barge in and seize whatever object that maybe used as evidence against its owner. The NBI has been doing that and it employed the same tactic to “find dirt” for Macapagal’s perceived enemies.⁷⁷ Since the NBI was under Secretary Diokno’s watch, Diokno who decades later, would be hailed as a staunch human rights defender, was actually a party to violating human rights.

Concluding Remarks

Up to that time, the Stonehill case was the biggest corruption scandal in terms of scale and magnitude. It revealed how corruption has affected even the highest level of the Philippine government. Sadly, it would be superseded by bigger corruption cases that would involve bigger amounts of money, resources and more personalities. There are several factors that provide a fertile ground for corruption. Firstly, the temptation to do corrupt acts is very strong among public officials especially among elected ones. Public officials and public servants are entrusted with certain powers that come with their offices. These powers can be abused and misused especially when there are many opportunities for self-enrichment. Even if a person is not corrupt when he is first elected to public office or entered government service, people would come and ask him for favors such as asking for financial support for medical expenses, education allowance for their children, funerals, weddings and fiestas. The monthly salary of city mayor for example is P185,695 to P207,987 (US\$3,284,93 to US\$3,679.21).⁷⁸ If the official needs to help everyone who comes to him, he may have to dip to his private funds and there would be little left for him and his family. This is the dilemma faced by newly elected public officials writers P.N. Abinales and Donna Amoroso wrote about: shall they fulfill their campaign promises to provide good governance or shall they succumb to the corruption of their predecessors? Do they have the political will to resist the temptations of their offices or welcome all its opportunities and the spoils of the office.⁷⁹

To an elected public official, to refuse requests from the people who happen to be voters in his locality may mean his defeat in the next elections. For government functionaries, to refuse requests from people may result in ostracism from their relatives and friends. Thus, public officials resort to corrupt means to augment their meager incomes so they would be able to help those who ask for their assistance. These would include skimming from public works projects, receiving payoffs from illegal vendors, and smugglers and contractors, involvement in illegal gambling and the drug trade. They would later find that corruption can be profitable as they can now afford to acquire opulent homes and flashy cars which would not be possible if they just relied on their legal incomes. Another advantage of being in power is that they can use their public offices to advance

their private interests such as influencing the construction of roads that will pass near their properties to boost their value or having government projects done by firms owned by their friends and family members.⁸⁰

Another factor is the faulty legal system which favored the rich and big-time corrupt officials. Corrupt people who plundered substantial amounts can afford to hire expensive lawyers to defend them in court while other government people who were accused of embezzling lesser amounts and had no access to the same expensive lawyers were the ones who were sent to prison. Highly skilled lawyers can maneuver around the legal system and cause delays in the prosecution of cases. They would also argue about certain technicalities and intricacies of the laws to obtain acquittals of their clients. The rich and powerful can also use their political connections to remain unpunished for their crimes.⁸¹ The laws also provide some sort of leeway to some practices, though these may be inappropriate or unethical. For example, when a gift is given by a client after a service is done is not considered a bribe. The granting of commissions by a grateful contractor is also not considered a bribe. The government already ruled that gifts should not be accepted by its officials, but President Rodrigo Duterte said that it is alright to receive a gift if it is not substantial.⁸²

Another contributing factor to the high incidence of corruption in the Philippines is a weak civil society. People are already used to the fact that corruption is part of the way of life.⁸³ Often it is the people themselves who are responsible for the social malaise. It begins with small things such as offering bribe money to avoid being issued citation tickets by traffic cops; using family connections and acquaintances to secure the desired positions in a government or in the private sector; paying off fixers who serve as go-between with government employees to facilitate the issuance of their business permits; or giving or receiving gifts as a way “investing” goodwill for future favors. Many Filipinos have strong sentiments against big-time corrupt officials when they themselves abet corrupt practices with the excuse that it was part of normal practices to ensure smooth transactions for themselves.

Corruption gets worse when it causes a deterioration of social values. Even the Catholic Church which is seen as a guardian of morals is prevented from denouncing corrupt officials when it received largesse from corrupt officials. It was responsible for the ouster of two Philippines presidents, Ferdinand Marcos, Sr. in 1986 and Joseph Estrada in 2001. Both presidents were perceived as corrupt but the Catholic Church was reluctant in denouncing President Gloria Macapagal-Arroyo who was linked the several corruption scandals and manipulation of electoral results in the 2004 elections. Instead, it merely said that the President should be part of the healing process and it urged her to allow officials to assist corruption inquiries.⁸⁴ It turned out that the Church received a lot of “donations” from government agencies under Macapagal-Arroyo such as the Philippine Charity Sweepstakes Office. After the information that the Catholic Church received money from public officials and known gambling lords, the Church declared it will not receive donations from President Macapagal Arroyo and people involved in illegal gambling⁸⁵

Skewed Filipino values also play a part in the rise of corruption. People who owed “*utang na loob*” or a debt of gratitude to corrupt politicians would not complain because they helped them before in the past. Normally a Filipino will not go against his “*padrino*” who helped him get his

avored government post or government project. Doing so will make him a pariah in the community. A sense of camaraderie or “*pakikisama*” or “*pakikipagkapwa-tao*” prevented individuals from denouncing his friends giving rise to cronyism. There is also a nature of the Filipino of not directly confronting issues and tend to ignore them. By the time the issues became serious it would be very difficult to resolve them.⁸⁶

The difficulty in securing conviction for corruption emboldened corrupt officials and public servants. They bribed or threatened witnesses against them to change their testimonies. As in the case of Stonehill who believed everyone can be bought, they can do whatever they pleased. Corrupt officials also devised ways to stash ill-gotten wealth from corrupt activities. These included placing the assets in the names of cronies or by depositing ill-gotten wealth in Swiss bank accounts or the banks of many countries which have strict secrecy laws. The best example would be the case of President Ferdinand Marcos and his wife. According to documents recovered by the Presidential Commission on Good Government (PCGG), the government body tasked to recover Marcos’ ill-gotten wealth, Marcos started depositing funds in Swiss banks as early as 1968, four years prior to his declaration of martial law.⁸⁷

It was estimated that the couple were said to have stashed at least US\$ 10 billion in foreign banks. However, economists of the Center of Research and Communication Bernardo Villegas and Jesus Estanislao believed that \$10 billion was way below the conservative estimate. They believed that Ferdinand and Imelda Marcos had at least \$30 billion.⁸⁸ In an article of Vera Files, Marcos’ daughter, Irene Marcos-Araneta, was caught red-handed trying to withdraw \$13.2 billion from the Lugano branch of the Union Bank of Switzerland to Deutsche Bank in Dusseldorf, Germany, The bank transfer according to the article, was foiled.⁸⁹

Aside from banks Marcos and his wife were said to have invested in real estate properties in the United States in Europe. Some of those properties included opulent buildings in New York and estates in Long Island, New Jersey.⁹⁰ Marcos was said to have acquired the properties such as the ones in the United States through intermediaries and shell companies based in the Netherlands Antilles. According to the Supreme Court properties acquired by public official or employee which is “manifestly out of proportion to his salary and other lawful income is “presumed *prima facie* evidence to have been unlawfully acquired.” Thus, the bulk of the assets of the Marcoses including the jewels, were treated as ill-gotten wealth. Based on the official report of the Minister of the Budget the salary of Marcos as President from 1966 to 1975 was P60,000 (US\$6,666.87) and from 1977 to 1985 was P100,000 (or US\$ 8,888.89 in 1985 dollars) a year while his wife Imelda as Minister of Human Settlements from June 1976 to February 1985 was P75,000 (US\$6,666.67) a year.⁵⁰

Through skillful legal and political maneuvering many corrupt officials managed to remain in office and even return to power. The Marcoses managed to shake off many corruption cases against them. It has been more than 37 years since the overthrow of President Ferdinand Marcos Sr. and the PCGG so far managed to recover \$3 billion of what it considered as the ill-gotten wealth of the Marcoses.⁹¹ According to Andres Bautista who headed the commission from 2015 to 2017, about \$6 billion remained to be recovered as the cases involving these assets are still under

litigation. The recovered amounts were intended to fund the country's agrarian reform program. However, it was reported that funds were instead used to fund the reelection campaign of President Macapagal-Arroyo and her allies. The sordid matter became known as the fertilizer scam.⁹²

Meanwhile the Marcoses have returned to power. The former First Lady Imelda Marcos won a seat in Congress in 1995 despite having a disqualification case filed against her.⁹³ Her son, Ferdinand Jr., was elected congressman in 1992 and served until 1995. Then he was elected as Governor of Ilocos Norte in 1997, then as Senator in 2010 and finally as President in 2022.⁹⁴ Her daughter Imee was also elected as Governor and later as Senator.⁹⁵ Joseph Estrada after being convicted of plunder and was allowed to rejoin politics.⁹⁶ He was almost elected President in 2013 and got elected for two terms as Mayor of Manila.⁹⁷ Former President Gloria Macapagal-Arroyo despite of being accused of many corrupt acts, was elected representative of her home province of Pampanga. She remains one of the most powerful politicians in the Philippines. Aside from the former Presidents, Joseph Estrada's son Jinggoy and Ramon Revilla, Jr., who were both accused of corruption, were re-elected to the Philippine Senate.⁹⁸

To make matters worse, some Philippine presidents used their powers to prevent investigations by oversight bodies like the Philippine Senate. During her term President Macapagal-Arroyo ordered the officials of her administration not to attend senate hearings by issuing Executive Order No. 464 on September 26, 2005 to prevent police officials from testifying regarding the "Hello Garci Scandal." The President was said to have acted inappropriately by talking to an official of the Commission on Election to ensure her victory in the 2004 presidential elections.⁹⁹ President Rodrigo Duterte also followed the same example when he prevented his officials from testifying on the Pharmally scandal. Duterte's administration was said to have purchased overpriced and defective personal protective gear from this company at the height of the COVID pandemic.¹⁰⁰ Later government investigators ruled that there was no evidence of plunder against Pharmally officials and the officials of the Procurement Agency of the Department of Budget and Management (PS-DBM), the agency tasked in procuring medical supplies. This denial came despite the anomalous deal involving P4 billion (US\$70,758,889,085.44) with a company whose capitalization was only worth P625,000 (US\$11,039.69).¹⁰¹¹⁰²

Meanwhile, fighting corruption has become lonely battle. Though the Philippines has stringent laws against corruption such as the Anti-Graft and Corrupt Practices Act, the Anti-Plunder Law and the Ethics Law, hardly a big-time corrupt official has been convicted.¹⁰³ The only high official who was convicted for corruption was former President Estrada who was immediately pardoned by his successor, President Macapagal-Arroyo.¹⁰⁴

Then Senator Richard J. Gordon once said that people who became corrupt were those who did not love their country. This was a simple way of saying why people turn to corruption. Gordon also blamed "transactional politics" where parties would do each other favors while disregarding the public good.¹⁰⁵ Gordon said that something went wrong with the people's moral fiber and as corruption became a serious social issue, there are now calls for a top-to-bottom reform of Philippine society. That would not be possible without violating laws such as the Philippine Constitution. One of the solutions offered by the Radical Left was a socialist revolution while

others including politicians like Claro M. Recto¹⁰⁶ and Benigno Aquino, Jr.¹⁰⁷ said that if they were elected to the presidency, they would declare martial law to effect social change.

The need for reforming society was also the rationale of President Ferdinand E. Marcos when he declared martial law on September 21, 1972. He wanted “to reform society” which necessitated the suspension of the 1935 Constitution and the abolition of Congress.¹⁰⁸ By imposing martial law Marcos’ martial law was a one-man dictatorship and corruption worsened with he, his family and cronies became massively rich while the nation wallowed in poverty. At the beginning of his administration Rodrigo President Duterte also contemplated declaring martial law to address the deterioration of the country’s moral fiber. He also made the same suggestion to his successor “to get rid of corruption.”¹⁰⁹ Yet revolution and martial law will never guarantee the eradication of the country’s ills.

Paul Kramer in his work, “Provinciality of American Empire: ‘Liberal Exceptionalism and U.S. Colonial Rule,” explains why corruption still happens despite training the Filipinos in democratic values and liberal institutions. He blames “liberal exceptionalism” as the cause. Starting from the Filipino elite though trained in practical civil liberty, continue to do as they wish to retain their advantages and positions over the people. They also benefit from the institutions they helped create.¹¹⁰ Farish Ahmad-Noor observes there appears to be narratives which portray better times during the colonial past. In the case of the Philippines corruption became worse following its independence. This is a myth peddled by some historians who romanticized the colonial past. It is abundantly clear that colonial administrators were engaged in corruption and local people were involved as accomplices. In the colonial past it would be the governor generals, provincial governors, and the friars that would be doing most of the corrupt acts. The only difference in the post-independence era that but the perpetrators would be replaced by the President, members of Congress local government chiefs and Filipino clergy. There is also the element of historical hindsight when we judge events in the past based on our present standards. To examine why prejudices and obsessions with the colonial past persist, Ahmad-Noor suggests a multidisciplinary approach to reject cultural obsessions with romanticized history and prevent this nostalgia from perpetuating itself.¹¹¹

Perhaps Filipinos can heed the message of one of their heroes from more than a hundred years ago. Apolinario Mabini wrote that independence is not enough, and a moral government is necessary.¹¹² What the country needed are not only competent leaders but also ones that have a strong sense of morality and civic consciousness. During the era when the Philippines was fighting for its independence in 1898-1899, Filipino heroes such as Galicano Apacible would loathe charging personal expenses from contributions obtained from the Philippines and even paid from his own pocket whenever there is a discrepancy between the collection report and the actual amounts.¹¹³ But with the temptations to abuse and misuse power, a desire for selfish gain, skewed cultural values, weak enforcement of the law and the adverse examples of corrupt people being rewarded instead of being punished, present a formidable obstacles in ridding society of corruption.

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Biodata

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¹¹ United Nations Office on Drugs and Crime, *University Series Anti-Corruption, Module 1: What is Corruption and Why Should We Care?* <https://www.unodc.org/e4j/zh/anti-corruption/module-1/key-issues/effects-ofcorruption.html>. [Accessed June 6, 2023].

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¹⁴ William Lytle Schurz, *The Manila Galleon* (New York: E.P. Dutton and Co., 1939), pp. 54-58.

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¹⁷ The royal audiencia was the supreme court of the Philippines during the Spanish period.

¹⁸ Foreman, *Ibid.*

¹⁹ Maria Serena I. Diokno, *Corruption, Moral Imperative Through the Lens of Rizal*, *Philippine Review of Economics* Vol. XIVIII No. 2 December 2011. 23. Also: Arturo G. Corpuz, *The Colonial Iron Horse: Railroads and Regional Development in the Philippines* (Quezon City: University of the Philippines Press, 1999), pp. 52-55.

²⁰ Jose Rizal, *Political and Historical Writings* Manila: National Historical Institute), 2011, p. 386.

²¹ *Ibid.*, p. 387.

²² *Ibid.*, p. 393.

²³ Jose Rizal, "The Filipino farmers" in: Fores-Ganzon, trans., *La Solidaridad*, 1889, 1996 vol. 1: pp. 42-47.

²⁴ Jose Rizal, *Political and Historical Writings* Manila: National Historical Institute), 2011, op. cit., p. 87.

²⁵ Alfred McCoy and Alejandro Roces, *Philippine Cartoons Political Caricatures of the American Era* (Quezon City: Vera-Reyes, 1985), p. 32.

²⁶ Benedict Anderson, "Cacique Democracy in the Philippines: Origins and Dreams." *New Left Review* 169 (May–June 1988): pp. 3–31.

²⁷ Warayuth Sriwarkuel, *Cultural Traditions and Contemporary Challenges in Southeast Asia Hindu and Buddhist*. The Council for Research in Values and Philosophy, p. 294. https://books.google.com.ph/books?id=BnxpmvgAwcQC&redir_esc=y [Accessed August 22 2023]. Filipinos are well aware when applying for a government position that they should have a "backer" who is a government official who would support them in their application. The same goes for those bidding for government contracts. The backer would then be rewarded by "gifts" or some other favors.

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²⁹ Lewis Gleeck, *The Third Philippine Republic 1946-1972* (Quezon City: New Day Publishers, 1993), 61-65.

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³³ *Ibid.*

³⁴ Peter J. Reilly, *Harry S. Stonehill is Dead but Tax Litigation on 1962 Raid Lives On* *Forbes*.

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