

~~SECRET~~

CENTRAL INTELLIGENCE AGENCY

24

INTELLIGENCE MEMORANDUM NO. 287

24 April 1950

SUBJECT: Political and Economic Factors Affecting the Stability of the Philippine Government

SUMMARY

NOTE: This political and economic estimate has not taken full account of the many variable elements in the Philippine military situation. It is therefore emphasized that nothing in this paper should rule out the possibility of a forceful overthrow of the Philippine Government, if the conclusion regarding such a possibility is derived from a detailed study of military factors necessarily beyond the scope of this estimate.

Although worsening political and economic conditions in the Republic of the Philippines do not presage the immediate overthrow of the government, elements in the situation are seriously threatening the stability of the Quirino administration. Loss of popular confidence in President Quirino is becoming widespread, largely as a result of administrative incompetency, abuses of power, and evident inability to maintain essential conditions of law and order throughout the archipelago. The weaknesses and irresponsibility of the Philippine political system have also contributed to this loss of popular confidence.

Under President Quirino, the Philippine Government will probably increase its use of arbitrary power in the immediate future, in attempts both to subdue legitimate opposition and to quell Communist-inspired violence. Increasing loss of confidence in Quirino, as a result of a continuation of his incompetent leadership, may bring about the President's removal, unless his death or retirement for physical reasons occurs first, in favor of Vice President Lopez.

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

F-35

~~SECRET~~

Document No. 001
NO CHANGE in Class.
 DECLASSIFIED
Class. CHANGED TO: TS S C
DPA Memo, 4 Apr 77
Auth: DPA REG. 77/1763
01.120 Rv: 07.3

~~SECRET~~

Although Lopez may be able to restore a measure of the popular confidence which Quirino has lost, he will be equally unable to eliminate the basic factors in the Philippine situation responsible for the long-term trend toward greater instability. In any event, current attempts to reorganize the armed forces are not expected to increase their efficiency nor to bring about closer cooperation on the part of the general public.

Economic factors, while not directly responsible for the present decline in the stability of the Quirino administration, nevertheless aggravate the uneasy political climate. Of immediate concern is the Republic's rapidly deteriorating financial position. In turn, the solution of fundamental economic problems--principally inequities in the Philippine agrarian system--would play an essential part in ending the long-term threat to a stable government in the Philippines.

~~SECRET~~

~~SECRET~~

1. Political Conditions.

The Filipino people, largely because of political immaturity and inadequate education, have generally been apathetic toward their government. This apathy is presently turning into active popular resentment against governmental inefficiency and abuses. Loss of confidence in the government, and particularly in President Elpidio Quirino, has become widespread and has extended even to the inner circle of officials upon whom the President has heretofore depended for loyal support. These developments handicap the government in its efforts to maintain law and order throughout the archipelago and contribute to the strength of the Communist-led Huk movement in Luzon.

a. Executive Leadership.

Strong leadership has been traditional in the Philippines and continues to be expected by the Filipino people. The Philippine Constitution delegates broad powers to the President, and the great popularity of the late President, Manuel Quezon, resulted from popular reaction to his vigorous leadership. The general dissatisfaction with President Quirino's leadership derives primarily from his inability to exercise effective control, as demonstrated both by his toleration of excessive graft, corruption, and inefficiency in the government and, perhaps more importantly, by his demonstrated inability to maintain law and order and his disregard for civil rights. Quirino's position is further weakened by the increasing popular conviction--fostered by opposition Nacionalista Party charges--that the Quirino administration returned to power in the 1949 elections solely as a result of fraud and coercion.

The possibility that Quirino, who is in ill health, may die in the near future, or be forced to resign before his term of office expires in 1953, has stimulated a general maneuvering for position among Filipino politicians, a development which has also tended to lessen confidence in the Quirino administration and weaken the authority of the executive. Vice President Fernando Lopez, who would succeed Quirino, is a member of the wealthy land-owning class that dominates Filipino political life, and has always identified himself

~~SECRET~~

~~SECRET~~

with vested economic and political interests. Lopez is becoming increasingly popular in comparison with Quirino and, if he assumes office, might be able to increase administrative efficiency and restore a measure of popular confidence in the government. Lopez' background, however, suggests that he would not institute the broad administrative, political, and economic reforms necessary to obtain the continuing support of the increasingly articulate common people.

The Quirino administration will probably increase its clumsy use of arbitrary power in the immediate future, in an attempt both to subdue legal opposition and to quell Communist-inspired violence. This development would accelerate the growing loss of confidence in the administration, would increase popular opposition, and would add to Communist strength. As conditions deteriorate, Vice President Lopez, together with other political leaders, may assume effective control of the government, leaving Quirino only the vestiges of his office.

b. Law Enforcement.

Operational control of the Philippine Constabulary, the agency primarily responsible for maintaining law and order, was recently transferred by emergency decree from the Department of Interior to the Commanding General of the Armed Forces. This reorganization, however, is not expected to enable the Quirino administration to suppress lawlessness. Neither the Constabulary nor the Philippine Armed Forces has yet demonstrated noteworthy capability for maintaining law and order or even for preventing destructive raids by the dissident Communist-led Huk bands concentrated in central Luzon.

In addition to the pressing problem posed by this Communist-led "liberation" movement in Luzon, the government's security forces are handicapped by the prevalence of privately-owned firearms throughout the islands and by rivalry with special police units, which are responsible solely to local officials. Widespread abuses of police authority by all law-enforcing groups, moreover, have resulted in a non-cooperative attitude on the part of the general public.

~~SECRET~~

~~SECRET~~

c. Government Administration.

Governmental instability is also aggravated by administrative corruption and inefficiency at virtually all levels. This situation has resulted, in lower echelons, primarily from inadequate salaries and inexperience, and, among the small elite group of wealthy land-owners and entrepreneurs who constitute the Filipino ruling clique, from a lack of civic spirit, as well as that clique's full knowledge of its own economic power and its past confidence that the apathy of the disorganized and uneducated mass of the people would continue. Among the elite, personal enrichment and the protection of vested interests continue to be overriding motives for holding public office.

d. The Party System.

The undeveloped Philippine political party system also contributes to governmental instability. Political allegiance in the Philippines is granted to leaders rather than to issues. The two major political parties--Liberal and Nacionalista--have a common origin and few differences in their platforms. Party members, and even party leaders, shift their loyalties frequently and rapidly, depending upon their personal assessment of relative party strengths. Currently, for example, many of the Senators elected on President Quirino's Liberal Party ticket have turned against the President. The local Communists, who have been quick to sense the significance of these weaknesses in the political parties and who hope to discredit the whole party system, are continually propagandizing the Filipino people regarding the self-interest and venality of the nation's politicians.

2. Economic Conditions.

Although economic conditions are partially responsible for the present instability of the Philippine Government, they pose less of an immediate threat than political factors. Although the Republic of the Philippines is almost self-sufficient in food, a factor favoring long-range stability, long-standing inequalities in the nation's agrarian system have been exploited by the Communists and have not only facilitated the development of the Communist-led Huk movement in Luzon

~~SECRET~~

~~SECRET~~

but are producing unrest elsewhere in the archipelago. Continued failure of the Philippine governing class--the beneficiaries of this agrarian system--to deal with this problem effectively has provided local Communists with excellent opportunities to organize the otherwise leaderless peasantry.

The nation's rapidly deteriorating financial position is a less deep-seated but immediately critical problem. Heavy budgetary deficits and a serious depletion of foreign reserves have obliged the government to tighten import controls drastically and to propose tax increases. Under a reasonably stable and efficient administration, these measures might have been considered necessary to a solution of the problem. However, the resultant sharp price increases of imported consumer goods and the creation of some unemployment in the import trades, when viewed in connection with the general lack of confidence in the Quirino administration, have increased popular doubt as to the country's economic future and thus have aggravated the present political instability.

~~SECRET~~

Page Denied

Next 6 Page(s) In Document Denied