

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

26 August 1983

The Philippines: Implications of the  
Assassination of Benigno Aquino

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Summary

The assassination of Benigno Aquino has led many foreign observers to conclude that the stability of the Marcos government has been gravely undermined --a judgment we think is premature. Whether Marcos orchestrated Aquino's assassination or not, Aquino's death will make management of the political environment more complex for Marcos at a time he already faces major decisions about the economy and upcoming National Assembly elections. His immediate concerns are maintaining internal security, managing the country's delicate financial position, and insulating relations with the United States from the fallout Aquino's death may produce. Over the longer run, Aquino's death may radicalize Philippine politics by reducing the incentives for Filipinos to work within the political system.

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An Act of Consequence

The assassination of opposition leader Benigno Aquino last Sunday has raised new questions both at home and abroad about Philippine political stability and a possible erosion of President Marcos's ability to manage the domestic political scene. Aquino's death comes at a time when Filipinos have begun to prepare for the 1984 National Assembly elections -- the first since interim legislative elections in 1978, the economy is experiencing severe financial strains and high unemployment, and domestic speculation about President Marcos's health is rife. It has focused international attention on the Philippines' long-standing problem of weak political institutions, revived an international discussion of the morality of Marcos's rule, and renewed debates about the nature of the Philippines' relationship with its most important security and economic partner -- the United States. [redacted]

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Philippine opposition leaders have expressed their bitterness and frustrations with unprecedented vehemence and have made no effort to conceal their suspicion of government complicity in Aquino's assassination. Their public statements have been widely reported in the international press. Although opposition charges that Marcos is polarizing the political environment by driving Filipinos to the far left of the political spectrum are not new, they are now being repeated with new conviction. [redacted]

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the perception of university students in Manila is that Marcos ordered Aquino's killing. [redacted] a majority of the political opposition -- and possible the majority of the population -- shares this perception. [redacted]

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Thousands of Filipinos had prepared to meet Aquino at Manila International Airport Sunday, and yellow ribbons were visible everywhere as a symbol of welcome. Because Aquino had conducted an open matching of wits with the government over the possibility and circumstances of his return for several months and because Marcos had so clearly gone to great lengths to keep him in the United States, his return could not have been more dramatic. Aquino also succeeded in focusing world attention on his reentry into domestic politics by bringing many journalists with him on the flight into Manila from Taipei. We believe he intended this as a pressure tactic to force Marcos to exercise restraint in dealing with him. When Aquino was assassinated, however, extensive global news coverage of the tragedy was assured. [redacted]

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There has been little violence so far in reaction to the assassination, and Filipinos are showing little inclination for organized political protest. Nevertheless, Manila has prepared for the worst. [redacted]

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President Marcos, meanwhile, has warned opponents not to foment

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unrest. He has made television appearances designed to stifle rumors, including one that martial law would be reimposed, and to demonstrate that the government is in control. [redacted]

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### Who Shot Aquino?

Aquino's assassin was almost certainly a hired killer, with extraordinary intelligence data to aid him in his mission.

[redacted] the alleged killer -- whose identity remains unknown to Philippine authorities -- wore clothes without labels and carried no personal identification. He successfully disguised himself as an airport maintenance worker, apparently knew airport routine well, but he was not an airport employee. He accomplished his mission with one strategically placed shot into Aquino's head -- thus avoiding Aquino's bullet-proof vest. He not only managed to elude security measures that had kept thousands of Aquino's admirers away from the airport, but apparently knew what flight to make plans for at a time when Aquino's own family and friends claimed they could not determine which airline he was to arrive on. [redacted]

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In any case, [redacted] the government is pressing its investigation aggressively. [redacted]

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[redacted] At the suggestion of senior US officials, Manila has also established a nonpartisan commission, along the lines of the Warren Commission, to attempt to get to the bottom of the mystery. Prime Minister Cesar Virata on Tuesday told the US ambassador that such an approach had great merit, and Manila implemented the plan the next day. [redacted]

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For its part, the government is blaming Communist terrorists for Aquino's death. We believe most Filipinos, after hearing the government blame the Communist Party of the Philippines (CPP) and its military arm, the New Peoples Army (NPA), for a wide range of crimes during the last several years, will regard this charge with skepticism. Some government officials are arguing, however -- and we are inclined to agree -- that the Communists have the most to gain from Aquino's death. Stepped-up activity by the National Democratic Front, the overtly non-Communist front organization of the CPP, is already in evidence on college campuses. We see no evidence yet of increased activity by the NPA in the countryside since the assassination, but this would only become apparent after several weeks. [redacted]

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### President Marcos's Perspective

Whatever the circumstances leading to Aquino's assassination, his death adds a serious, and possibly critical, complication to Marcos's management of foreign relations, the

economy, and domestic politics during the next few months. Marcos, for example, looks forward to President Reagan's visit to Manila in November and is anxious to return the hospitality that made his state visit to Washington last September the most memorable event in his political career. He is aware that considerable international attention will be focused on the visit, and he had expected it to enhance his international status as a statesman and put the stamp of legitimacy on his government at home. He now almost certainly fears that events connected to Aquino's death may force the cancellation of the visit. [redacted]

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During the next several months, Marcos must also make important decisions about domestic economic policy. The Philippines' external finances have become increasingly precarious in recent months and a restructuring of the \$23 billion foreign debt will be required to prevent payments arrearages sometime in the next year. Central Bank liquidity is severely strained and the Bank's own short-term debt of \$2.5 billion, at the very least, requires immediate attention. If current trends continue, the foreign trade deficit will exceed \$3 billion for 1983, virtually matching last year's record setting level. Given the Central Bank's weak financial position, this makes foreign debt rescheduling as likely as not by year's end. [redacted]

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On the domestic political front, Marcos must prepare for National Assembly elections next May. The election will be an internationally recognized test of his willingness to liberalize domestic politics and bolster the center of the political spectrum. After several months of debate within the ruling party, Marcos has yet to decide on election rules and party accreditation. His challenge is to find a way to simultaneously ensure a victory by the ruling party, induce participation by the moderate opposition in order to legitimize victory the ruling party is expected to win, and appear fair in setting the rules of the game. [redacted]

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#### The Near-term Outlook

The course of political events during the next several weeks will depend on decisions Marcos himself will make. His foremost concerns between now and the National Assembly elections are managing the security situation, relations with the United States, and averting a financial crisis. [redacted]

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Security - If Marcos's track record is any guide, he will maintain political control by exercising discipline, but stopping short of moves that would provoke popular backlash. There is already evidence of restraint. Marcos apparently allowed Aquino's family to return without interference -- despite their lack of travel documents and despite claims by Benigno Aquino, Jr. that he would carry on in his father's footsteps. Marcos may

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hope that Aquino's funeral next week will pass without widespread demonstrations and, if possible, he probably intends to avoid repressive tactics. In any case, calm continues in both the countryside and metropolitan Manila itself. The Philippine Constabulary, in fact, has ended its red alert status (the highest level of readiness) outside of the capital. [REDACTED]

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The security threat is probably to be found in the cities. Student demonstrations have occurred already and can be expected to be repeated; students were heavily represented when Aquino's body was transported last Thursday to a church. A demonstration on Friday at the University -- ignored by most of the student body -- degenerated into rioting in downtown Manila. [REDACTED]

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Government forces are almost certainly capable of dealing with this sort of unrest. The chief threat to security may be that government forces overreact, producing a public backlash. Aquino's funeral next Tuesday in Manila is a potential flashpoint. [REDACTED]

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In the unlikely event that demonstrations do get out of hand or rioting occurs during the next several weeks, the government's ability to function normally could soon be seriously impaired. We believe that Manila's security forces could handle most any disturbance, but the necessity of heavy-handed tactics in the current grim circumstances would gravely damage confidence in the government both at home and abroad. Manila would rapidly find itself besieged by criticism at a time its hands were full keeping the lid on domestic tensions. The government's relationship with its allies and foreign creditors are especially vulnerable to such a chain of events. [REDACTED]

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Increased violence and stepped up recruiting by the NPA in the countryside, at least, appears likely in the months ahead. We believe the government is in a position to contain this threat, and the Communists are unlikely to seriously damage the government's position. Nonetheless, violence would increase the likelihood of abuses to civilians by government security forces, and this could further erode popular support for the government over the longer term as a side effect. [REDACTED]

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Relations With the United States. Marcos has worked hard on improving relations with the current US administration and values good relations as a legitimizing factor for his government. He almost certainly understands that his US-based opponents will press lobbying efforts with the US Government to cool relations with Manila. Demonstrations at the United Nations and in several US cities have already occurred, and Marcos probably believes that this type of activity will intensify when Congress gets back in session. Marcos probably fears that the the recently concluded review of the Philippines-US Military Bases Agreement will come under special scrutiny when the Congress examines the

\$900 million base compensation package. He regards the base compensation package as something of a victory because it allowed him to show a domestic audience that he knew how to deal with the Washington as an equal partner. [redacted]

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His chief concern, however, is almost certainly the possibility that events will force cancellation of the President's trip to Manila in November. He is aware of the debate in the United States over his human rights record in the aftermath of Aquino's death. He is also certainly aware that some US Government officials are arguing that President Reagan should not associate himself too closely with Marcos. A cancellation of the visit would seriously diminish the credibility of the Marcos government at home and reduce its ability to govern effectively at a time when important decisions must be made about economic management and politics. [redacted]

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The Financial Crisis- Aquino's death may swiftly and adversely affect the job of managing the balance of payments. Although [redacted] the assassination may not make a critical difference in major foreign banks' perceptions of Philippine creditworthiness, smaller US and West European banks may view the assassination as an alarm signal and cut back credit lines in an effort to reduce risk. Prime Minister Virata has already told the US Ambassador that he fears Aquino's death may soon sour the Philippine's external financial position. A financial crisis, especially foreign debt rescheduling or default on payments, would cost Marcos dearly in the election and discredit his economic program. It would be especially embarrassing if it occurred just prior to a visit by the US President. [redacted]

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Of the things that could go wrong for Marcos during the next several weeks, we believe this is the most likely. The Central Bank has operated on a razor thin financial margin since April and is in no position to weather a loss of foreign creditor confidence. Payments arrearages under these circumstances are therefore a good possibility. If Marcos does not handle financial matters adroitly, Manila could find its ability to conduct business seriously disrupted, making an already serious economic slump even worse. A financial crisis in the aftermath of Aquino's assassination, combined with longstanding concern among foreign bankers about Marcos's health and who might succeed him, could lead to a sharp curtailment of credit. [redacted]

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This chain of events would almost certainly force Manila to look to Washington for emergency financial assistance. As it is, Manila has been sounding out US officials for financial relief package since last June. Prime Minister Virata is now in Washington, and the US Embassy believes he may hold discussions with the World Bank and possibly senior US Government officials. [redacted]

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### Taking A Longer View

The factors that often produce political upheaval in developing countries -- authoritarian rule, skewed income distribution, government corruption, a sagging economy beset with financial problems, and fragile, highly personalized political institutions -- have long been present in the Philippines. They have yet to produce widespread unrest, however, and the chemistry may never be right. In the aftermath of Aquino's death, it is too soon to say that the assassination has contributed the critical catalyst. [redacted]

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Nonetheless, we believe Aquino's death will permanently change Philippine politics. Press reports say that the CPP has offered to support the moderate opposition in an effort to maximize the damage that Aquino's death will do to the government. Even if the offer is not accepted, new bridges among Marcos's opponents appear certain to be built and this does not bode well for the stability of the Marcos government. Communists in the National Democratic Front, for example, are making considerable progress through propaganda approaches to Philippine youth, according to US Embassy reporting. The Front is arguing that because Marcos plotted Aquino's death, political activism within the bounds of the law is pointless. The Front claims the radical left is the only remaining alternative, and the Embassy believes that, whether the government had any role in the assassination or not, this message is winning the left new recruits. This is especially disturbing from the standpoint of long-run stability, because half the Philippine population is under 18 years of age. [redacted]

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Aquino's death may also present Marcos with a more formidable moderate opposition at a time that international attention is more critically focused than ever on his conduct of human rights. At present, even in the aftermath of Aquino's assassination, we do not believe that the opposition has the power to bring down the government, but much will depend on whether the opposition will overcome its internal divisions and present a united front. [redacted]

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Some reports from the Embassy suggest that moderate opponents of the government will boycott next May's elections. This would cost Marcos the legitimizing factor that he so dearly wants, but it also would ensure the moderate opposition's virtually permanent irrelevance in the country's political future. Alternatively, if they can unite, the opposition could approach the elections with renewed vigor, presenting Marcos with a formidable, but we believe still manageable challenge. [redacted]

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## Appendix

Marcos and Aquino

Much of Aquino's personal political history -- and thus some of Marcos's possible motives for neutralizing him politically -- has been obscured in the confusion following the assassination. Although the press has characterized Aquino as a man committed to democratic processes and integrity in government, his political career shows that he was an opportunist [redacted] and was consumed with the ambition to run the Philippines as President. [redacted]

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Aquino and Marcos each recognized the danger the other represented. Both took an expedient, if not ruthless, approach to their political and personal relationships throughout their political careers. Both switched parties when they found it advantageous. Both came from provinces with a tradition of political violence, and both took part in it. Prior to martial law, Aquino wrote in a June 1972 newspaper article that the Philippines needed "a man on a white horse" to provide discipline and guidance. But Marcos had the same vision and acted first. [redacted]

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The enmity between the two men was deep, personal, and longstanding. A backroom attempt to reach an accommodation in 1966 degenerated into a heated, fist-shaking, shouting match. In 1968, Marcos publicly accused Aquino of being a Communist collaborator and suggested that the government might indict him for subversion. In a 1968 speech, Aquino attacked Imelda Marcos as a new Evita Peron and published a paper with a photo of a bejeweled Imelda next to a malnourished Filipino child. Enraged, Marcos called Aquino a "congenital liar" and told him to "spare women and children." Relations never improved from that low point. [redacted]

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Beyond Marcos, Aquino had enemies in a wide range of important Philippine interest groups. The military reportedly distrusted him, because of his revelations in the late 1960s of Manila's involvement in a secret plan to infiltrate Sabah, Malaysia, and his ongoing contacts with US-based anti-Marcos terrorists and Philippine Muslim rebels in the Middle East. The business community did not know what to expect from Aquino, and feared that he could not ensure the political stability required for a healthy business environment if he came to power. These interest groups now form the lynchpin of Marcos's power base. [redacted]

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Nonetheless, next to Marcos, Aquino was the most important man in Philippine politics. Although he lived in the United States following heart surgery, he was in constant contact with both government and the opposition. His public statements were [redacted]

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carried, and often attacked, by the government controlled press, and unceasing speculation about his eventual return provided grist for Philippine rumor mills. His political aura was such that during the June 1981 presidential election, Marcos, who was assured certain victory, prevented only one opponent -- Aquino -- from running against him. [redacted]

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