

Philippines Fallout

When Aquino was gunned down by a Filipino guard at the Manila airport in August 1983, his assassins obviously did not foresee the consequences of their actions. The assassination led to massive outpourings of popular dissent and boosted the previously divided and embattled opposition movement.

Twelve months later a Marcos-appointed panel had charged 25 soldiers and one civilian with conspiracy to murder Aquino. Most prominent among those accused was General Fabian Ver, Armed Forces Chief of Staff (now on indefinite leave) and cousin of Marcos.

The opposition, though still seriously divided, went on to score several victories in its continuing campaign to end the Marcos dictatorship. Hundreds of thousands of Filipinos were mobilised in huge rallies of protest against Marcos, and in sympathy with Aquino. The protests continued right on up to and past the May 1984 national elections. They focused the world's attention on Marcos' continuing repressive rule and illustrated how isolated he is becoming from his people. For example, for the first time, significant sections of the business community began publicly to identify with the opposition.

The national elections also revealed similar trends. Although the opposition groups could not come to any final agreement on their approach, the results reflected well on all sides. The boycott campaign is estimated to have moved over 15 percent of the


Marcos' regime is rapidly losing support despite massive injections of foreign military and domestic aid. Australia's continued 'aid' for Marcos is placing both Foreign Affairs and Bill Hayden's human rights policy under considerable strain. Phil Hind reports.



population into not voting. The various opposition candidates, on the other hand, managed to outpoll Marcos candidates in Metro Manila and win twice as many seats overall as the most optimistic forecasts had projected.

Not that the election of a new National Assembly means very much in the wider scheme of Filipino power politics. Marcos was, and still is very much in control. He maintains his effective right to rule by decree, and his right of veto over the Assembly. He directly appoints 17 of the 200 members of the Assembly. His executive power is enormous — through his control over the direction of the economy, the deployment of the Armed Forces, police and constabulary, and his patronage of favoured business and media interests.

But in other ways the election was of great significance. Marcos obviously saw it as a means of trying to legitimise his authoritarian rule and as a tactic for dividing the opposition. It was a gamble; one which he hoped would convince his US friends that he can live with a semblance of democracy. Twelve months on, Marcos' rule now looks more shaky than ever.



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The Geo-Strategic Context

The American connection is very important in Filipino politics. The military stakes are very high. Although the US had a direct military and political involvement in the Philippines going back to the turn of the century — when it became colonial ruler of the Philippines after the Spanish-American war — it is the period after the end of World War II which has most set the tone for current US interests in the Philippines.

Following the surrender of Japan in 1945, the US was left in virtual control of the entire Western Pacific. The US granted formal independence to the Philippines and Korea in 1946, but stayed on as an occupationary force in Japan in order to completely disarm it and punish its former rulers.

developed two massive bases — Subic Naval Base and Clark Air Field.

Subic is the largest US naval support base in the Pacific. It functions as a refuelling stop, supply depot and repair shop all in one. It regularly services the US Seventh Fleet and can accommodate everything from the biggest aircraft carrier and battleship task force down to the lowly patrol boat.

Clark Air Field is the largest US military installation of any sort in Asia. Its runways are long enough to carry all types of aircraft — B-52s, spy planes, fighters, etc. It has huge ammunition storage areas — including probably nuclear weapons stores. And it serves as a training ground for US forces. Most importantly, Clark is part of an integrated network of air and naval bases: to the north Okinawa, the

bases". If nothing else, this provides the same "tripwire" guarantee which goes with the presence of US forces in Korea. Any popular dissent which can be portrayed as communist inspired becomes the ready-made excuse for US intervention in the interests of national security, saving American lives, etc. Given the political complexion of the US today — post-Afghanistan, post-Iran and post-Grenada — it is hard to imagine any scenario in which the US would fail to intervene in the Philippines if it saw its tenure over the bases threatened.

Philippines society is going through a profound economic and political crisis. The dual failure of its export-led development strategy and of the US-backed Marcos dictatorship is most evident.

The Philippines has the highest level of foreign debt in the Asia/Pacific region, apart from South Korea. Its foreign debt is fast approaching the size of its whole GNP. It currently owes \$26 billion in loans to foreign creditors. Inflation is running at a yearly rate of between 30 and 40 percent. Unemployment in urban centres like Manila has jumped, with mass lay-offs in '83/'84; while underemployment is rife in all sectors of the economy. Since the Aquino



The US quickly moved to establish a permanent military presence in the Asia/Pacific rim in order to prevent any communist advances into the region. This policy also became the pretext for intervening militarily against the communist revolutionary movements which were then developing in China, Korea, the Philippines and, ultimately, Viet Nam. The Americans committed themselves to a great network of permanent military bases and advance forces in the Asia/Pacific.

With the victory of the Chinese communists in 1949, and the worsening civil wars in Korea and Viet Nam, the US presence off the East Asian coastal rim became critical.

In the Philippines, the US

Japanese mainland and South Korea; to the east Guam; and to the southwest Diego Garcia in the Indian Ocean.

US military figures have long asserted the high strategic importance of the Philippines bases. So important are they that the US agreed to a \$900 million aid and grant package to the Philippines last year as payment for the next five years' lease. US Navy Commander-in-Chief (Pacific), Admiral Robert Long, told US Congress last year that it would cost the US \$2 billion to replace the bases in the Philippines. Alternative sites, however, are hard to come by!

Significantly, the bases agreement also provides for the participation of US troops in security activities off the

assassination in August '83, there has been an enormous flight of capital from the Philippines — to the tune of hundreds of millions of dollars. Foreign reserves have fallen to a perilously low figure and the Philippines' ability to buy crucial imports to keep industry running has been severely curtailed. World banking creditors and international investors held back for over 12 months on sinking more money into the Philippines economy, until Marcos agreed on terms for a program of economic reform.

This amalgam of problems and its resulting shockwaves would be devastating in their impact even on the best of economies. In the Philippines

they spell disaster. In a country where mass poverty and low wages are more common than not, where basic social needs like housing, health and education are a function of wealth and privilege, the effects of the economic crisis are particularly acute.

In the immediate post-election period, Marcos moved to institute a new series of austerity measures designed to stop the economy sliding even further. The World Bank and international creditors laid down tough conditions for the Filipino government to fulfil before it will finalise any new loans. New loans are needed to bridge the growing gap between old loans which must be paid and immediate funds needed just to keep the economy ticking over. In effect, Marcos has mortgaged the present Philippines economy against

Bank and his American-trained advisers, he embarked upon a course of "export-led industrialisation". The rationale was simple: by encouraging foreign investment in areas where the Philippines had a "natural" advantage over other countries, it could capture large parts of the Western consumer and reprocessing markets. Rapid growth, based on exports, would spin off into other sections of the economy and earn foreign exchange at the same time. (The so-called "natural advantages" of the Philippines were cheap labour and natural resources.)

In the rural sector, Marcos encouraged a combination of "green revolution" technology (i.e. high-yield rice varieties, pesticides, herbicides, etc.) with a large agri-business investment as an attempt to radically lift agricultural productivity.

concentrate political and state power around his rule and, by so doing, to create the conditions favourable for foreign investor confidence. But he also created a crony network around him. Corruption, patronage and personal gain — already endemic in Filipino society — became institutionalised behind the closed doors of the Marcos dictatorship.

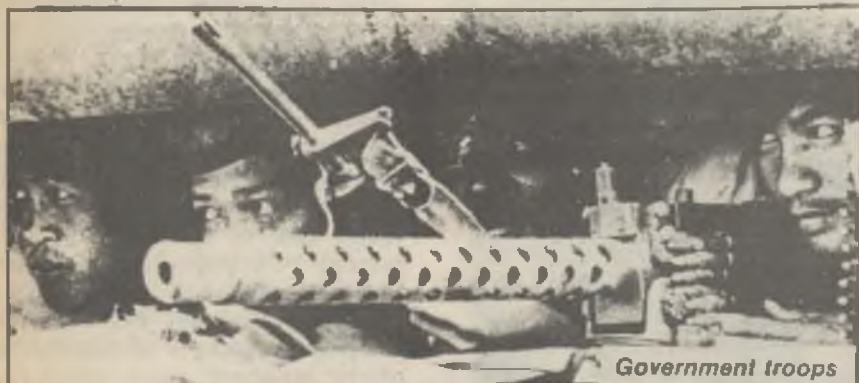
Thus, the Marcos government committed itself to keeping wages low, staple food prices low, and to massive spending on its own part. The big money for its infrastructure programs it borrowed from overseas. Ultimately, even the repressive constraints of martial law could not prevent the development strategy from starting to fall apart.

The Marcos plan created the illusion of development and, for a period, produced strong economic growth, but was vulnerable on many fronts.

Marcos Move Over?

In short, Marcos emerged from the martial law period with more problems than he began with. The economy is in a worse position, the opposition is stronger and more broadly based, and his overseas backers are not sure which horse to put their money on.

Even among Marcos' most trusted supporters in the US, there are clearly some differences emerging. Some sections of the State Department, intelligence community and business see the need for a government with



Government troops

the hoped-for prospect of a strong economic future. However, that strong economic future is perhaps more distant now than it was at the beginning of Marcos' rule 18 years ago.

The present crisis lies in the failure of the Marcos development strategy to deliver the goods. While martial law in itself produced growing popular resistance, such resistance may have been minimised had there been real and substantial benefits to a majority of Filipinos. But such benefits have not trickled through.

The Marcos Economic Strategy

What was the Marcos strategy and why did it fail? Amid growing political and economic crisis in the last sixties, Marcos emerged as President with a commitment to a new development strategy. With the urging of the World

The government, for its part, provided the infrastructure in the form of massive irrigation, hydro-electric and road-building schemes.

In fact, the provision of infrastructure and incentives to investors was the name of the game in this type of development approach. The Free Trade Zones established by Marcos (called Export Processing Zones) in Bataan, Mactan and Baguio epitomised this concept. The government spent billions of dollars on electricity and water supplies, transport and communication facilities, and construction of factory sites to service these and other foreign investments. In addition, the government was offering: tax exemptions and privileges, tariff exemptions, foreign exchange privileges, low rents, permission for 100 percent foreign ownership and permission to impose wages lower than the going standard.

Marcos used martial law to

greater legitimacy and less corruption — one which is better able to manage the economy in the interests of foreign investment and export-led development. Scenarios for getting out of the crisis are now much talked about.

One scenario has it that the US is cultivating one or other of the leaders of the legal democratic opposition. Salvador Laurel, nominal leader of the opposition grouping, the United Democratic Opposition (UNIDO), is one such person being mentioned. He is not anti-bases or anti-foreign



Alliance for Justice, Freedom and Democracy. In general terms, these groupings espouse a radical nationalist perspective and, although fairly small in numbers, are very influential.

The major opposition grouping is the rapidly growing National Democratic Front: of necessity, an underground organisation made up of groups including the New People's Army, the Communist Party of the Philippines, radical christians and a variety of people's organisations covering different sectorial and geographical groupings. The NDF claims over 10,000 organised members, with influence over many thousands of others through kindred organisations. US Embassy officials express the view that, in the long term, this group poses the most serious threat to the dictatorship.

The NDF has a 10-point program which calls for:

- the overthrow of the US-Marcos dictatorship and its replacement by a coalition government of representative democracy;
- nationalisation of all US property and termination of treaties and agreements;
- re-establishment of all democratic rights;
- genuine land reform for peasants and co-operative forms of agricultural production.

A protracted armed struggle is also being waged by the New People's Army (NPA — the military arm of the

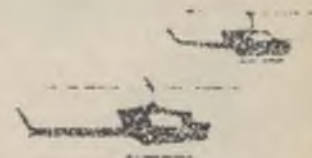
business; he is just anti-Marcos and anti-dictatorship. The problem for the Americans is how to back a moderate transfer of power while simultaneously excluding the radical nationalist, anti-American and socialist inclined opposition groups. It is precisely with these groups that the majority of popular support now seems to lie. If a more democratic opening is created, then these groupings will be present and vying for representation and power. The burning questions of land reform, improved living standards, and the removal of the US bases will then all assume centre stage. If Laurel remained loyal to the US in the face of this, he could well end up more isolated in Malacanang Palace than Marcos ever was.

Opposition Groupings

Who are the opposition? First, there are the traditional opposition politicians and

political organisations, primarily representing the interests of various wealthy family empires. Included in this group are the leading lights in UNIDO such as Salvador Laurel. The stated political objectives of this group are the "restoration of democracy", by which they mean the restoration of a freely-elected parliament, an independent judicial system and an end to the military terror. This group has little or no criticism of US bases, and looks for continuing close ties with the US.

Secondly, there is a group of former politicians, who have developed a far more critical position on issues such as US bases and the economic system operating in the Philippines. These include former Senator Diokno (a prominent human rights lawyer) and his grouping, Kaakby (Movement for Philippines Sovereignty and Democracy); and former Senator Tanada, who is a leader of a new grouping called the Nationalist



Communist Party). the NPA targets its attacks against the Philippines military and is widely acknowledged as acting to protect the lives and property of ordinary people in the areas in which they operate. Beginning in 1969 as a group of 60, armed with a handful of World War II vintage weapons, the NPA has grown rapidly to the point where its members are thought to be in the order of ten thousand full-time guerrillas, backed up by local militias of many thousands more. The NPA now operates in all

provincial areas. Their engagements with the military have captured the imagination of many Filipinos who, when privately expressing their frustration about Philippines politics, often talk about "going to the mountains" — a euphemism for joining the NPA.

In the south of the Philippines, another war is being waged by the Moro National Liberation Front (MNLF) which seeks an independent Muslim state. A number of southern islands and provinces are dominated numerically by the Bangsa Moro who claim to be an independent people of ethnic Muslim descent. The MNLF, although poorly organised, are linked with, and supported by, some Arab countries and are well armed.

The NPA and MNLF have recognised each other's sovereign claims and have mounted joint operations in areas of Mindanao where their areas adjoin. Closer co-operation between the two is likely in the future.

The churches, Catholic and Protestant, have also played a key role in opposing the dictatorship especially on issues of human rights and civil liberties. On occasions, the large Catholic church (the Philippines is nominally 80 percent Catholic) has exerted direct political pressure on Marcos. In the confusion immediately after martial law was declared, when most organisations were banned, the churches provided the framework within which human rights and anti-militarist organisations could develop. The churches, on the whole, are exploring peaceful ways of resolving the political crisis confronting the Philippines. Leaders in the Catholic church have advocated "critical collaboration" with Marcos. At different times, Cardinal Sin has been supine towards Marcos and, at others, he has openly spoken against him.

Other church members, and some church organisations, particularly those involved with daily resistance and relief work, are committed to more radical transformation of the Philippines. In growing numbers, the more radical of these have shown a willingness to support the armed struggle.

Australia's Foreign Policy

The Philippines situation poses significant foreign policy dilemmas for the Hawke Labor government. These problems relate not only to the US—Australia allied relationship, but also to the developing links between Australia and the Philippines over the past decade.

Civilian Aid

Australia has been a generous giver of economic development aid to the Philippines since 1972. Between 1972 and 1983, Australia gave \$120 million (1983 values). A significant component of this aid has gone towards major rural development projects, one on the southern island of Mindanao (costing \$41 million), and the other on the eastern side of Samar (costing \$65 million). Both these areas are economically backward. On face value, the aid is needed and appropriate.



However, these projects have attracted much criticism in both the Philippines and Australia. Instead of assisting the poorest people, the criticism goes, only the already well off will benefit materially. For example, one consequence of the projects is that poor tenant farmers will possibly be forced off their land.

In 1981, Dr. Richards investigated these claims on behalf of Community Aid Abroad and found much evidence to support allegations about the military use of the roads in Mindanao.

The Samar project involved, in the first stage, A\$25 million in aid, primarily directed to road construction. It commenced in 1978 during the term of the Fraser government and the second stage, involving A\$40 million was approved in 1983 by Mr. Hayden. Hayden said in parliament in November 1983 that, although the project was not economically viable, it was sometimes necessary to undertake projects for "political reasons".

According to the Asia Partnership

for Human Development (a Catholic development organisation) 50,000 peasant families in northern Samar have had to flee from their homes because of military atrocities.

Military Aid

Australia's military aid to the Philippines is low in comparison with other ASEAN countries, but still amounts to \$1.5 million a year ('83/'84). The largest proportion goes to training of, and study visits by, officers of the Armed Forces of the Philippines [AFP] (\$686,000). In 1980/81, one hundred and fifteen officers attended training courses in Australia. In 1982, Australia's then Minister for Defence, Ian Sinclair, claimed that Australia trains more AFP officers in Australia than does the US.

In the past, Australian military aid has also been directed to the sales of Nomad aircraft and patrol boats. Last year, we spent \$602,000 on maintenance support for Nomads purchased by the Philippines Air Force, and another \$100,000 on maintenance support for previously supplied DART target ranges.

The dividing line between military aid, arms trade and defence co-operation is a blurred one. In order to fully appreciate Australia's relationship with the Philippines, we also need to look at co-operation between respective armed forces and equipment sales. Here are a few examples:

- In the early 'seventies, Australia supplied 12 Nomad aircraft and later in the 'seventies supplied patrol boats.
- In February and March 1981, Australian Special Air Services personnel took part in combined special warfare and counterterrorist exercises in Subic Bay.
- In 1981, the Department of Defence arranged the sale to the Philippines of an automatic target range system called DART, manufactured by a US company in Australia. DART ranges are designed for training for guerrilla and urban fighting. The Defence Department acknowledged to the Senate last year that it was "highly likely" DART was being used to train Filipino police and other sections of the Armed Forces.

• In 1982, Philippines Defence Minister Enrile visited Australia, at Prime Minister Fraser's invitation, to explore expanded defence co-operation, including possible further purchases of Australian military equipment.

Labor's Policy

The election of a Labor government in 1983 has not, overall, produced any radical changes in the foreign policy line Australia has pursued in the region over the past decade. In large part, the differences in policy are more of emphasis than substance.

The US alliance and its obligations in the region are still primary, although there is considerable emphasis on Australia developing an independent position. The crude anti-Soviet warnings of the Fraser years have dissipated.

The maintenance of close ties with ASEAN is seen as vital, not only for defence purposes but also economic ones. On issues like East Timor, Kampuchea and military aid, this creates ongoing conflicts with other foreign policy objectives.

The Labor government has also vastly increased Third World aid, while seeking to promote human rights issues. The Father Brian Gore episode was a case in point.

Hayden has also indicated that he is sensitive to the need to develop "trickle-up" aid programs and not to supply aid which is being "used to deny human rights".

Hayden argues that by using a human rights policy and monitoring how aid programs are used, Australia can act as a restraining influence on authoritarian governments — his "political reasons" argument. How this policy should apply to the Philippines is a dilemma still facing the government.

areas in particular which are susceptible to policy change and are consistent with a more independent and non-aligned foreign policy stance.

- Stop all military aid, or at least suspend it, until such time as it is reviewed in light of: a) its connection with the repressive rule of Marcos, and b) its connection with growing regional militarisation.

It would be important that such a review cover all military aid and technology transfers, servicing arrangements, training and advisory arrangements, and joint military exercises.

- Review all civil aid to the Philippines to investigate whether: a) it is being used to enhance the repressive capabilities of the Marcos government, and b) it is meeting the urgent humanitarian development needs of the Filipino people.

Some might argue that this aid should be stopped immediately, although I believe this would be premature without a full and public review. Others might argue that a review process should be used in order to develop appropriate guidelines, consistent with the above objectives. At stake here is whether people believe that any sort of civil aid projects can play a role other than simply helping to legitimise ruling elites. It also raises the question that if we rule out giving aid to "repressive" governments, where would we stop?

- Develop lines of communication

with all opposition forces who represent significant sections of Filipino society. This implies recognising that repression and social inequality are the greatest threat to stability in this area of our region.

Australia's long-term interests lie with progressive and fundamental social change in the Philippines.

- A long-term aim must be to link the question of Philippines sovereignty and the presence of US bases with disarmament. In this context, Australian support for a Nuclear Free Pacific ultimately includes a Nuclear Free Philippines.

Although the present Labor government has refused to link the issue of warships and bases in any substantial way with support for a Nuclear Free Pacific, it obviously remains a critical long-term issue for any meaningful disarmament strategy.

By acting on these initiatives, the government would not only further the evolution of Australia toward a more independent and non-aligned foreign policy, but would also assist that process of social change which has now become necessary in the Philippines.

This article is based on a paper prepared with the assistance of Mike Beale and presented to a seminar on non-alignment organised by the Campaign for International Co-operation and Disarmament in June 1984.

Alternatives

What alternatives are there to this fairly wild foreign policy mix? What positive initiatives might we expect a Labor government, with a measure of public persuasion, to follow? There are four

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