A U.S. PERSPECTIVE ON THE PHILIPPINES

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In 1984 and 1985, it became more and more evident that the communist insurgency in the Philippines was expanding at a rapid rate. The inability of the Marcos regime to deal with this expansion and the root causes of it became a matter of great concern to the Reagan administration. Those of us involved with defining and implementing U.S. policy in East Asia and the Pacific grappled with the problem of what to do with the deteriorating situation involving one of America's closest and long-term allies. U.S. security was directly affected because of the Subic Bay naval base and Clark airfield, the use of both of which was determined to be of major importance to the carrying out of American security policy, not only in defense of the Philippines itself, but in broad regional terms as well.

I personally strongly believe that a government based as broadly as possible on the will of the people is better able to cope with the problems of modern society, including security problems. A democratic government, despite appearances on occasion, is the strongest government devised by man. President Marcos and some of his close associates seem to have forgotten this fact and the disillusion with the Marcos government by ever larger numbers of Filipinos became apparent to all.

In the U.S. government and with the approval of President Reagan, we began to speak in urgent terms to President Marcos,
both publicly and privately, about the immediate need for political, economic, and military reform, if the communist insurgency was to be weakened and the lot of the people improved within a democratic framework. Unfortunately, Marcos was not to be moved. He took the position that all was well in the Philippines, that the communist threat was grossly exaggerated and that the people were happy and content with his rule. Clearly, none of this was the case.

There have been stories put out for a number of years that there were serious differences within the Administration on the matter of how to deal with Marcos and his government. This is simply not true. U.S. policy was to urge Marcos to institute drastic and dramatic reforms to reopen the political system in the Philippines, to give more than lip service to a free and open economy, to crack down on the ever increasing corruption and to reform the army so that it could better deal with the communist insurgency. These actions by Marcos were absolutely essential if the Philippines was to survive as an independent society and nation. No one within the United States government at the time, at a policy level, questioned this assessment.

The assassination of Benigno Aquino at the airport on his return to the Philippines from exile in the United States brought the situation to a head. Involvement of Marcos supporters, if not the president himself, in this assassination was a manifestation of the extent to which lawlessness and unreality had seized the small coterie surrounding Ferdinand Marcos.
There has been much speculation as to why Aquino decided to return to the Philippines just when he did. I cannot answer that question, nor do I think can anyone in the United States government. The decision to return was Aquino's alone and was the decision of a very courageous man and a dedicated Filipino patriot.

President Marcos had been a long-time ally of the United States and a strong supporter of U.S. security policies in the Pacific and around the world. For this reason, the U.S. government did everything possible to convince him that he should restore democracy to the Philippines and take other reforms so necessary for the well-being of his country and its people. Both government officials and private citizens who had known him well for a number of years talked to him about the need for major actions. Public statements were made by senior officials expressing the deep concern of the United States at the continuing disarray in the Philippines and the callous disregard of human rights. But nothing seemed to get through to Marcos. However, after the visit to Manila by President Reagan's close friend and political confidant, Senator Paul Laxalt, Marcos decided to call an election for early 1986--an election he was apparently convinced he could win. We all know what happened in that election and his efforts to rig the results and declare himself victor. These efforts failed.

I recall the discussions inside the executive branch of the government at that time, particularly relating to the reported
widespread corruption in the election process. It soon became clear that the Marcos government had violated all the rules of a fair and true election. A statement issued by the White House affirmed this in unmistakable terms. Rumors circulated in Manila about possible actions to be taken by Marcos against his main opposition in the election, Mrs. Corazon Aquino and others whom he suspected of personal disloyalty to him, including Defense Minister Juan Ponce Enrile and General Eddie Ramos. These rumors centered around the main charge that these individuals and possibly, also, Cardinal Jaime Jim would be arrested and left in prison for a period of time. Whether or not formal charges would ever be brought against them was not known.

On February 22, 1986, I was planning to leave for Tokyo for discussions with Japanese leaders on a number of subjects. I was to be on a special plane taking a White House advance team to Japan to prepare for President Reagan's visit for the Economic Summit to be held in early May. About 4:00 a.m., on the morning of February 22, I received a call from the White House Situation Room to let me know that certain events were occurring in Manila which could mean that a destabilizing situation was developing. I already had my bags packed for my departure for Tokyo at 9:00 a.m. I got up immediately and went in to the White House. The events of the next several hours and days taking place in Manila are well-documented and have been exhaustively covered. In my own case, the decision was to have me go on to Tokyo in order to keep Prime Minister Nakasone and his government fully aware of
how the U.S. interpreted and understood the Philippine situation and to be prepared to go to Manila, if necessary, to convey President Reagan's views directly and personally to President Marcos and others. As it turned out, any trip by me to Manila was overtaken by events and Senator Paul Laxalt made the telephone call to Marcos which assisted his departure from Marila and the coming to power of the opposition led by Mrs. Aquino. Senator Laxalt has written about this phone call in some detail.

Since President Aquino took office in February 1986, she has a great number of positive accomplishments to her credit. She has restored a working democracy to the people, with a new Constitution, and an elected president, legislature, and local government. There is a lively, freer press in the country. The Communist Party of the Philippines has been seriously weakened since Aquino's succession, but it is still a major threat. Civil-military relations are improving as a result of Aquino's endorsement of expanded counterinsurgency operations, increased military budget and pay, and leadership realignments.

Since President Aquino took over in February 1986, economic recovery has been sustained. In 1987 there was a 5.6 percent real growth in GNP and in 1988 a 6.77 percent growth. Consumption and capital investment each account for half of the 1988 GNP growth.

Private company profits increased more than 10 percent in 1987 after several years of decline. U.S. and Japanese investment is increasing, but the bulk of new investment is from
domestic sources and Taiwan and Hong Kong. Philippine macroeconomic policy has contained inflationary pressures while stimulating rapid growth. The annual inflation rate was 8.8 percent in 1988.

Economic reforms are continuing to occur and a major land reform program is now in place. In 1988 exports grew some 25 percent. A major problem remains the large foreign debt of $27.8 billion. The Philippines is determined to honor its debts, but this is a sensitive political issue. Foreign debt service takes 30 percent of export earnings despite the favorable impact of rescheduling.

If economic growth, so crucial for political stability, is to be sustained, continuing rescheduling and additional foreign financing are needed. The proposed Multilateral Assistance Initiative (MAI) supported by both the U.S. and Japan, is designed to provide that financing from both public and private sources.

In addition to assisting the highly popular Aquino government in its efforts to build the economy, further democracy, and defeat the communist insurgency, the United States believes it important to retain the close and allied security relationship between the U.S. and the Philippines. This means, among other things, that a successful renegotiation of the military base agreement between the two countries be concluded in the coming months. This will be good for the security of both and, indeed, for the security of the East Asian and Pacific
region.

What we are witnessing in the Philippines is the proof of the theory that a democratic form of government can better handle the great social, political, economic, and security problems of a country. Under President Aquino and with full debate carried on freely and openly about all matters concerning the future of the Philippines, positive and successful steps are being carried out. Political democracy is alive and well, the economy is growing and the Philippine army and people are containing the communist insurgency. While the negotiations of the U.S.-Philippine Military Bases Agreement Review were concluded on October 17, 1988, after harsh questioning on both sides, the ventilating of all of the issues was a good thing and was necessary in a democracy. Under Marcos, such an open and frank discussion in the legislature and in the media was not allowed. Under Aquino, it was welcomed. As a result, a better agreement was achieved and one which the people and representatives of both countries can support.

Democracy and security go hand-in-hand.

A number of American officials, in the Executive and in the Congress, were angered at some of the strong, somewhat extreme nationalistic statements which emanated from Manila during the negotiations. I always believed, however, that these statements had to be placed in an appropriate perspective. The vast majority of the Philippine people have a great friendship with the United States and want to maintain a close and enduring
relationship with America. At the same time, they want this relationship to be one of equality and as free as possible from the remnants of a colonial past. It seems to me that the venting of much of these feelings during the Bases Review negotiations and the conclusion of a sound agreement augers well for a successful renegotiation of the continuation of the use of the Subic and Clark bases by the U.S. after 1992.

In international terms, Corazon Aquino must be given a place among the extraordinary democratic leaders of our times. I first met President Aquino some three weeks after she had taken over the office of president in Manila. Since then I have discussed with her on a number of occasions, once in Washington and other times in Manila, the developments in the Philippines and U.S.-Philippine relations. I have been continually struck by the strength of character and purpose exhibited by President Aquino. She is dedicated to the principle of democracy and to promoting policies which will contribute to the welfare of the people. She has a firm faith in God and believes that this faith will sustain her against all enemies. I was in her office with her in Manila a couple of weeks after the almost successful coup attempt against her in late August of 1987. She was calm and cool and spoke of her plans for the future to move ahead as rapidly as possible with economic and military reforms. She knew where she was going and how she wanted to get there, based on her rock belief in the Filipino people and their capacity to decide their own affairs. One thing that has struck me about her is her
determination not to allow a desire for revenge to color her policy formulation and implementation. She explicitly pointed this out to me on a number of occasions. Given what happened to her husband and the suffering of others now serving in her government under the Marcos regime, it would be understandable if revenge motivated some of her actions. But she has steadfastly refused to allow this to occur. In my view, President Aquino's approach to power and responsibility is that of a truly inspired democratic leader.