

## ● MARCOS IN A MESS

The Philippine dictatorship of President Ferdinand Marcos has always been one of the United States' staunchest allies in the South-east Asian region. The country is an ex-colony of the US and the location of several important air and naval bases there means that the Americans have a special interest in maintaining a sympathetic regime. In recent times, however, Marcos has come under widespread domestic pressure to relinquish power as the society has been wracked by political and economic crisis.

The catalyst for the upsurge of anti-Marcos political activity on the domestic front was the assassination by the military, on 21 August 1983, of Benigno Aquino, a leader of the official 'Opposition'. Aquino, a self-confessed CIA collaborator, had returned to the Philippines in an attempt, strongly supported by the US State Department, to force the pace of a peaceful return to bourgeois democratic government. The extent of popular support for the anti-Marcos forces has meant that he was unable to whitewash the Aquino killing and was also unable to rig the May 1984 elections with the same ease as on earlier occasions, especially in Manila.

But while the assassination was the catalyst, the root cause of the political crisis has been a deepening economic crisis - most starkly manifested in the size of the Philippine external debt, which now stands at US\$25.6 billion, about \$15 billion of which had to be rescheduled in 1984. Much of the debt was brought about by government-guaranteed loans and lavish spending of Marcos's 'cronies' - a group of wealthy Filipinos whose fortunes have been augmented since he came to power by a combination of corruption, manipulating the open nature of the economy and unstinting support given to the regime by the US and international agencies like the World Bank and IMF.

Now, the economic failures as well as the Marcos regime's appalling record on human rights have led the US government to throw considerable support behind the Opposition - a loose coalition of wealthy and middle class Filipinos who share both the concern of the Americans at the growing economic instability and a fear of the political instability among workers and peasants which is provoked as much by the actions of Marcos' military supporters as by genuine communist insurgents.

Measures to be taken by the government in an IMF package announced last October

are unlikely to relieve the economic pressure on several important sections of society. Marcos' 'cronies' should be hit by the combination of new taxes on luxury spending and the closing of several lucrative avenues of tax evasion and easy finance. However, it is workers in the manufacturing sector, especially those catering to the domestic market, who will continue to be worst affected. The shortage of foreign exchange to buy raw materials has forced the closure of many local firms and workers in these industries have suffered wage cuts and short-time work offers or outright unemployment. Workers in the much faster-growing export oriented industries are less severely affected, but even here, slackening Western demand and competition from other low-wage countries has caused a slow-down. Marcos responded to the problems of manufacturing by banning strikes in the so-called 'vital industries' and, combined with the constant threat of unemployment, this has helped to ensure that real wages for Filipino workers fell by an astonishing 50% between 1970 and 1980.

The extent of American involvement in helping to create the present crisis through their complicity with the Marcos dictatorship and now in blatantly intervening to force changes in the economy, if not in the government itself - has angered large numbers of Filipinos outside the official Opposition. Apart from the industrial workers who are only recently finding a political voice, the bulk of the anti-imperialist forces have been made up of the rank and file of the Catholic Church. Christians have tended to ally, in the rural areas, with the guerillas of the New People's Army giving the latter an unexpected channel to the outside world and boosting the prestige and finances of a movement which, hitherto, was confined to a few outer islands, away from the mainstream of Philippine development. (Many of the alleged incidents involving 'communists' of the NPA are in fact staged by government soldiers who thereby increase their bonuses.)

The communist movement in the Philippines is divided. The 'Old' Party (PKP) was based in Central Luzon (the area of the Huk Rebellion in the 1950s), but is organising increasingly among industrial workers. The 'New' Party (PCP) has the NPA as its military wing and has, in consequence, accepted Christians onto its Central Committee. It appears that the influence of the Church has largely replaced the PCP's former links with China. The Christian presence also extends wider than that of the PCP (especially in Manila) and their leadership in the struggle



against US bases in the country has given the Americans some cause for alarm.

But the official Opposition is also very fragmented - as it was even when Aquino was alive. The problem for the Filipino ruling class and the Americans will be to find a new leader acceptable, not only to the competing factions of the Opposition, but to Marcos' military backers. The Americans are unlikely to give support to direct military rule except as a last resort - if only because Marcos and the military have proved unable to manage the economy successfully - and they will exert heavy pressure on the factions to come together. Ironically, one of the names most frequently mentioned as a possible successor is Cesar Virata, the present Prime Minister and Finance Minister. Although a long-serving member of the Marcos government, Virata is not associated with the wilder excesses of 'crony' capitalism.

In the short term, with American assistance, the transition to a parliamentary-type regime can probably be managed. In the longer run, the success of this transition will depend on the ability of the new regime to overcome the economic crisis and to blunt the radical edge of the Church by improvements in human rights and social justice.

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