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DIRECTORATE OF  
INTELLIGENCE

# WEEKLY SUMMARY

*Special Report*

*Philippine President Marcos' Problems at Midterm*

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PHILIPPINE PRESIDENT MARCOS' PROBLEMS AT MIDTERM

The strong showing of President Marcos' Nacionalista Party in the recent off-year elections has increased his control at both national and provincial levels. This should give him greater leverage in pressing his reform and development programs, but his willingness and ability to deal effectively with numerous current problems are by no means assured. The problems include rising pressures from rural poverty and urban unemployment, growing lawlessness, and the demands of a post-war generation alienated from the tradition of their parents and seeking a more distinct national identity. Practical politics and the foot-dragging of a powerful conservative oligarchy may limit his accomplishments.

Marcos' Political Strength

After two years in office, President Fernando Marcos of the Philippines has shown remarkable political strength, as reflected in the success of his Nacionalista Party in the recent off-year elections. Marcos campaigned vigorously for Nacionalista candidates running for local and provincial positions, realizing that grass-roots support would be vital in implementing his development programs and in marshalling support for his re-election bid in 1969.

His efforts were repaid when, according to unofficial returns, his party gained 48 out of 65 governorships and nearly three fourths of other provincial, municipal, and local offices in elections marred by violence, corruption, and inefficiency. In the Senate, whose members are elected at large, the Nacionalistas took six of the eight con-

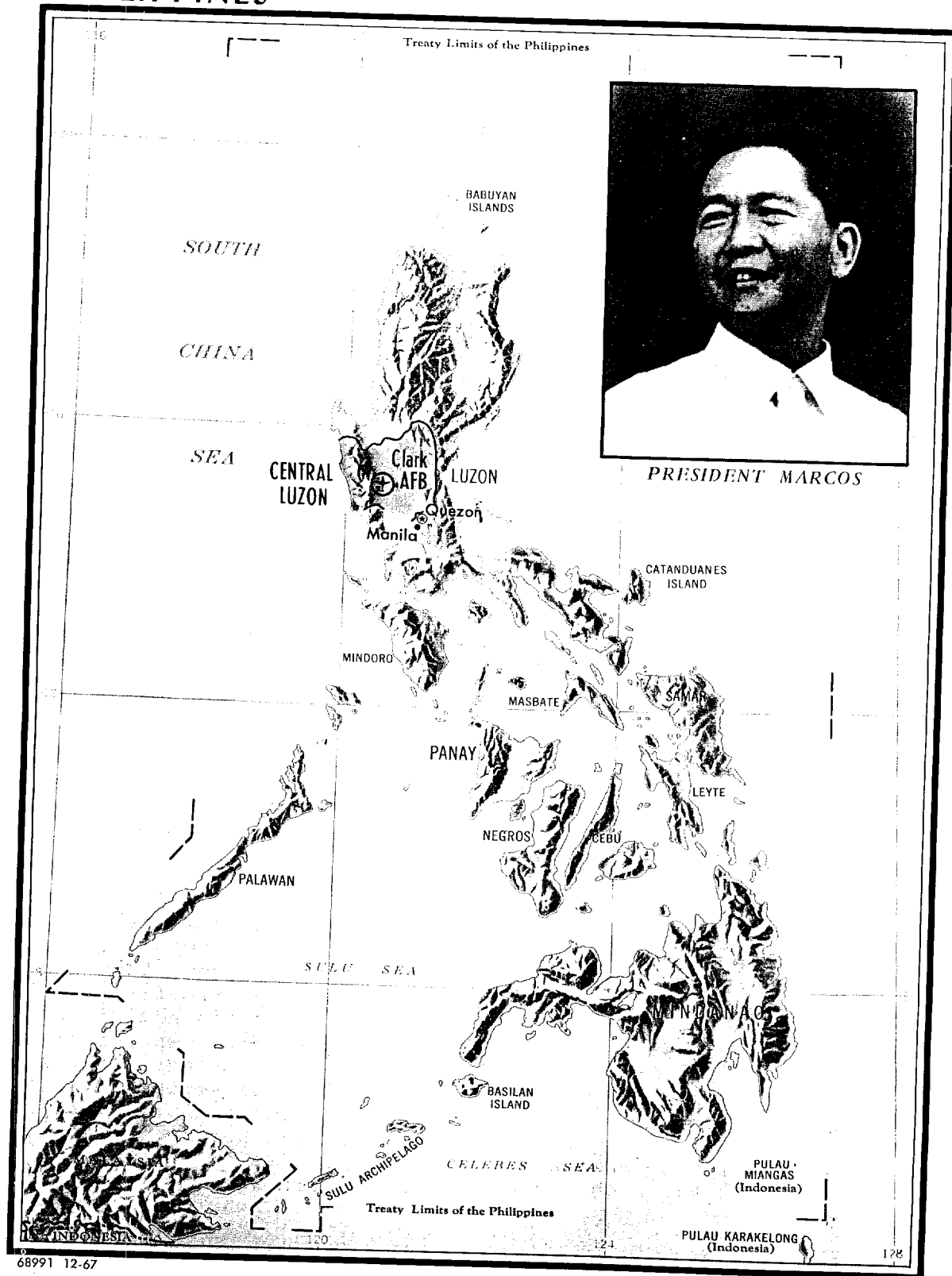
tested seats, and a proadministration independent gained a seventh, leaving the opposition Liberals with just one Senate victory.

The glow of victory was somewhat dimmed by the outstanding showing of the Liberal senatorial candidate, Benigno Aquino, ex-governor of Tarlac Province and a vigorous opponent of Marcos, and by the re-election of Manila's Liberal mayor, Antonio Villegas, whose penchant for anti-American nationalism has often proved embarrassing to the administration. As Marcos had personally chosen and vigorously campaigned for Villegas' opponent, the mayor's victory was particularly galling. Both Villegas and Aquino are now regarded as presidential timber for future elections. Aquino, who polled the second highest number of votes in the Senate race, made a particularly strong impression as a youthful, progressive figure who offered something

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fresh and new. Both men will probably intensify their opposition to Marcos' efforts in the next two years.

Nevertheless, Marcos' increased numerical support both in the provinces and in the legislature should put him in a better position to carry out the reform measures and development programs the country so desperately needs. The highly centralized nature of the Philippine Government facilitates the President's control over his provincial adherents, but his ability to control the legislature is less certain. Philippine politicians have traditionally switched allegiance when they believed it was to their political advantage. The Liberals, for example, gained control of the Senate last January through the defection of four Nacionalista senators. Obligations incurred in the recent election, as well as attempts to ensure future backing for his re-election bid, may also diminish Marcos' enthusiasm for pushing through reform legislation, a subject which--in any case--is not popular with the generally conservative oligarchy that controls Philippine politics. Marcos' primary goal, above all else, is to be the first Philippine president to be re-elected, and he will probably make any political compromises necessary to achieve this end.

#### The Nation's Problems

Marcos is still faced with the myriad of troubles that beset

the country when he was elected and he has so far accomplished little in resolving them. A vast and growing gap exists between the wealth of the few and the poverty of the many. The peasant farmer's subsistence-level existence has been perpetuated by backward agricultural methods, inadequate irrigation, and high crop loss from pests, particularly in the important rice-growing areas. Initiative for improvements has been discouraged by a feudalistic system of land tenure and by a traditional suspicion of innovation. Progress in land reform and rural development has been generally slow, hampered both by bureaucratic inefficiency and by the interference of landlords who are powerful supporters of both major parties.

Because of poor standards of living in rural areas, migration to urban areas, especially Manila, has expanded rapidly in recent years. The growing urban populations have intensified pressures on municipal facilities and services, which are unable to keep pace with the expanding slums. Even though a growing economy is providing increased opportunities, it has not kept pace with a rapidly increasing population. Serious unemployment and more widespread underemployment have resulted. Despite this vast reserve of labor, the demand for skilled manpower to meet growing industrial needs cannot be met. Government neglect in providing training schools or in encouraging technical education has only recently been recognized, and manpower planning and technical

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training programs have begun to receive attention.

The Philippines produces more college graduates than any other nation in Southeast Asia, but poor educational standards and a high drop-out rate at the primary level reduces the average education to approximately the fifth grade. Although 30 percent of the national budget is devoted to public education, there is a serious shortage of facilities at the primary and secondary levels, and the situation is aggravated by an ever-growing number of school-age children.

The relatively substantial educational opportunities at the college and university level are not matched by the economy's ability to absorb the graduates. There is also an imbalance between the most-emphasized college curricula and the needs of the country. This has resulted in a surfeit of liberal arts graduates unable to find suitable jobs, and a dearth of much-needed technical specialists.

The level of lawlessness in the Philippines is high and continues to rise, unchecked by inefficient law enforcement and judicial procedures that result from political interference, expanding urban slums jammed with masses of unemployed, inadequate funds for the police forces causing personnel, training, and equipment deficiencies, and widespread private ownership of weapons. It is said that there are more privately employed guards than police in the Philippines.

The recent elections were marred by the worst violence and corruption since 1949. Both parties engaged in massive vote-buying and, reportedly, the victorious Nacionalistas appear to have been the most munificent. The administration reportedly used the Philippine constabulary to intimidate voters, an abuse which can only further lower public support for their security efforts.

Attempts to institute necessary reforms are undercut by the fact that the Philippine elite, with few exceptions, refuses to acknowledge the need for economic and social modernization. Corruption, inefficiency, and nepotism permeate the political structure. Public office continues to be used to further personal or family fortunes. An official dispenses jobs and favors, not in the public interest, but to satisfy obligations to those people tied to him through the complex familial or patronal relationships that characterize Philippine society.

The overstuffed and under-motivated bureaucracy that has resulted is incapable of efficiently administering development programs and particularly unable to manage the extensive interagency cooperation required. Marcos himself is partly to blame for the continuing inefficiency because of his desire to maintain tight personal control over the government's activities and his reluctance to entrust even minor decision-making to subordinates. His veto of the decentralization

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bill, which would have allowed much-needed flexibility and initiative at the local level, was a reflection of this attitude.

#### Marcos' Attack on the Problems

Marcos' initial program to begin development, fight lawlessness, and suppress smuggling and corruption met with only limited success. After two years, he has perhaps lost some of his taste for further jousting with the entrenched opposition, and has instead narrowed the scope of his efforts to emphasize "rice, roads, and schools" as the major goals of his administration.

The Philippines' need to import five to ten percent of its rice requirements each year has been a serious drain on foreign exchange. Marcos' goal of achieving self-sufficiency in rice will hopefully be fulfilled by 1970 by means of an intensive program to introduce the improved strain of rice, IR-8. With the receipt of US equipment for five additional army engineering construction battalions, bringing the total army engineering strength to eight battalions, the government launched a vigorous road construction program, which by last June had completed some 700 kilometers of new roadway. The school building project has also received considerable US assistance through the Special Fund for Education, and is progressing "satisfactorily."

Central Luzon has been a special target for the govern-

ment's development efforts. Operation Central Luzon (later called the Central Luzon Development Program) was launched to undercut the growing influence of the Huks in this traditionally depressed area. There is no indication that any serious impact has been made on the poverty and injustices of life there, although increased rice production may stimulate some improvement, and the power of the Huks has not been curbed.

#### The Role of the Huks

Huk influence is sustained in part by the collaboration of local officials and politicians who recognize the Huk ability to control the vote through intimidation. To some extent, the Huks have also managed to project a "Robin Hood" image among impoverished peasants disgruntled over bad government. The recent elections probably helped to solidify the Huk position. Huk supported or controlled candidates won in 18 municipalities and took five provincial-level offices in Pampanga Province, including the governorship and vice governorship. Despite their accelerated activity in the past three years, the estimated number of armed Huks is still a relatively modest 140. This cadre, however, can count on the support of up to 30,000 people who either sympathize with or tolerate the Huk movement.

Huk operations are largely confined to the provinces of Tarlac and Pampanga, and efforts to

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expand activity to other areas have apparently been unsuccessful. Angeles City, outside Clark Air Force Base in Pampanga Province, is one of the principal Huk strongholds and the main source of their financial strength. Here the Huks have long taken a cut of the receipts of the town's night clubs and other businesses.

Marcos has vacillated between a harsh line against the Huks and vague gestures of amnesty. The President's support of the constabulary's efforts against the Huks has been inconsistent, but just prior to the recent election he encouraged the constabulary to intensify its effort. Several Huk leaders were either captured or killed, but these successes may result in Huk reprisals. It remains to be seen how long Marcos will sustain the pressure, but his electoral successes and a recent, particularly daring Huk ambush are reported to have prompted him to order the constabulary to redouble its efforts. The recent US loan of 200 M-16 rifles to the Philippine constabulary should improve their morale if not their tactics.

Little is known of how strong a role Communist ideology plays in the Huk movement today. For several years after Magsaysay crushed the Huks in 1953, the remnants of the insurgent army were little more than bandits and extortionists. The present figurehead leader, Pedro Taruc, attempts to project the image, not

of a Communist but of a nationalist trying to alleviate the injustices heaped on the peasantry. There is no evidence of Huk ties with Communists abroad. Despite the lack of contact, Peking has recently played up Huk guerrilla actions, and has tried to give the impression that Philippine Communists are exercising considerable influence.

The urban-based remnants of the outlawed Communist Party (PKP) apparently maintain only tenuous ties with the Huks. Although there have been meetings between the urban leftist leaders and the Huk commanders, the pro-Communist urban fronts have also made attempts to develop a rural following independent of the Huks, most notably through the peasant front, the Masaka (Free Farmers Association). The growth of this organization, still in its incipient stages, might ultimately provide a better indication than the Huks of the Communists' ability to exploit rural poverty and unrest. These urban fronts, however, are themselves in a weakened and divided stage. Continually splintering into overlapping or competing groups, they presently are engaged in an internal struggle between the older, pro-Soviet cadre and the younger, Peking-oriented radicals. Lacking discipline, forceful leadership, and funds, they represent no current threat to the government.

#### The Radical Nationalists

A more serious problem is the pressure from the radical nationalists, particularly in the

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younger generation, who seek to cultivate a more Asian identity and resent any overtones of American domination--political, economic, or cultural. These younger Filipinos, who make up an increasing percentage of the electorate, do not share the sentimental ties to the US that many of their parents still have and are resentful of any indication of what they believe to be American paternalism or privileges.

Marcos has shown little interest in establishing rapport with this group. Despite his obvious political verve, he has neither seriously attempted to bid for their support nor tried to channel their excessive national pride into useful direction. When Marcos has dealt with the young radical intellectuals at all, it has been in indirect attempts to undercut their activities.

US military bases and economic relations are the usual targets of nationalistic frustrations, and the government's actions occasionally reflect its sensitivity to these pressures. Most Philippine leaders readily acknowledge the necessity of the American bases and their importance to Philippine security, but the desire to be accepted in the Asian community and a sensitivity to charges of American dominance cause underlying tensions that occasionally erupt. Sporadic assertions of sovereignty take the form of disputes over jurisdictional rights, labor, natural resources, or the admin-

istration of customs, immigration, and health regulations on bases.

Economic nationalism has been manifested primarily in the persistent attacks on the Laurel-Langley agreement, viewed by the radical nationalists as economic imperialism. Preliminary talks regarding future arrangements after the agreement expires in 1974 have already shown a Philippine desire for a protected position in the American market but an unwillingness to allow reciprocal preferences. Marcos has always been aware of the Philippines' need for foreign investment and has sought to attract it, but he has also been periodically stymied by the maneuverings of the nationalists, as exemplified by Mayor Villegas' attack earlier this year on American retail trade in the Manila area. As presidential elections loom on the horizon, Marcos may find it politically expedient to take a harsher line toward future economic ties.

#### Foreign Associations

Marcos has often shown a sensitivity to criticism of too close an association with the US. He has justified his support for the American position in Vietnam and for the Philippine contribution to the war effort by citing the resulting American aid for his domestic development programs. In his desire to establish his identity as an Asian statesman, independent of American control, he has attempted to initiate Vietnam peace proposals

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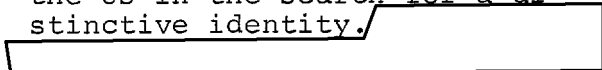
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that have only served to arouse the annoyance and mistrust of his Asian allies. This striving for an independent image has also involved a growing interest in developing trade and cultural ties with Eastern Europe, but the government has been cautious in pursuing such ties. Prominent Filipinos have visited bloc countries in increasing numbers, though without official recognition. China, however, is still viewed with great alarm, and contact has been very limited. Marcos continues to regard the American presence in Asia as absolutely vital, but acknowledges this less frequently in public.

Prospects

In general, the Philippine situation reflects the inability of a rural, agricultural economy, feudalistically structured, to

support a rapidly expanding population, and the failure of a slowly expanding industrial sector to meet job requirements for increasing urban masses. The problem facing any Philippine government is, in some way, to persuade or manipulate the conservative elite to accept the political and economic reforms necessary to stimulate the economy. Unless the peasant farmer and the urban slum dweller are persuaded that the present system can respond to their needs, their growing apathy could in time turn to much more radical solutions. As the postwar generation becomes more prominent on the scene, the government must also respond to growing nationalist pressures, which will probably involve loosening traditional ties with the US in the search for a distinctive identity.



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