

REPUBLIC OF THE PHILIPPINES )  
CITY OF MANILA ) S.S.

AFFIDAVIT

I, BALTAZAR AQUINO, of legal age, married and with residence at No. 51 Times Street, Quezon City, Metro Manila, after having been duly sworn in accordance with law, do hereby depose and say:

1. As stated in my previous affidavits submitted to the Presidential Commission on Good Government (copies of which are attached hereto as Exhibits A, B, and C and are incorporated herein by this reference), during the period from 1975 through 1981 I received funds in Hong Kong on numerous occasions from Japanese businessmen on behalf of Mr. Marcos. The purpose of this affidavit is to provide further details of my knowledge of these transactions, and of some of the background respecting these transactions. The facts stated herein are true of my own personal knowledge. If called as a witness, I could and would testify competently to the facts stated herein.
2. Beginning in 1975, Mr. Marcos asked me to go to Hong Kong on various occasions to collect commissions from Japanese traders who were willing to pay Mr. Marcos a "commission" in return for being assured that the particular Japanese trading company with which they were associated would receive a desired contract. The commissions were generally paid to Mr. Marcos in the amount of ten or fifteen percent of the contract price.
3. Pursuant to the arrangement worked out with the Japanese traders, the ten or fifteen percent commission paid to Mr. Marcos would be included within the total contract price paid by the Philippines. Thus, for example, if a contract was priced at \$100,000, \$10,000 or \$15,000 of the contract price paid by the Philippines would be allocated for the commission to be received by Mr. Marcos. Of course, the fact that Mr. Marcos received this commission was kept secret.
4. While I was collecting these commissions for Mr. Marcos, I collected only for contracts with Japanese traders involving Public Highway projects. All collections of Marcos commissions for non-highway projects were, to my knowledge, handled by General Eulogio Balao and Andres Genito.
5. I am aware that the late General Balao handled the receipt of such commissions on behalf of Mr. Marcos because, prior to his death in August 1977, Gen. Balao told me that he was

doing this. Furthermore, after Gen. Balao's death, Mr. Marcos became concerned that Andres Genito, who took over the non-highway collections after Gen. Balao's death, was not giving a proper accounting to Mr. Marcos of the commissions received. Accordingly, Mr. Marcos asked me to investigate whether Mr. Genito was providing a fair accounting, and I asked my assistant, Oscar Rodriguez, to perform such an accounting. This required gathering from the Japanese traders and my records and Mr. Marcos' records all information about commissions collected by General Balao. Mr. Rodriguez, under my direction, then prepared schedules concerning commissions collected by General Balao and Mr. Genito. Copies of some of these schedules are attached hereto as Exhibit D. From my analysis of these records when they were prepared, together with my conversations with General Balao, Mr. Genito, and Mr. Marcos, it was clear that General Balao was collecting these commissions, among others, for Mr. Marcos.

6. I am further aware, from my conversations in approximately 1975 through 1977 with General Balao and the Japanese traders, that the commissions received by General Balao on Mr. Marcos' behalf related in large part to contracts given to the Japanese traders under the Japanese Reparations program, pursuant to which the Japanese government pledged to provide the Philippine government with approximately \$550 million to spend on contracts for goods and services with Japanese suppliers of merchandise and services. In contrast, the commissions which I received for Mr. Marcos were based on contracts obtained pursuant to the Japanese Assistance Loan, also known sometimes as the OECF loan.

The Japanese companies that paid commissions to Mr. Marcos through General Balao, Mr. Genito, and myself under the Japanese Reparations Fund and the Japanese Assistance loan included Sakai, Sumitomo, Toyo Trading, Nisshio-Iwai, Mitsui, Marubeni, and C. Itoh. I recall that the representative of Sakai from whom I received commissions for Mr. Marcos was Sasudo Makino. I also recall receiving commissions for Mr. Marcos from a Mr. Sato, on behalf of Sumitomo. I also recall that a representative of Marubeni who was involved in the payment of such commissions to Mr. Marcos was Mr. Sueo Adachi. A similar role was performed by Yoshio Kotake on behalf of Toyo Trading.

8. Whenever I would receive commissions on behalf of Mr. Marcos, I would bring the receipts to Mr. Marcos at Malacanang Palace. Mr. Marcos instructed me to keep the receipt of these commissions absolutely secret, and stated that I could not even tell my wife. During the period of time when I was conducting this business on behalf of Mr. Marcos, I wrote him the letter attached as Exhibit "E", for



the purpose of assuring him that I would not ever reveal any of the dealings I conducted for him with these Japanese traders.

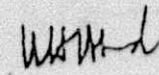
9. When General Balao died in August 1977, Mr. Kotake of Toyo wrote a letter to Mr. Marcos indicating that if I were appointed as the new "collector" for Mr. Marcos of commissions paid by Japanese trading companies doing business under the Reparations Fund or Japanese Assistance Loan, this could create a scandal similar to the Lockheed scandal that drove former Japanese Premier Tanaka from office. I recall learning of this letter sometime shortly after General Balao's death sometime in 1977, although I do not recall ever seeing it. In response, on November 22, 1977, I wrote and delivered to Mr. Marcos the letter attached hereto as Exhibit F, seeking instructions as to whether I should continue my Department of Public Highway collection activities on Mr. Marcos' behalf, and seeking clarification on who would handle the commissions being received by other agencies.
10. At no time during any of the above described activities on behalf of Mr. Marcos did I keep for myself or any member of my family any of the funds I received from the Japanese businessmen on behalf of Mr. Marcos. I deposited all such funds in to Mr. Marcos' bank account, pursuant to his instructions.

IN WITNESS WHEREOF, I hereunto sign this affidavit this \_\_\_\_ day of \_\_\_\_\_, 1987 in the City of Manila, Philippines.

  
Baltazar A. Aquino

SUBSCRIBED AND SWORN to before me on this 27th day of July, 1987, at Pasig, Metro Manila.



Witnessed by: 

Republic of the Philippines  
PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT  
Pasig, Metro Manila

PEOPLE OF THE PHILIPPINES,  
Complainant,

- versus -

PCGG I.S. NO. 001

FERDINAND E. MARCOS ET AL.,  
Respondents.

x - - - - - x

SUPPLEMENTAL AFFIDAVIT

I, BALTAZAR A. AQUINO, of legal age, married,  
and residing at 51 Times Street, Quezon City, state  
under oath:

1. On January 9, 1987 I executed a Second  
Supplemental Affidavit, which I submitted to the  
Presidential Commission on Good Government on the  
same date, identifying and confirming certain receipts  
covering the various deposits with the Swiss Bank Cor-  
poration in Hongkong of the commissions given, thru me,  
by Japanese suppliers to former President Ferdinand  
Marcos which I made upon his instruction.

2. Among the receipts I mentioned in that  
Second Supplemental Affidavit is --

"J) An undated note stating  
that Secretary Aquino collected  
from M. Makino US\$350,000."



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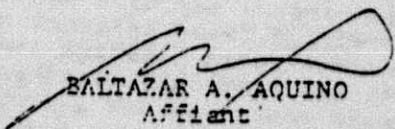


PCGG I.R. No. 001  
Supplemental Affidavit.  
x - - - - - x

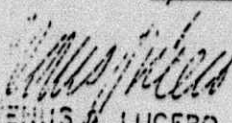
- 2 -

3. The PCGG called my attention to the above item to explain what I did with the sum of US\$350,000 mentioned above.

4. I declare under oath that I deposited that amount, like all other amounts I received from Makino, with the Swiss Bank Corporation in Hongkong for the account of former President Ferdinand Marcos upon the latter's instruction.

  
BALTAZAR A. AQUINO  
Affiant

SUBSCRIBED AND SWORN TO before me this NOV 2  
day of November, 1987 in Manila. Affiant exhibited to  
me his Res. Cert. No. 3700 PR issued in Laguna City  
on March 3, 87.

  
ATTY. DENNIS A. LUCERO  
NOTARY PUBLIC  
Until MY Commission Expires on 12-31-88  
PTR. NO. 036282 / 1-15-87  
SAN JUAN, METRO MANILA  
TAN - 6614-33

Doc. No. 102;  
Page No. 32;  
Book No. 1;  
Series of 1987.

SUPPLEMENTAL AFFIDAVIT

I, BALTAZAR AQUINO, of legal age, married and with residence at 51 Times St., Queson City, MM after being duly sworn in accordance with law, do hereby depose and say:

1. That sometime on July 3, 1986, I submitted my affidavit to the Presidential Commission on Good Government thru Raul Daza;

2. That in addition to the narration of facts in the aforesaid affidavit, I wish to add the following:

a) That after my retirement from government service on July 3, 1979, I was asked by Mr. Marcos to go to Malacanang to seek my advice on some infrastructure projects being undertaken by the government.

b) As requested, I went to Malacanang. During that time, I needed the assistance of Mr. Marcos in connection with the threatened foreclosure of Mayon Imperial Hotel by the Government Service Insurance System. After exchanging amenities, I told the President about the problems of Mayon Imperial Hotel. The President promised to help but nothing came out of his promise inasmuch as Mayon Imperial Hotel was also taken over by the GSIS.

c) That on the same occasion, Mr. Marcos asked me to go to Hongkong to receive for him certain amounts from the Japanese representative, Mr. Susumo Makino. I acceded to this request inasmuch as I was also confronted with the Mayon Imperial Hotel problem and Mr. Marcos was the only one in a position to help me with the said problem. Insofar as I can recall, I continue to receive for Mr. Marcos certain amounts from Mr. Susumo Makino up to 1981.


3. That I likewise state that I have no dollar account with any Swiss Bank or with any foreign bank. Previously, I maintained a dollar account with the Bank of America in California but I closed the same sometime in 1968, and turned over the withdrawal therefrom to Josefa Imperial Aquino as my wedding gift to her.


IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of August, 1986 in Makati, Metro Manila.

BALTAZAR AQUINO  
Affiant



SUBSCRIBED AND SWORN to before me this 18th day of August, 1986 in Makati, Metro Manila, affiant exhibited to me his Res. Cert. No. A-144006206 issued at Legaspi City on February 19, 1986.

  
NORLANDO S. TOMAS  
Notary Public  
Until December 31, 1987  
PTR No. 8739992-Makati  
Jan. 10, 1986

  
Doc. No. 408 ;  
Page No. 82 ;  
Book No. II ;  
Series of 1986.

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