

Eye on Washington by Nicholas F. Benton

Commiserating over the Philippines fiasco

Ray Cline's Global Strategy Council convened a seminar of Philippines "experts"—CIA types, mainly—Oct. 13 to commiserate over the abject failure of the heavy-handed U.S. intervention there last year that toppled the Marcos government.

As the communist insurgency is now running amok, a process is unfolding among patriotic factions of the Filipino intelligentsia and military, which is refusing to remain silent in the face of the failure of the Aquino government to contain the situation.

The principal speakers at Cline's pow-wow, held at Henry Kissinger's Center for Strategic and International Studies (CSIS), conceded that the situation was grim. At least, that was a more realistic appraisal than the whitewash offered by Assistant Secretary of State for Far Eastern and Pacific Affairs Gaston Sigur, in testimony he gave to a Senate Foreign Affairs subcommittee the week before.

But Gen. Richard Stilwell (ret.), undersecretary of defense from 1981-86, and Roger Fontaine, a former National Security Council senior staff officer, had no light to shed on how to clean up the mess the United States is principally responsible for creating in the Philippines.

It would be best if, for a change, U.S. bunglers stayed out, and let Filipino patriots sort things out for themselves. What is key is how the United States will look upon the efforts at

genuine economic recovery that might be involved.

Fontaine's presentation painted a hopeless picture, noteworthy for its singular lack of a solution. General Stilwell lashed out bitterly at the "apathy" of the Filipino population in the face of chaos, saying that the paltry military forces that now threaten the Aquino regime would be no problem if the population there wasn't so passive.

During the discussion period, this reporter suggested to General Stilwell that the "apathy" problem he alluded to might have something to do with the state of the Philippines economy; especially, the enormous burden of the country's foreign debt and the adverse impact of U.S. demands for "privitization," given the below-production-cost prices most commodities are now receiving on the world market.

In fact, the \$28 billion foreign debt of the Philippines draws 33% of the nation's entire export earnings annually, and the \$3 billion the nation is expected to pay out next year more than triples the entire sum of foreign aid from the United States, Japan, and other sources.

As a result, the nation continues to be almost 50% unemployed or underemployed.

All the Filipino population has seen since Aquino took power is her commitment to make good on all foreign debt obligations, thus pouring billions into the vaults of the money-center banks in New York and London, while leaving her own population wallowing in abject poverty. So much for the causes of Filipino "apathy."

I suggested that the United States could become a positive ally of a Philippines government that sought real economic growth for its population, if it did not treat measures to achieve this, such as the kind of restrictions on foreign debt payment imposed by

President Alan García of Peru, as "hostile" to U.S. interests.

"Perhaps it is not too late to learn the lesson that you cannot continue to loot an economy and expect to repel the advances of communism," I said. "Either the U.S. waits to be kicked out of the Philippines, or it takes the initiative to ease the burden of the debt, and introduce credit directed at substantial, job-creating infrastructure projects, which will have the effect of transforming the overall productivity of the economy."

"If we based our relations with the Philippines on a community of principle between sovereign states, assisting in real economic growth, then the population would have no difficulty supporting the presence of the two strategically crucial U.S. bases there."

This comment elicited an immediate and violent reaction, which demonstrated, in a clinical way, the kind of thinking which has helped so much to create the current mess in the Philippines.

First, Max Singer of the Potomac Institute leapt to the microphone to protest that the health of the Philippines economy can never be achieved by measures such as a debt moratorium or rescheduling. "The key must be building the confidence of the business investor," he said. It was the standard IMF/World Bank line on why the government of the Philippines must stuff the coffers of New York banks over the dead bodies of its people. Singer, apparently, would rather the Philippines go communist than give up this policy.

Second, a respected lieutenant general stood up and complained, "You can't talk about economic reform when you are in the middle of an insurgency." He had not been there when General Stilwell complained that the success of the insurgency was due to Filipino public "apathy."