

UNITED STATES

in the

PHILIPPINES

STARS

AND

STRIPE

FOREVER?



Asians in the
Spirit of the
Indochinese

CHAPTER 1

THE PHILIPPINES: CULTURE AND EARLY HISTORY

The Islands: Although there are over 7,000 islands in the Philippine archipelago, eleven islands account for 95% of the land area. The islands together occupy an area comparable in size to the state of Indiana. Luzon and Mindanao are the largest islands and also the principal regions.

The Population: The Filipino people number about 42 million. 75% of them live in the countryside.

Racial Composition: The main racial stock of the Filipino people is Malay with Indonesian and Chinese being other significant factors.

Migrations: The indigenous people of the Philippines were the Aetas or the Negritos. They were followed by an Indonesian and later a Malayan wave of immigrants. With the various Malayan waves came Indian influences as well as the Arab traders and religious teachers who laid the foundations of Islam on

the islands of Sulu and Mindanao in the latter half of the 14th and 15th century.

Languages: There are more than 100 languages and dialects. Tagalog is the most widely understood and the principal base of the national language.

Before the Coming of the Spaniards: The people of the Philippines had attained a semi-communal and semi-slave social system in many parts before the coming of the Spanish colonialists. The typical community was the barangay, which was the basic political and economic unit. Each embraced a few hundred people, a small territory, and was headed by a chieftain. And in Mindanao and Sulu where Islam had already taken root, they had attained a feudal system. The Islamic sultanates of Sulu and Mindanao represented a higher state of political and economic development than the barangay. They had a feudal form of social organization, and encompassed more people and wider territory than the barangay.

Filipino Insurrection: In 1899 U.S. troops made a surprise attack on the Filipino revolutionary forces. This was met with resistance by the Filipino people who stood up and began to wage a war of national liberation against the U.S.. Over 200,000 Filipino fighting men were killed. This war lasted until 1900, though sporadic fighting continued until 1913. A Republican Congressman in 1902 commented, "Our soldiers took no prisoners, they kept no records; they simply swept the country, and wherever or whenever they could get hold of a Filipino they killed him..."

U.S. Motives in the Philippines: After the Filipino revolutionary forces had been defeated, U.S. drew from the country an increasing quantity of commercial crops. The U.S. were interested in the Philippines as a source of raw materials, a market for surplus products, a field for investment, and also as a strategic foothold for carrying out its expansionist drive in the Pacific.

Philippines: As a U.S. Colony: The Philippines were legally the U.S.'s first colony from 1900-1935. In 1901 William H. Taft, civilian authority in the Philippines, set up a civil government and became the head of the legislative commission. Salaries of the commission were paid by Filipinos but the appointments were made by McKinley. This commission had the power to create and administer laws and to make and remove appointments.

The Filipinos during this time were refused the right of jury trial, bearing of arms, and of agitating for independence.

In 1907 the U.S. allowed the formation of the Philippine Assembly, but the U.S. Congress could annul any law passed and the U.S. President's signature was needed to pass all laws dealing with currency, public land, timber and mining resources, tariffs and immigration. Property requirements were so strict for voting eligibility that only the wealthy few could qualify.

Effects on Philippine Economy: The Payne-Aldrich Act of 1901 allowed the U.S. finished goods to be imported to the Philippines free of tariff duties in exchange for Philippine raw materials. In 1913 quota limitations on Philippine raw materials exported to the U.S. were completely lifted.

The free trade between these two types of commodities perpetuated the colonial and agrarian economy. The increasing influx of finished goods into the country crushed local handicrafts and manufacturing and further compelled the people to buy these finished goods and to produce raw materials mainly. This also stimulated cash crop production for export such as sugar and tobacco and diverted land from food production. As a result the Philippines became a "food deficient" country and had to import rice.

U.S. Control Heightens: The U.S. improved the system of transportation and communication and thus tightened its political, economic, cultural, and military control. U.S. corporations derived huge profits from public works contracts in the construction of more roads, bridges, ports and other transportation facilities. These public works in turn widened directly the market for U.S. motor vehicles, machinery, and oil products.

The establishment of an extensive public school system and the adoption of English as the medium of instruction served not only to enhance the political indoctrination of Filipinos into subservience to the U.S. but also to condition local taste for American commodities in general.

Based on the economic conditions bred by the U.S. a certain social structure was built up in the Philippines. The U.S. merely adopted as their principal puppets those exploiting classes which had collaborated most with the Spanish colonial rulers in the 19th century and retained them at the top of Philippine society. These were the wealthy merchants and the landlord class. At the base of the society were workers and peasants who comprised 90% of the people.

The sultans, chieftains and nobility constituted a landlord class, though they presented themselves as administrators of communal lands.

Culture: There existed before the coming of the Spaniards a recorded system of jurisprudence, written literature, and various art forms. There were extensive trade relations with neighboring countries as well, thus dispelling the myth that culture came to the Philippines when the Spaniards arrived.

Status of Women: Under the early communal society with its emphasis on equality, women held a unique position in society that their descendants during the Spanish period and succeeding periods were not to experience. Customary laws gave them the right to be the equal of men, for they could own and inherit property, engage in trade and industry, and succeed to the chieftainship of a barangay in the absence of a male heir. They also had the exclusive right to give names to their children. As a sign of deep respect, the men, when accompanying women, walked behind them.

The Coming of the Spaniards: The Spanish along with other European powers were vying for access to and control of the wealth of resources to be found in Asia and the Pacific. The first Spanish expedition, headed by Magellan, came in 1521. This expedition also resulted in the first successful armed resistance against Spanish aggression by the Filipinos. The Spanish were turned away by the battle which ensued and resulted in Magellan's death.

The first permanent Spanish settlement in the Philippines was established in 1565. What facilitated most the conquest of the Philippines by the Spaniards was the lack of unity among the barangays, which were separate and independent from one another. The barangay did not and could not present a united opposition to the establishment of Spanish rule. The coming of the Spanish invader taught the Filipinos an early lesson in the value and importance of having unity.

Under Spanish Rule: The society that developed in more than three centuries of Spanish rule was colonial and feudal. It was a society basically ruled by the landlord class, which included the Spanish colonial officials, the Catholic religious orders and the local puppet chiefs. There was absolute government, no social equality, and political power and privileges were monopolized by the upper class while the burden of taxation fell upon the lower classes. The church enjoyed a privileged and exclusive position, possessing big landholdings, dominating education and collecting the compulsory taxes. The authority established by the Spanish central government was resisted by the Moslems and the other Filipinos who were not converted to Christianity. The foundations laid by the Spanish influences are the basis for the present educational, cultural, political, economic forms.

Throughout the Spanish rule at least 200 revolts broke out sporadically over the islands. Military conscription became a major form of oppression as the development of revolts became rapid and widespread. The Spanish colonialists used the tactic of conscription to get large numbers of peasants to fight their own brothers and thus prevent them from unifying.

Resistance to Spanish Rule Rises: The nineteenth century saw the intensification of the exploitation of the Filipino people as the Spanish colonial government was compelled to exploit and drain even further the resources of the Filipinos in order for the Spanish in the homeland to enjoy a higher living standard. This was done in light of the economic decline at home in Spain.

The first organized resistance began in the form of a reform movement. This was led primarily by members of the educated or ilustrado class. The movement failed because of the unrealistic vision of its leaders who felt that the Spanish would respond to their demands for reform. Under the strain of further exploitation and the suppression of the reform movement the Filipino people

began to rise in resistance.

Founding of the Katipunan and the Revolution of 1896: In 1892 a handful of men led by Andres Bonifacio, founded a secret association called Katipunan (known also as the KKK) which was organized to secure the independence and freedom of the Philippines, by force of arms. They strove for the principles of self-help and the defense of the poor and oppressed. The society's newspaper, *Kalayaan* (Freedom) helped boost its membership to as many as 30,000. The Philippine Revolution asserted the sovereignty of the Filipino people, the protection and promotion of civil liberties, the confiscation of the friar estates and the elimination of Church rule. August 23, 1896 marked the start of armed warfare against the colonialists and rallied the Filipino people to rise in revolt. The Spanish responded with a reign of terror, jailing and arresting hundreds. But the Katipunan was suffering from internal factionalism at this time.

The ilustrados decided to form a revolutionary government to replace the Katipunan and elected Emilio Aguinaldo president, thus replacing Bonifacio as the leader of the revolution. Objection

to Bonifacio came from the ilustrado class which looked down upon his lack of formal education and poor background. Because the leadership was from the ilustrado, their decision to oust Bonifacio prevailed.

Within 1897 the revolutionary government suffered many defeats, the leadership finally succumbed to the offers of general amnesty by the colonial government. Aguinaldo in exile was approached by the U.S. which was scheming to make use of Aguinaldo to facilitate their own seizure of the Philippines.

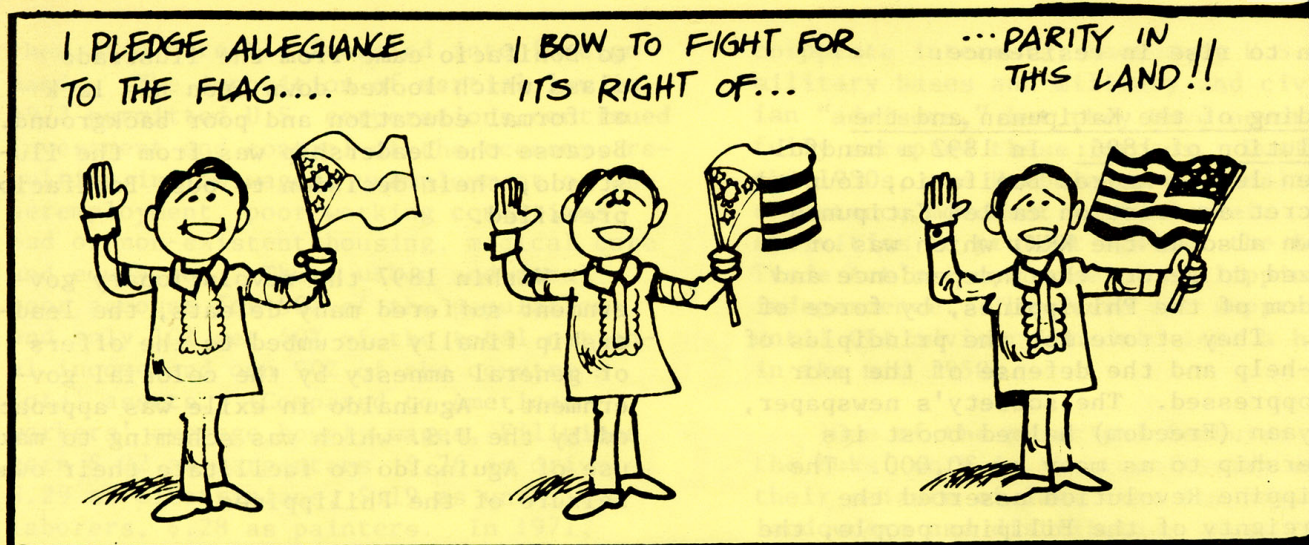
Taking advantage of the Spanish-American War, the Filipinos intensified their revolutionary armed struggle against the Spanish colonial rule. The U.S. agreed to help the Filipinos and stated they "had no desire for colonies." The Filipinos agreed with the condition that U.S. guarantee independence once the Spanish were defeated. Just before the Filipino people's army was about to capture Manila, the last Spanish stronghold, the Americans arranged for the besieged Spaniards to surrender to the U.S. and then sent American troops to occupy the city. These then turned their guns against the Filipino Army.

CHAPTER 2

U.S. INVOLVEMENT IN THE PHILIPPINES 1898-1946

On June 12, 1898 Aguinaldo declared the First Philippine Republic. U.S. troops began to arrive and take over positions occupied by the Filipino revolutionary forces. After the mock battle between the Spanish colonialists and the U.S., the Filipino revolutionary forces were deprived of the victory that was rightfully theirs. In December the Treaty of Paris was signed by the U.S. and Spain which ceded the entire Philippines to the U.S. at the price of \$20 million and guaranteed the property and business rights of Spanish citizens in the islands.





Ford, GM and Chrysler), mining (Reynolds, Atlas, Benguet), rubber (Firestone, Goodrich, Goodyear), agriculture (Dole, Del Monte), timber (Georgia-Pacific, Weyerhaeuser, Boise-Cascade), and financing (Bankers Trust, Chase Manhattan, Chemical, Bank of California, Wells Fargo). U.S. corporate investments in the Philippines represent 60% of all U.S. private investments in Southeast Asia.

Bell Trade Act: The "legal" foundations for these inroads was the 1946 Bell Trade Act, which included provisions for: 1) reciprocal free trade until 1954, with gradually increasing duties until 1973; 2) prohibition against the Philippines putting export taxes on exports to the U.S.; 3) absolute quotas for principal Philippine exports to the U.S.; 4) further trade restrictions to be imposed by the U.S. at the discretion of the President if he thought Philippine goods were likely to compete with American goods; 5) American citizens to have "equal rights and opportunities with Filipinos for the disposition, exploitation, development and utilization of any and all Philippine natural resources" (the Parity Clause); 6) the value of the Philippine peso to be determined by the President of the U.S.

Summing up the effect of this bill, American economist Shirley Jenkins declared that "the Philippines Trade Act, has given to the U.S. all the advantages of possessing a colonial dependence, both economic and military, without

responsibilities for administration or domestic welfare."

In addition to the outrages of this agreement, the U.S. imposed the Economic and Technical Assistance Agreement of 1951, which required the placement of U.S. advisors in strategic offices of the Philippine government. And in 1954, the Bell Trade Act was revised to confirm the parity clause and extend it to cover all other businesses. It also nullified any other conceivable restrictions by granting "national treatment" to U.S. businesses in the Philippines.

Increased U.S. Military Presence: In order to guarantee its position against rising Filipino nationalist resentment, the U.S. increased its military presence. A 1934 pact allowed the U.S. to retain its 23 military bases in the Philippines, even after independence. The U.S.-Philippines Military Bases Treaty of 1947 gave the U.S. extraterritorial rights for 99 years on its Philippine bases. The 1947 U.S.-Philippines Military Assistance Pact gave the U.S. control over the Philippines armed forces through the Joint U.S. Military Advisory Group (JUSMAG), which was to train, advise and lend or sell them weapons and other military counterinsurgency equipment. As added insurance, the Southeast Asia Treaty Organization (SEATO) was formed in 1954 to reinforce the domination of Asian countries by the U.S., Britain and France through their self-proclaimed right to intervene militarily in the affairs of the Philippines and other Asian nations

The U.S. was compelled to create the illusion that it was willing to grant "independence" to its Philippine colony because of the heightened struggles for independence among the Filipinos as well as outcries from American farmers and labor leaders against cheap goods and labor coming from the Philippines.

Consequently the Tydings-McDuffie Law of 1934 was passed and provided for the Philippines to become a commonwealth in 1935, paved the way for the framing of a constitution, that was subject to the approval of the U.S. President and pledged full "independence" to a republic on July 4, 1946. But the law made sure that U.S. citizens and corporations would retain their property rights in the Philippines, that the U.S. government would be able to station its troops

and occupy large areas of Philippines territory as its military bases and that the U.S. and the Philippines would maintain free trade.

Another milestone in the history of the Filipino people's resistance to foreign domination occurred in 1942 after the invasion of the Philippines by Japan in Dec. 1941. This invasion by yet another imperialist force was met by the formation of the Hukbalahap, the Anti-Japanese People's Army, who rallied the people to armed resistance. It was the Huks and other patriotic guerrilla forces which broke the back of the Japanese invasionary and puppet forces and it was not the U.S. which liberated the Philippines. The U.S. returned to reimpose its colonial rule and to attack and disintegrate the Huks and other independent guerrilla forces.

CHAPTER 3

THE PHILIPPINES SINCE "INDEPENDENCE"

Since July 4, 1946, the Philippines has been independent of the U.S. in name only, for the U.S. has maintained its colonial trade relationship and its domination of the Philippine economy and government through the cooperation of the country's elite group of feudal landlords and wealthy businessmen. U.S. corporations take advantage of cheap raw materials and cheap labor to withdraw superprofits back to the U.S.. Thus, none of the wealth of the Philippines is used to build an independent economy which would boost the people's standard of living.

U.S. Corporate Investment: Americans have controlling interests in the 900 largest businesses in the Philippines, with holdings estimated at \$1-3 billion (representing 80% of all foreign investment in the country). Profits return to the U.S. at a rate of at least five dollars for every dollar invested. According to Economic Monitor U.S. firms holding Philippine investments of \$500 million profited \$2.2 billion from 1962 to 1969, or an average of \$314 million

per year!

Control is particularly evident in such key sectors of the economy as oil refining (dominated by Shell, Exxon, Mobil, Getty), manufacturing (auto production by



under the pretext of regional defense. In addition, the U.S. military bases exert considerable economic control in the Philippines since it is the second largest employer of Filipinos after the Philippine government itself.

U.S. Control of the Philippine Economy:
The effect of U.S. corporate interests on the Philippine economy can be seen in the complete control they have over the Philippine petroleum industry, and through it, every other commodity. Since U.S. oil companies supply more than 90% of the Philippine energy needs, the recent "shortages" of fuel oil have put the whole economy in crisis as they have in the U.S.. Raised oil prices affected the availability of industrial products, raw materials, food and everything else dependent on oil for production or transportation, including mail service. As an indication of his stand on this foreign manipulation of his country, current president, Ferdinand Marcos, has recently granted U.S. corporations freedom to conduct oil explorations in the Philippines without securing leases. Most oil deposits happen to be in Sulu province where most Moslem resistance has taken place.

U.S. business interests also dictate the development of Philippine agriculture, which is based on export

cash crops like sugar, bananas, pineapple, coconut, coffee and hemp, to the extent of neglecting the cultivation and development of staple crops like rice and corn that would feed the Filipino people. Despite repeated and highly publicized "land reforms," 60% of the peasants remain landless tenant farmers and sharecroppers who work for the big landlords, including U.S. corporations which control lands worth more than \$75 million.

U.S. Business and Philippine Agriculture:
In the fruit production area alone, there is a virtual monopoly by two U.S. corporations, Dole and DelMonte, which operate the largest pineapple plantations in the world on Mindanao, having moved from Hawaii due to rising land values and labor costs. Filipinos earn 3.5% of a Hawaiian worker's wage, \$.20 to \$20!

The lands leased to Dole and other American corporations, originally seized from the Moslem natives of Mindanao, do not fall under Marcos' widely-publicized land reform program. This program only applies to land over 25 hectares (about 63 acres) farmed for rice and corn and therefore affects only 16% of the tenants and none of the landless peasants. And even the few who qualify must pay for their land over 15 years in order to gain title and must switch to "miracle rice," which is supposed to produce bigger yields.



FORD PHILIPPINES



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Miracle rice is dependent upon products of big US corporations.

But this also requires the use of expensive fertilizers and pesticides (American-made, of course) and mechanized cultivation and irrigation methods which require American machinery and much larger farming units to be profitable. Since most peasants cannot afford these things, the result is that, rather than an equalization of land ownership, the amount of land being controlled by big landlords and corporations has steadily increased. In the process, the number of small farmers has declined as they are forced into labor on the big plantations and the city factories.

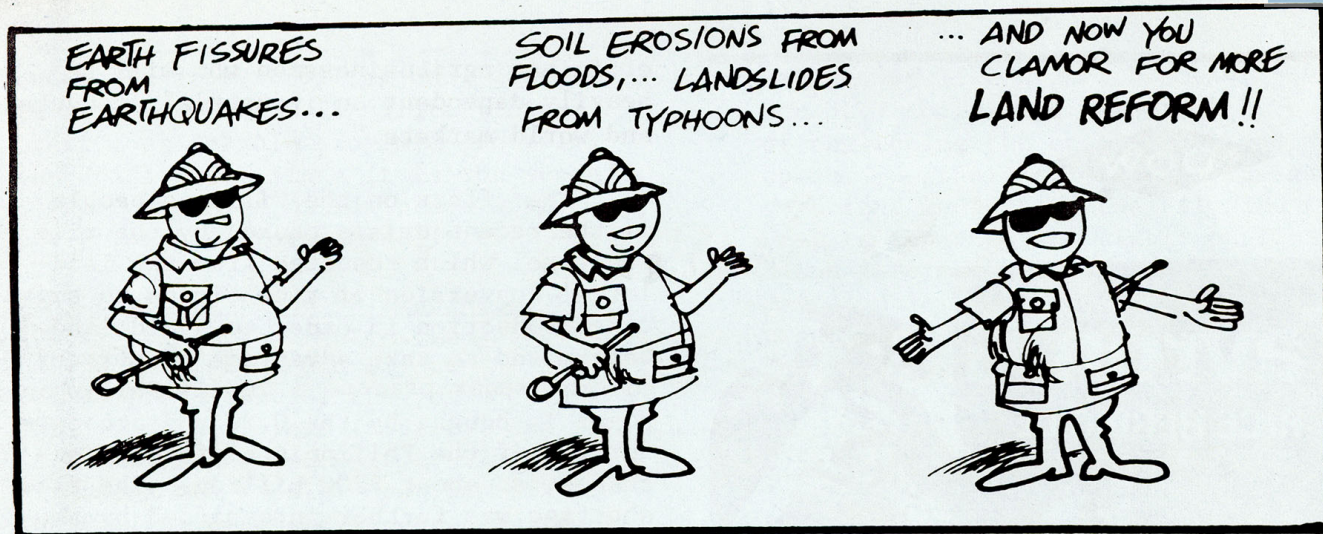
The "Green Revolution" and the Rice Shortages: This situation is the result of an agrarian reform and modernization scheme called the "Green Revolution," designed by the Ford and Rockefeller Foundations to prevent a "Red" revolution by providing more rice for hungry Third World people. However, according to one American anthropologist, "the precise objective ... is to wipe out the class of small farmers and to replace them with

efficient agribusinessmen who will be heavily dependent on industrial products and world markets."

The effect on the Filipino people is the recent crisis caused by the rice shortage, which resulted from the landlords' conversion of rice fields to sugar cane production in order to avoid land reform and to take advantage of current soaring sugar prices. 70% of Philippines sugar is bought by the U.S. and accounts for 20% of the Philippines' foreign exchange, or about \$200 billion. The rice shortage was further intensified by the destruction of the "miracle rice" crop by floods which resulted from the massive illegal logging of nearby forest for export timber. A key factor was the "Green Revolution" itself. After a predicted plant disease, for which the new rice had no immunity, cut the rice harvest, acute shortages arose. However, Marcos, whose pet project this was (he campaigned for reelection on a promise of no more rice shortages), refused to import rice because he was unwilling to admit his project was a failure and to increase the national debt through foreign loans. Instead, he decreed rice rationing and encouraged the people to eat less rice and to mix it with corn, or to eat roots. His wife recommended that people eat more meat as a substitute, perhaps unaware that most Filipinos had long before given it up as hopelessly expensive.

U.S. Aid and the Role of Bank Investments: The folly of the "Green Revolution" was systematically encouraged by the U.S. Agency for International Development (AID), and the World Bank, which financed the conversion to technology. The not so selfless motivation was the prospect of high profits for the American chemical, hardware and banking interests involved.

This is the same motivation which guides all offers of foreign economic, political and "humanitarian" aid to "underdeveloped" countries like the Philippines. The Asian Development Bank (ADB) representing U.S. and Japanese financial interests advised such nations to "link up abundant natural resources but limited domestic markets with the expanding world market...to attract private foreign investment into their primary



export industries," and to realize that their true interest lies in "international development of labor." (In other words, such nations as the Philippines would do best to make their abundant natural resources and labor available for international exploitation!) The ADB and other international lending agencies provide capital for "developing" countries at a substantial rate of interest.

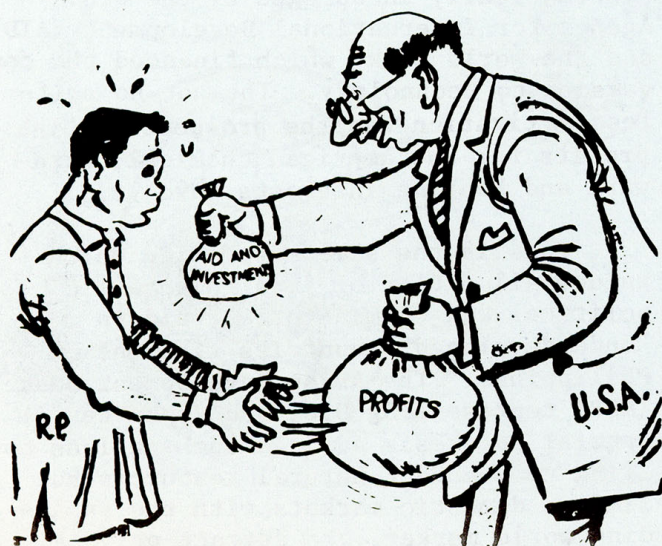
Alejandro Lichauco, a Filipino businessman and politician who was arrested when Marcos declared martial law, has written, "the International Monetary Fund (IMF) and the World Bank (WB) serve as standing invitations which lure governments of needy nations to apply to them for loans and rely on outsiders for internal develop-

ment. In the process of loan negotiations, applicants are maneuvered into accepting a few but strategic conditions which perpetuate the structural basis of their economic weakness and which open their economy to plunder. In brief, it is through these agencies, which the advanced countries themselves organized and control, that the relationship of exploiter and exploited is institutionalized."

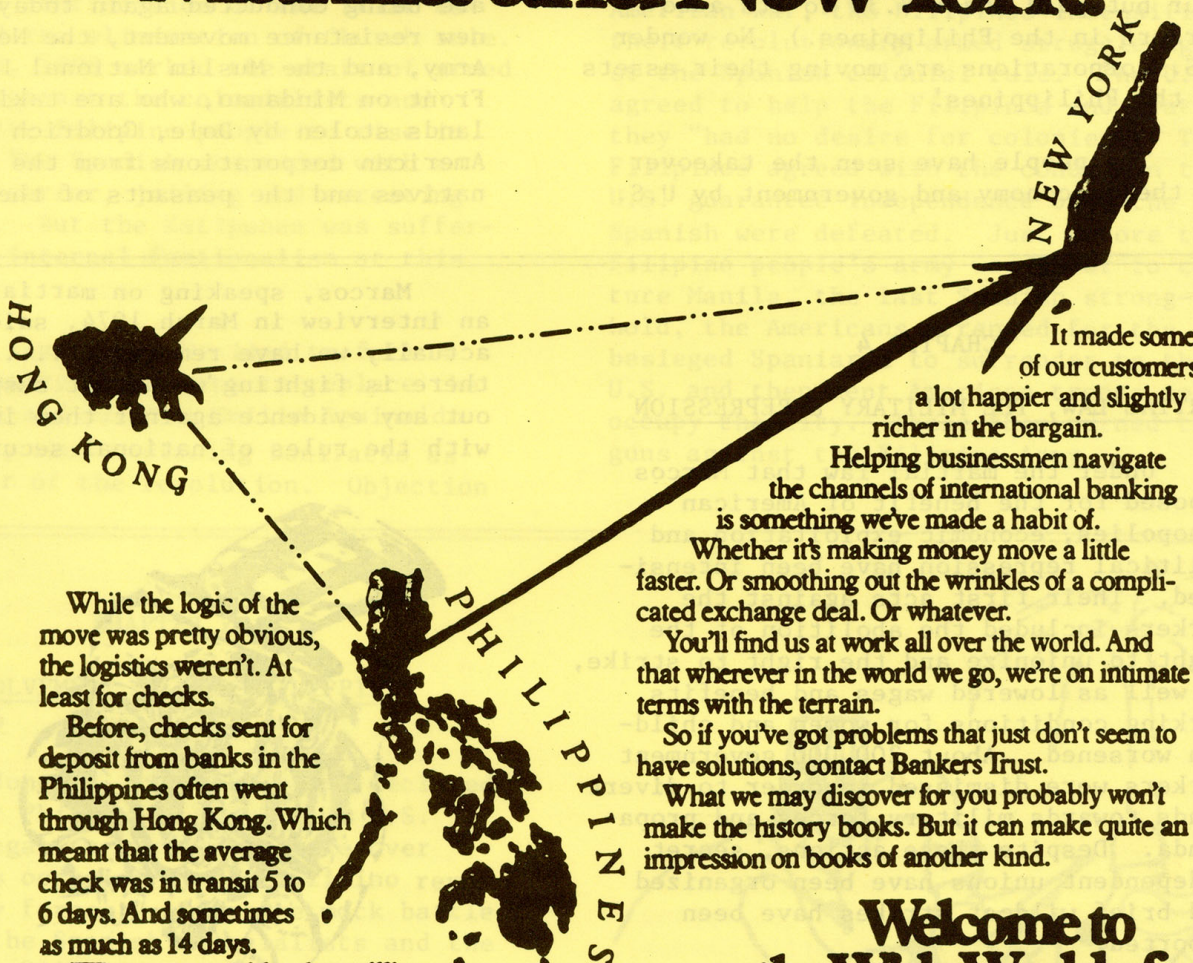
For example, in order to get a \$300 million loan from the U.S. and the IMF, the Philippines had to surrender its economic sovereignty and agree to free trade, free enterprise and foreign investment. A \$37.5 million IMF loan in 1970 required the floating of the Philippine peso, resulting in an increase in the value of U.S. assets in the Philippines and a corresponding increase in Philippine foreign debts.

Even American CIA man Col. Edward Lansdale admitted in 1972 that "the mere fact that we are giving aid already means we are influencing the internal affairs of the country. Lichauco declared that "when developing countries like the Philippines become conditioned to relying on aid programs, they are in fact facilitating the process of their own colonization."

The Filipino People Fight Back: Under this system of neocolonial exploitation, the Filipino people remain impoverished and deprived of their democratic rights as the vast natural and human resources of their country, instead of benefiting



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Shanghai, Manila, Sydney and Taipei.

them, are directly funneled into foreign hands. The imposition of martial law in 1973 permitted U.S. corporations continued investment and control of the economy, resulting in low wages, unemployment or underemployment, poor working conditions, bad or non-existent housing, medical care and education. Thus, urban and rural poor account for 90% of the population and only 10% get 40% of the total national income and own 90% of the country's total assets. (Compared to American workers' average hourly wages, Filipinos earn \$.22 as carpenters, \$.26 as drivers, \$.29 as electricians, \$.19 as unskilled laborers, \$.28 as painters. In 1971, Ford paid its U.S. workers \$7.50 per hour but paid under \$.30 to its auto workers in the Philippines.) No wonder U.S. corporations are moving their assets to the Philippines!

The people have seen the takeover of their economy and government by U.S.

corporate interests, backed by U.S. military bases and military and civilian "advisors," but they have never fully accepted these inroads. During the 1950s, the Hukbalahap nationalist resistance movement revived their activities in protest against the Bell Trade Act's compromise of Philippine independence. They were not suppressed until CIA advisor Lansdale lent a hand in the mid 1950s.

One of the principal features of the Huks' work in the countryside was their seizure of land from the big landowners and distribution among the peasants, true land reform actions that are being conducted again today by the new resistance movement, the New Peoples Army, and the Muslim National Liberation Front on Mindanao, who are taking back lands stolen by Dole, Goodrich and other American corporations from the Moslem natives and the peasants of the north.

CHAPTER 4

MARTIAL LAW, THE MILITARY & REPRESSION

Under the martial law that Marcos imposed for the benefit of American monopolies, economic exploitation and political repression have been intensified. Their first acts against the workers included the abolition of the right to unionize and the right to strike, as well as lowered wages and benefits. Working conditions for women and children worsened. About 200,000 government workers were dismissed in order to divert funds towards military forces and propaganda. Despite these actions, secret independent unions have been organized and brief wildcat strikes have been reported.

Thousands of peasants have been thrown out of their homes in "counter-insurgency actions" to stop them from joining the New Peoples Army (NPA) or the Muslim nationalists of Mindanao. Through the summer of 1973 Marcos has tried a "suppression campaign" in the Balusan Mountains against those suspected of "feeding the NPA."

Marcos, speaking on martial law in an interview in March 1974, said "... actually we have removed it.... Where there is fighting we arrest suspects without any evidence against them in accordance with the rules of national security."



U.S. Role in Counterinsurgency: In 1972 U.S. military forces were involved in "civic action." The U.S. officially started helping in these counterinsurgency actions in April 1973. Most of this work has been carried out through the Agency for International Development (AID) which has been used by the CIA as a cover for operations in Laos and Vietnam. Military help to the local police and "Barrio Defense Units" (reactionary vigilante groups) has been through AID's Public Safety Division. "Military advisors," through AID and the CIA, are attached to the provincial chiefs where the NPA and the Muslims have advanced. This also happened in Indochina under the name of CORDS (Civilian Operations and Revolutionary Development Support). This project is being staffed by ex-CORDS members, but AID says the "comparison to Vietnam is invalid."

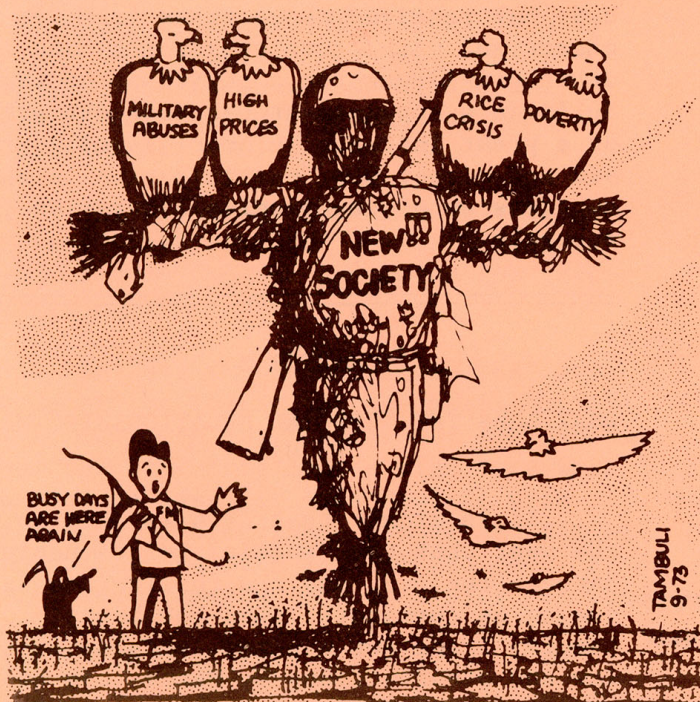
There is a place called the International Police Academy which is run by the Office of Public Safety of AID. It trains Third World police officers in the art of counterinsurgency. In 1971 four Filipino officials took the course. The only country with more officers in the course was Vietnam with five. During the period 1963-1973 256 Filipinos have graduated from the Academy. Of East Asian countries, the Philippines



was third in numbers of officers getting such training.

Counterinsurgency Expert Becomes U.S. Ambassador: In spring 1973 President Nixon nominated William H. Sullivan ambassador to the Philippines. Sullivan was one of the original architects of the Indochina war. He called for the bombing of northern Vietnam in the winter of 1963, but President Johnson was not ready and instead made Sullivan U.S. Ambassador to Laos. Sullivan then turned Laos into the most heavily bombed country in the world. The bombing was illegal, so Sullivan carried out his plans secretly. Air Force men, posing as AID employees, were to avoid visiting Congressmen. Talking to reporters was punishable by a court martial.

Sullivan's appointment to the Philippines came at the same time that "pacification personnel" and surplus war material, including F86 Sabre jets, fragmentation bombs, helicopter gunships, armored personnel carriers, arms and ammunition were sent to the Philippines from Vietnam for use in counterinsurgency actions. When being questioned whether the U.S. should intervene with troops, Sullivan said, "I think that depends on the decision



of the President of the United States." After 3-1/2 years in Indochina, Sullivan is the foremost expert on counterinsurgency warfare. His record indicates he would have no misgivings about committing U.S. air and ground troops to similar operations in the Philippines.

Repression Under Martial Law: Martial law has deprived the Filipino people of their rights and liberties. For thousands, it means being "invited" to interrogations and stockades. For millions more it means curfews, travel permits and restrictions on who you talk to. The only media allowed is governmentally run and censored. All organizations, even religious, are under surveillance and are subject to approval by the local military officials. Even the businessmen are under control. They are required to enter into joint ventures and service contracts with big foreign business, so they can bring "economic expertise into their corporations." Many businessmen give support to anti-facist organizations and directly to the NPA.

The NPA and the Muslim Freedom Fighters: In July 1973 the Igorots and the Ifugaos, fighting with the New Peoples Army in the north and the Muslim National Liberation Front, joined by Christians and non-Muslims in the south pledged solidarity through letters, against the U.S.-Marcos dictatorship.



DON'T MISINTERPRET US. YOU'RE NEITHER PRISONERS NOR DETAINEES. YOU'RE THE GUESTS OF THE NEW SOCIETY. REMEMBER WE INVITED YOU!

When Sullivan was testifying, to the Senate Foreign Relations Committee on May 10, 1973, at a hearing on his nomination, he compared the situation in Mindanao to that in Wounded Knee. Two days later Marcos created the first draft, "To deal," he said, "with the Muslim rebellion in the southern Philippines and with an insurgency north and immediately south of Manila."

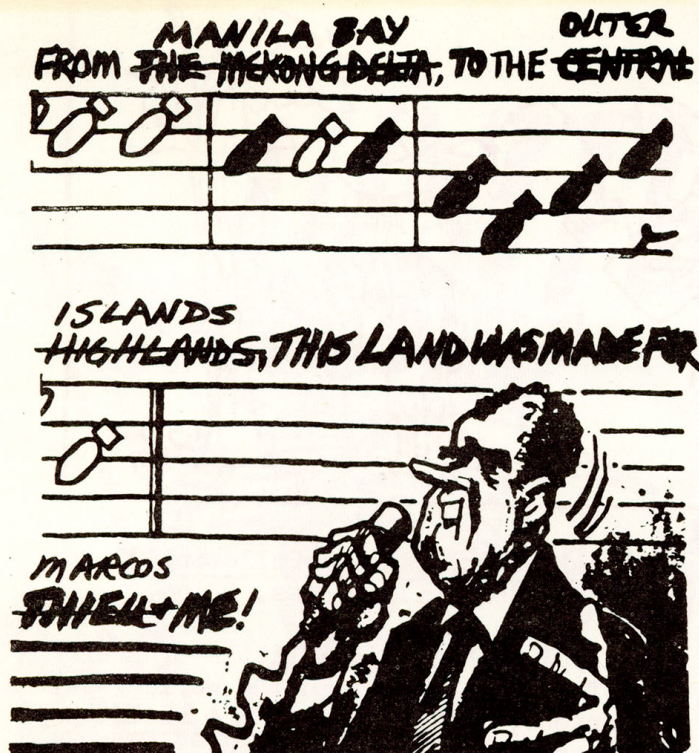
The peoples opposition is shown through the continuing support of the Muslims of Mindanao and the NPA. Reports have said the NPA has squads in over half of the provinces and the fighting is still heavy in and around Mindanao. To combat the Muslim freedom fighters, Marcos is training a 400 man Muslim mercenary force to fight on the island of Sulu. Since martial law was imposed on September 23, 1972, people have been subject to unspeakable torture, taken land from peasants, made them victims of bombings, arson, massacre and other atrocities by the military.

Parallels with Vietnam: The parallel between Indochina and the Philippines is evident. In both cases the U.S. has resorted to military intervention to suppress rising nationalism and popular unrest which threatens U.S. economic interests. The U.S. has Green Berets in the south, as well as 23 military bases. The U.S. has received these bases free of charge and with extra territorial and other privileges for a period of 44 years. Sullivan's appointment has been the start of a great increase in American military aid and direct U.S. participation in the suppression of the peoples liberation struggle.

CHAPTER 5

WHAT DOES THE "SPECIAL RELATIONSHIP" MEAN TO US?

It is ironic that 1974 is said to be the year that the "special relationship" between the U.S. and the Philippines is due to be terminated when the Laurel-Langley Trade Act expires, because martial law and other actions by Marcos can be seen as ways of insuring that even after



1974 nothing will change. The imposition of martial law itself was a reaction to a September 23, 1972 ruling by the Philippines Supreme Court, which stated that "citizens of the U.S., and corporations and business enterprises owned by or controlled by them cannot acquire or own... private agricultural lands in the Philippines and (lose) all other rights acquired by them under the Parity Amendments (Laurel-Langley) when they expire on July 3, 1974."

After declaring martial law within hours after the Supreme Court decision, Marcos emphasized, "Americans could continue to own agricultural lands and hold their businesses under parity rights even after 1974!" As early as 1967 and contrary to nationalistic campaign promises to let parity rights lapse, the Marcos regime enacted the Investment Incentives Law, which declares a state policy to encourage foreign investments and defines a corporation with a maximum foreign equity (controlling investment) up to 40% as a "Philippine national"! (In fact, as little as 20% equity, when concentrated in one or a few foreign investors, can control a company since the remainder in Filipino hands

is usually dispersed among many.)

And more recently, on April 7, 1974, an amendment to the Foreign Investments Law was passed to allow foreign businesses to take home 100% of their royalties as opposed to 50% up to then.

In order to sustain this favorable climate for U.S. investments, Marcos has used martial law to ban strikes and demonstrations as well as negotiations for wage raises and better working conditions. In addition, Marcos provides police-enforced guarantees against popular uprisings and censors Congress and other opposition spokesmen among the national elite to minimize nationalist outbursts against American corporations. Military actions against Moslems in the South are part of the plan to insure that land is available for exploitation.

This is the concrete encouragement for "runaway shops"--U.S. businesses which move their operations overseas to escape the high costs of labor, materials and taxes. The result is increased abuse of workers in the Philippines and in other Third World countries as well as increased unemployment and loss of bargaining power for American workers.

For example, in Hawaii many agricultural workers have lost jobs on pineapple plantations. One labor union local describes the situation: "These (U.S.-Philippines) agreements enabled two U.S. multinational corporations--Dole and DelMonte--to get around the provisions of the Philippines constitution which were designed to reserve Philippine national resources for Filipinos and to limit the size of land-holdings. They enabled Dole and DelMonte to betray the interests of the people of Hawaii by deliberately creating the major "foreign" competition which now threatens to wipe out our own pineapple industry, thousands of jobs and whole communities here."

So, as companies drastically reduce the price of producing things by "running away" from the U.S. and correspondingly boost their profits, Americans continue to pay the same high prices, as well as the new expenses of unemployment, welfare and higher tax burdens which result.



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PEOPLE QUEUING UP FOR RICE