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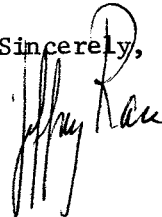
Whither the Philippines?

Mr. Richard H. Nolte
Institute of Current World Affairs
535 Fifth Avenue
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Dear Mr. Nolte:

The essay below summarizes my thoughts after my recent visit to Manila. I was only able to gather so much material through the kindness and hospitality of many Filipino and foreign friends in Manila. However, I completed writing of this essay after returning to Bangkok, and so if any readers detect errors of fact or interpretation, I would be much obliged to hear of it.

Sincerely,



WHITHER THE PHILIPPINES?

A revolution is taking place in the Philippines, the true dimensions of which seem little appreciated outside the country. It is likely that the authors of this revolution themselves do not fully sense the inevitable long-range consequences of their actions.

The changes which are taking place are truly breathtaking, sharing some of the characteristics of the Chin centralization in China in the centuries before Christ, of the Napoleonic reforms at the start of the 19th Century, and, more recently, of the Nazi Revolution in Germany. The most important changes are not those one hears about in the press -- confiscation of weapons, land reform, alleged corruption around President Marcos -- and the preoccupation with these issues obscures more fundamental shifts which will determine the future of the Philippine Republic.

Despite President Marcos' assurances that his moves are intended to abolish the oligarchy of great families that previously controlled Philippine politics, in fact martial law and what it has brought in tow represent the breakthrough of one segment of that oligarchy, which has now gone on to abolish the rules by which the oligarchs jointly dominated the country in the past. To do this the regime has had to form alliances with new groups at home and abroad, and in due course it will have to move to squeeze out the remaining, now damaged, oligarchs, or at least to force them into extremely subordinate positions. It is when this final squeeze

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comes that the stability of the new system will be called into question, and the events that have taken place so far suggest what will be the most likely outcome of this encounter.

Hotly debated is whether the common man is better or worse off under the new regime's policies of land reform and tough law and order. On the sound historical principle that the only chance for the common man to creep ahead is through cracks in the elite, we can confidently say that some farmers, and some workers, are better off now than they were three years ago, since what has happened since 1972 represents a historic fracture in the coherence of the Philippine ruling groups, with one faction now having dared to form a tentative, and very special kind of, alliance with the common man. But this principle also warns that the common man will be able to enjoy these gains only as long as he is useful in consolidating the position of the new, smaller, and richer, segment of the oligarchy which is now fastening its grip on the Republic.

To understand what Marcos has accomplished since September 22, 1972, we must go back for a moment to look at the structure of rule before martial law. The nation was under the domination of a few great families -- the Lopezes, the Sorianos, the Ayalas, the Aquinos, the Jacintos, the Elizaldes and others -- who made their fortunes in the times of the Spanish or the early years of the American occupation. While these families began their fortunes with land, they gradually moved into other areas of the economy: banking, trade, shipping and transportation, mining, communications. They exploited the constitutional structure established during the American occupation, providing for the decentralization of power through the local election of mayors and provincial governors, to firmly consolidate their control over the national political system.

This was necessary because in a society like that of the Philippines, one could (and can) hardly gain great wealth -- and certainly not keep it -- by relying on the impersonal operation of law, for the simple reason that there was and is no impersonal operation of law. Hence the great fortunes had to have power, which they did in several ways. For one, in their regional power bases, they had their own private armies of goons, always useful to keep the small fry in check, and especially so at election times, when the bullet was a frequent concomitant of the ballot. Second, they owned many of the mayors and governors and, through extensive patron-client networks stretching from countryside to Manila, many of the Senators and Representatives as well. Or, to put it differently, elections were fought over which group of families, which alliance of patron-client networks, would control the central institutions of power. Third, the great wealthy families controlled many of the communications media -- newspapers, radio, television -- not so much to make money as to have a powerful public voice to deter harassment. Contrary to the situation in some other countries, like Thailand, where the military and the bureaucracy ruled, in the Philippines these two elements were firmly under the thumb of the great factions among the elite, by such mechanisms as the Committee on Appointments, through which military officers had to pass to secure promotion to colonel. Hence political acceptability, and docility, were assured.

The flagrant injustice of the old system was one of Marcos' strongest points in overthrowing it, accounting for the ambivalent attitude even of liberals toward martial law. Says one of the most prominent Philippine intellectuals, who cannot now travel abroad because he is suspected by the security organs, "The old Congress was obscenely corrupt, and I am not sorry to see it go." To be sure,

this was corruption only by a very special standard, the result of a historical anomaly. For what the rich did in the Philippines would have gone unnoticed, or at least unnoted, in other countries at a comparable stage of economic development. The problem is that the Philippines, due to the heritage of American rule, has a more literate population (82%), more communications media, and more advanced political institutions and higher standards of public accountability, than it is entitled to solely on the basis of its own evolution. And this anomaly, which had much to do with the coming of martial law, will also have much to do with the fate of Marcos himself.

The Situation Just Before Martial Law

The existing constitution forbade Marcos to run for a third presidential term after December 1973, and his Nationalist Party had just lost heavily in the November 1971 congressional elections. Under the previous practice of rotation in office, Marcos' likely successor as President would have been the charismatic Liberal Party Senator Benigno Aquino, Jr, scion of one of the main families of the oligarchy. Many observers claim they need look no further than this fact to account for the suspension of the constitution; according to one, "complete personal opportunism is Marcos' most consistent personal characteristic," and when he met a legal bar to his ambition, he unhesitatingly cast it aside.

Actually, it is more complicated than this. Those on both the left and the right agree that by mid-1972 the situation was becoming unbearably chaotic. For one thing, a series of Supreme Court decisions had undercut some of the favorable provisions of Philippine law or treaties for American investment. How this problem was to be resolved, and the more general question of the future of America in the economy were becoming urgent issues. Also, the use of American bases in the Philippines for the recent attacks on North Vietnam had inflamed growing nationalist sentiment; the issue was being churned by the intensely anti-Marcos press as a way of discrediting him, and his equivocations did not help. Hence, Marcos' position as a capable intermediary between America and Philippine domestic pressures was being brought into question. Finally, strictly domestic issues were heating up: the Maoist New People's Army was on the rampage; Muslims were in revolt; bombings in the capital were becoming an unsurprising occurrence; even Catholic groups were on the march against the old order.

It is certainly conceivable that Marcos saw the ungovernable situation into which the country was slipping and, having both wealth and power, and a generous opinion of his own capabilities, he felt that he was the only person to save the nation and, in the process, add reputation down the rest of history to the wealth and power already his. In any event, it was clear that the nation was moving toward some kind of decisive turning point, with momentous consequences no matter what path was chosen. As one conservative supporter of martial law (and former Philippine Ambassador to the UN) puts it, "If you had been here in the old days, you would have thought you were in some kind of Orwellian situation. You could scarcely turn on the radio without hearing some firebrand screaming revolution."

On September 22, 1972, alleging a rightist-leftist conspiracy, Marcos declared martial law, suspended constitutional rights, closed down the media, and began rounding up the opposition. There is considerable evidence that the moves had been planned some time in advance, and in fact one of the burning issues in the final chaotic days before the declaration was precisely the charge by Aquino that Marcos was planning to suspend the constitution.

The reality of a "rightist-leftist conspiracy" is debated even now, but perhaps one scholar in a recent article best summarized the thinking of Marcos in doing what he finally did. "In fact it was not the left he feared but the right. Rather the left was a vehicle for Marcos to attack the right. Marcos had seen the rightist ploy and struck back hard, using the Maoist left as a convenient excuse. "

Since September 1972

Most of the attention of foreign observers, and complaints of liberals, have been focussed on the more spectacular concomitants of martial law: rounding up the opposition and imprisoning them without trial, or even charges, for years on end; closing the newspapers, radio and television; and postponing, apparently without time limit, the return to constitutional rule. There is no question that as a result of these harsh measures, some 600,000 private weapons have been picked up throughout the nation, the private armies have been smashed, the crime rate has dropped significantly, and some semblance of law and order now exists. One can now safely walk down United Nations Avenue or Roxas Boulevard in the tourist section of Manila in the evening without fear of dying in a hail of bullets while passing a night club in which some private gun battle is being enacted, and one no longer flinches at entering a taxi in dread that the driver will take one to a deserted lane to be robbed and killed. Even the liberals are thankful for these changes and acknowledge them as genuine accomplishments, though they question whether there was not another way.

But a concern for such superficial innovations tends to obscure the more important long-run and probably permanent changes that are taking place under Marcos' guidance. These are such things as the integration of the heretofore local police forces into a national bureaucracy controlled from Manila; the abolition of local elections for mayor and governor, and the incipient conversion of what was a decentralized political structure into a centralized bureaucratic system; the land reform, which is significant not in itself but for what it says about the new coalition Marcos is forming -- indeed its failure or success in its own terms is probably irrelevant, notwithstanding the fact that it is always debated in this way; the striking role of the military in what Marcos calls the New Society; the response to the secret longings of the technocrats and, more generally, the bureaucracy; and the literal confiscation of some of the great fortunes of the old society.

Let us start with the last, since it is what has entailed all the rest. Marcos himself terms his moves "the destruction of feudalism," and the controlled Manila newspapers recently announced that the government had "dismantled the backbone of feudalism" by the land reform program. However despite the transfer of 800,000 acres of land to some 180,000 tenant farm families during the three years of martial law, land reform has not "destroyed feudalism" or seriously hurt the oligarchs, since most of their landed wealth is in urban property or sugar plantations, exempt from the reform decrees. Indeed, it is likely that the agrarian reform has cost Marcos some support where he needs it, in the government itself, because many among the military, the bureaucracy, the judicial corps and the police are small-holders.

What has hurt some of the feudal oligarchs much more is the virtual confiscation of significant parts of their fortunes, using means in some cases reminis-

cent of those of Hitler's Germany, or Amin's Uganda, but with only the threat of violence. The preeminent pillar of the oligarchy, and the one to suffer most in this regard, is the Lopez family. When Marcos, after the 1969 election, made it clear he intended to remain in power despite the constitutional eight-year limit, it was "every man for himself," and as possessors of the greatest fortune and the best corporate and media organization in the Philippines, the Lopezes were the greatest threat. Marcos has moved aggressively against them, with none too delicate means. In the wake of martial law Eugenio Lopez, Junior, apple of his father's eye, was arrested on charges of participating in an assassination plot against the President, and the universal public account of what happened next (there has been no official statement) is that the elder Lopez was told if he ever wanted to see his favorite son again, he would have to sign over his fortune to a specially created organization, the Marcos Foundation. The jewel of the Lopez fortune was the giant Manila Electric Company, and there has indeed subsequently been an announcement that it no longer belongs to the Lopez family, without further details. The agent in this audacious, and successful, extortion scheme was reportedly Roberto Benedicto, nominally Ambassador to Japan, but who in fact lives in Manila and serves as general fixer and money man for Marcos.

The exact value of the assets extorted from the Lopezes is not clear: the regime would claim that Manila Electric had a minimal net asset value due to outstanding loans; the Lopezes would perhaps suggest a figure of \$100 million. What is clear is that substantial sums changed hands under threat of incarceration or worse for the young Lopez; and that Eugenio Jr still remains in custody, despite these transfers and the subsequent public humiliation of his father in a desperate emotional appeal to President Marcos to free his son.

Similar breath-taking measures have been applied on other fronts. With the shut-down of the press, radio and television, their equipment suddenly became valueless, unless someone could gain permission to operate. By coincidence, along came the above-mentioned Roberto Benedicto with an offer to lease the immobilized Lopez media assets; a lawyer who has seen the contract says the operative clause provides that "the amount of the rental fee shall be fixed at a later date." Thus far the amount has not been fixed, and there is no sign that it ever will be; in effect, the result is a transfer of another chunk of the old oligarchy's assets to the power brokers of the new regime. Presumably similar quasi-legal means have been used to paper over the conveyance of other assets, but there is no way that information as to the confiscations can appear in the controlled press, and it is unlikely that any Filipino would risk making inquiries about legal niceties.

Another method used to transfer assets has been forced sale under various pretexts. Thus a major bank owned by the Aquino family was forced into being taken over in a declared move to strengthen the capital structure of the Philippine financial system, and the Osmena family has lost a shipping company.

None of the families whom Marcos has attacked are on the verge of poverty; all still have plenty to live on. It is just that their financial positions have been greatly weakened, and their media empires have been taken away. It is hard to develop any enthusiasm over these people as oppressed protectors of the sanctity of law, justice, and private property -- they have simply been wounded with the same sword -- political power -- that they themselves had been wielding. The Lopezes, for example, gained control of the Manila Electric Company from a group of American investors by raising loans from public and private institutions while one of the

brethren was Vice President. The senior Osmena was a governor, member of the National Assembly during the first decade of the century, later Senator, and finally second President of the Philippine Commonwealth.

If the land reform has not brought the end of feudalism, as Marcos claims, and the Nazi-style confiscations and extortions at gun-point against some of the members of the oligarchy have not done so either, what is there to the claim of ending feudalism? A very great deal. Marcos has hit the rest of the oligarchy not with the takeover of their wealth per se, but with something much more sweeping: the end of their means to protect their wealth. The rest will follow naturally.

The full cleverness of what Marcos and his associates are doing is insufficiently understood, but to appreciate its full subtlety one must have some feeling for the coalition they are putting together. The old system was truly feudal, but not in the sense of having poor farmers dependent for land and favors on wealthy planters: that can after all exist in other kinds of systems as well. It was instead feudal in the proper European sense that power was in the hands of regional rulers or families, operating with their private armies in the countryside, and ruling the larger state through a hierarchical system of linkages from the rural areas to the national capital, all ratified by a decentralized constitutional structure which ensured that local representatives were largely, or at least sufficiently, the tools of regional oligarchs.

This system did in fact dominate the military and the bureaucracy, exercising its sway through vertical systems of patron-client linkages which naturally had connections with the military and the bureaucracy but which also relied on civilian power brokers -- local, regional and national politicians. Marcos' brilliant vision, which has mostly been realized already, is to destroy this system and replace it with a new, more centralized structure, relying instead on the vertical hierarchies of the military, the police, and the bureaucracy, directed from Manila by a ruler -- now coincidentally himself -- not accountable to any of the old constitutional rules which decentralized power and made the President the instrument (usually the willing instrument, of course) of powerful regional groups. What is happening in the Philippines today is another great centralizing revolution, like that of Chin Shih Huang Ti two centuries before Christ, or Napoleon almost two centuries ago. Hence it is a mistake to see martial law simply as the fiat of a desperately ambitious politician; while it may be that too, it is much more.

The old oligarchy, with its private armies, its captive press, and its hired Senators and Representatives, was largely self-sufficient; as long as no one broke ranks, there was no need for a wider appeal. But in order to destroy the old system, Marcos has had to build a new coalition, just like the centralizers of the past. In fact, the best way to understand what he is doing is to look at the way his new policies serve the coherence of the new coalition: of the common man, of the military, of the technocrats and the bureaucracy, of a part of the business community, and of certain foreign groups.

The most prominent, though not the most important, element of the new coalition is the common man, on whose behalf the New Society has in principle been established. Though Marcos' opponents would say otherwise, it is likely that many members of the general public are better off than in the old pre-martial law days; or at least, to the extent they are worse off, it is not due to faults of Marcos and his associates. For one thing, in lawless situations, most of the victims are invariably the poor, not the rich who can protect themselves, and so the significant improvement in law and order is widely appreciated.

Marcos' land reform is of course the most spectacular element of this populist strategy, and here again the accomplishments are very significant. Critics complain that the program does not cover sugar, coconut, or urban land, and that it does not help the landless laborers, that credit comes too slowly and is insufficient, and so on. These criticisms are also justified, but they do not nullify the fact that one member of the oligarchy has broken the tradition of elite coherence to make a pitch to those below the salt. The Manila papers are full of other substantive elements of this new strategy: assistance to veterans, subsidies to cottage industries, and so forth.

Probably more significant in the long run is the new psychological approach, a populist appeal to the long kicked-about "little man," reminiscent of Germany in the 1930's or Argentina in the 1950's. Marcos' attempt to gain emotional support of the "little man" makes itself felt in such theatrics as Cabinet meetings in the middle of rice fields, and the national pageantry ("circuses" according to regime critics) associated with the President's beautiful wife, Imelda Romualdez Marcos. (Her family is also prominent in the oligarchy.) Part and parcel of this strategy is crass pandering to the mob in the controlled press. Witness two samples from the daily column of Teodoro F. Valencia, a regime favorite:

The JUSMAG head in the Philippines blamed Filipino groups in the USA opposing martial law for a Washington-dated press service story that the USA is not giving the Philippines any more military aid. I don't believe that group has any influence or prestige to make any American wire service shoot out a story like that. The only source of such a story could be the State Department or its satellites. I think the story was a trial balloon to see if Filipinos in Manila would freeze with terror and supplicate to earn American blessings. That was a long time ago, pals. The Americans can keep their aid. Just pay us rent. Or get out.

The [Bureau of Internal Revenue] arbitrarily reduced refunds due to taxpayers. This is illegal. Big taxpayers are allowed to explain themselves before they are taxed. Why should the BIR deny this right to the small taxpayers? And take advantage of the fact that the withheld amounts are in the possession of the BIR? Here is a patent example of government negation of its own claim of equality before the law. The "malalaki" [big guys] have rights. The "maliliit" [little guys] have none.

According to one member of the Cabinet, "Valencia is one of our more outspoken writers" (!)

There are three difficulties with Marcos' populist strategy.

First is that some people genuinely are worse off now, due to the serious inflation (34% in 1974) that the Philippines has suffered. Critics assert that wages remain low because of explicit government policy against strikes and unions, but realistically it is hard to lay any blame at the foot of Marcos. It is a tough world these days, everyone is suffering from inflation, and the question is whether the burgeoning Philippine labor force will be unemployed at a high wage, or employed at a low one.

The second problem with the populist ploy is that it is essentially phony, a smokescreen for manipulation of the masses in the service of competition among

the elites. This motivation is clear from the words of one high official in the land reform program: "If the farmers have their own land, they won't revolt, since they will have something to lose." Since the reforms are simply expedients to purchase the silence of the rural population, their interests will be sacrificed as soon as it becomes convenient to do so, and under the new structure Marcos is creating, they will have no institutional means to protect themselves when the time comes.

The third difficulty is the fatal flaw in the strategy. It is simply that while Marcos is making a pitch to the masses, and probably developing a great fund of good will among them, the dynamics of elite competition at the center have compelled him to eliminate any serious institutional means by which that support might be manifested when the crucial moment arises of a threat to his power.

The military are the second, and at present crucial, element of Marcos' new coalition. As one subordinate close to Marcos says, "There is no chance for the oligarchs to make a deal with the military, since President Marcos has put loyal people in the top positions," such generals as Romeo Espino, now chief-of-staff, Fabian C. Ver, commander of the Presidential Security Command, and Fidel V. Ramos, chief of the Philippine Constabulary. Since martial law military pay and allowances have been vastly increased (they are now higher than the corresponding civil service compensation), and there has been a threefold increase in budgets and a projected doubling, at least, in the size of the armed forces, from 100,000 to 256,000. Important officers with significant followings, like General Manuel Yan, formerly head of intelligence, have been rewarded with ambassadorships (and also, conveniently, removed from the country).

Equally significant in cementing the military to the New Society is one of the revolutionary policies of the new regime, of consolidating the previously local police forces into one national police force under the chief of the Constabulary. Following the political structure of their own country, the Americans during the occupation established local police forces under the elected mayor of each town, with only a coordinating and technical liaison to the national criminal and investigative arm, the Constabulary itself. But while in the US local mayors are in some sense accountable to the public, too often in the Philippines they were tools of the local oligarchs, so that, in the words of General Ramos himself, "there resulted in some instances an unholy alliance between the local appointing authorities and the local appointees." In other words, the police themselves became adjuncts to the private armies that kept the oligarchy in power.

To take the local police out of the hands of the oligarchs, President Marcos signed Presidential Decree 421 on March 21, 1974, providing for the integration of the local police forces in metropolitan Manila, and then PD No. 765 on August 8, 1975, providing for the integration of all the remaining police forces throughout the Republic into the Integrated National Police Force under General Ramos. Local police chiefs then became "station commanders" and reported instead to district police commanders -- bureaucrats from Manila -- while only "coordinating" with the mayor. Thus, with the stroke of a pen, Marcos converted one of the tools of the old system of rule from a decentralized quasi-feudal structure controlled by local powerholders to a centralized bureaucratic system controlled by himself. As this is written local opposition to this grand design has forced partial rescission of the new coordinating instruction (but not the new bureaucratic struc-

ture), and how the matter will finally be resolved remains to be seen.

Latent difficulties are in store for this leg of the coalition as well. For one thing people like Ramos, whose honesty and integrity are legendary, are time bombs for the present system. They must be retained for the credibility they provide, but their very presence threatens the means which hold the coalition together. Ironically, while Marcos is intently defeudalizing the political structure, he must of necessity refeudalize the economic system. That is to say, under a regime of open politics, what holds coalitions together is access to both money and power. With the abolition of open politics the "currency" of power is much scarcer, and furthermore, once it is granted, Marcos no longer has the optimum control. Hence we would expect that the more everyday currency of money would have to be increasingly used, and that is in fact what is happening. Benedicto was rewarded with a chunk of the old Lopez media empire, favored businessmen are being rewarded with access to big deals and partnerships with foreign investors negotiated by the regime, and the military, for the first time, are being cut in on the "action," by being appointed to the boards of public or quasi-public enterprises (for example, part of a steel complex on the island of Mindanao confiscated from the Jacintos for alleged mismanagement). We may expect that in due course less overt and less legal means will come to be used to funnel funds to the military. Consequently, while political power is being centralized, the economy will increasingly have to be parcelled out as a reward to favored members of the coalition.

Moreover, without extending a current purge of corrupt officials to the military, Marcos will lose credibility, since it is well known that some senior generals are involved in corrupt practices. But extending it would damage Marcos' support in the military, and threaten the very means that the coalition under conditions of "no politics" must use to cohere. And, all the while, the presence on active service of numerous honest officers like Ramos threatens the system either with a sudden and uncontrollable scandal, or with ever mounting levels of hypocrisy.

The third element of Marcos new coalition is the technocrats, and more broadly speaking the bureaucracy. The appeal to the former is the new spirit of action, of "delivering the goods to the people," which permits them to carry forward with their pet projects. The bureaucracy as a whole is due to have its powers expanded in the new scheme of centralized rule from Manila and because the bureaucrats are the inevitable heirs of the formerly formidable allocative powers of the now abolished Congress.

To understand the necessity for such measures, one must adopt a non-formalistic attitude toward administration. While in principle President Marcos can order his subordinates to perform certain actions or follow certain policies, in fact no bureaucracy works this way: subordinates must be induced to comply. And, conversations with numerous individuals identified with the "technocrat" faction find them enthusiastic over the extent to which the New Society permits them to plow forward without the "sterile debates" of the old Congress, to quote an official brochure of the Board of Investment. Secretary of Agrarian Reform Conrado Estrella made the same point in a speech during October to the Manila Rotary Club, speaking of the land reform program: "The current accomplishment in three years [of martial law] with respect to hectareage is more than four times, and as to the number of farmer-beneficiaries more than six times, the previous performance of over thirty

years."

Some of the more secret longings of every civil servant are also being answered by martial law, particularly the reining in of the press. This was well put by one very senior official, who complained that under the old society journalists were "romantics," "amateurs," and "English literature majors" with "no practical experience." "We cannot have an English literature graduate commenting on politics -- he cannot identify the public interest except in a very broad sense." Pleased that the journalists are now leaving the government in peace, he nevertheless emphasizes that they have the right to speak out "as long as they don't abuse it."

Nevertheless the keystone of the appeal to the bureaucracy is the great expansion of powers that it will have under an impending centralization of civil power parallel to that described above for the police. In the past mayors and province governors were locally elected, but in the recent referendum most electoral districts voted approval of a proposition that the President should appoint these officials. The details of what lies ahead in this regard are not yet clear -- it is likely Marcos and his colleagues are still themselves groping for a formula -- but the general outlines are plain enough. They amount to a destruction of local self-government throughout the Republic, and a great enhancement in the powers of the bureaucracy, particularly the local military commanders, the police, and a new entity called the Department of Local Government and Community Development. The latter is slated to become one of the crucial new bureaucratic linkages to replace the old patron-client political linkages from capital to countryside.

The lowest level in this new vertical structure is called the "barangay" after the name the pre-Hispanic Malayo-Polynesian settlers gave their first settlements. According to statute it will consist of 100 to 500 families, who form a small closely and interpersonally related group. According to a semi-official briefing paper, "Soon after the setting up of the guidelines for the new order, President Marcos ordered the re-organization of the local units [barrios] into citizen assemblies pursuant to Presidential Decree No. 86. These citizen assemblies were to function as administrative agencies for government action programs such as rice distribution and gasoline ration during the 1973 world oil crisis. They were also to act as the prime instrumentalities for the state regulations and edicts to be disseminated to members and lastly, but most importantly, these citizen assemblies were envisioned to constitute the base for citizen participation in government affairs, their collective views to be considered in the formulation of national policies or programs, and whenever practicable to be translated into concrete and specific decisions. In other words, these assemblies were granted indirect legislative power in national issues."

Thus with the abolition of open politics, there is a populist facade of citizen participation masking, in this case not very well, that there are intended to be no autonomous institutions under the New Society by which citizens can make their wishes come about -- just an atomized public facing a newly strengthened central government.

Also at the local community level are two new organizations which appear likely to play a role in the tightening control of the central authorities over the rural population. The first of these is a nationwide and compulsory "youth group" for all 15 to 21 year olds, among the many functions of which will be assisting in local efforts toward "peace and order." The second is the Samahang Nayan, a farmers organization in which membership is essential for access to such crucial agricultural inputs as credit and fertilizer. While in principle local

leaders are elected, in fact the extension agent will have a determining say, and this organization obviously has the potential for exercising a powerful local influence, should the decision be made to use it against troublemakers, dissidents and non-cooperators.

Exercising supervision over the barangays are to be the mayors and governors, and the crucial question here is how these people are to be selected now that elections are out. Some sources say the decision will be based on the findings of a "performance audit" quietly conducted during 1975 by teams composed of representatives of the Department of Local Government, the Constabulary, and the Commission on Audits. Others say it will depend on an enormous computerized file now in the hands of the technocrats at the University of the Philippines. Opinions also vary as to whether all or only some of these officials will be replaced at the time their terms expire in December 1976. What is certain is that those who remain will be acutely aware that they are serving at the pleasure of the President. The recommendations for replacements will come up through the Department of Local Government and ultimately be presented to the Cabinet by Secretary Jose Rono, whom associates describe as an extremely capable administrator, formerly the governor of Samar south of Manila, who is a friend of Marcos and also close to Mrs. Marcos. Hence enormous power will be concentrated in his hands. Despite Marcos' legendary memory for names and faces, and the need for his signature on the appointments, no one imagines that he and Rono will make all the decisions themselves. At some level in the bureaucracy, a bargaining process will go on to determine who will become the mayors and governors henceforth. Since the old oligarchs are largely out, it can only be the new people who now have access: the bureaucrats, the police, the local military commanders, the segment of the business community which enjoys a favored standing with the regime, and various members of the technocrat faction.

The fourth element of the coalition is the business community, or "anyone who has money," according to one observer, who goes on to add that "except for Marcos' personal enemies, most of the business community is very happy, because they are making lots of money." This is particularly so because of the tough law and order stance, the hard line against unions, forbidding the right to strike, and an expansionary credit policy.

What of the old oligarchs, who dominated the commercial life of the nation just as they did its political life before martial law? Even they are not excluded, but the point is that their participation is on radically new terms -- Marcos' terms. After seeing what Marcos did to the Lopezes, it is clear that they are tolerated only as long as they remain useful and unobtrusive. As one of the regime's leading technocrats puts it, "The present system must maintain its standing vis-a-vis foreign competition, so we recognize the need for businessmen." It is with this hope that the old oligarchs are trying to ingratiate themselves.

But there is an air of anxious expectancy, for they know they are now "on their own," without their Congress, without their courts, without their own media or private armies or friendly police. Superficially little has changed. The members of the great families still receive public deference, still get the best tables at the best restaurants, the lower bureaucrats still grovel before them, but those in the know realize there has been a critical alteration in the reality of the situation. A senior technocrat sums it up in one vehement remark. Gesturing to his huge carpeted office on the edge of Manila, he declaims, "Soriano [president

of the San Miguel Corporation] comes in here, and everyone knows he is rich, but now he is nobody!" With attitudes like this prevalent at top levels in the Marcos administration, it is no wonder members of the old families feel the way the "national capitalists" now do in Saigon. Without the old institutions they formerly controlled, they cannot protect themselves, a fact with crucial ramifications which will be explored in a moment.

The fifth and final element of the coalition consists of foreign investors, who are important not for their political support but for the money they provide to lubricate the frictions between other elements of the coalition, and to keep down unemployment as part of the "common man" strategy. Marcos has made a number of concessions to stimulate foreign investment. According to a Board of Investment Brochure: "The Petroleum Exploration Act of 1972, Presidential Decree No. 92, liberalized immigration requirements for foreign investors, the liberalization of Central Bank regulations on capital repatriation and profit remittances, the decree on multinational companies establishing regional headquarters in the country, and other actions by government were taken as proof positive of the President's earnest desire to attract foreign investments into the country." The brochure goes on to point out that applications for foreign investment doubled in the eleven months after martial law, compared to the eleven months preceding, and subsequent applications continued this upward trend, though there has been a dropoff since early 1975.

There is of course nothing wrong with foreign investment in itself (even some communist countries permit it under rigid limitations); the question is simply the terms on which the investment takes place. What is significant is that the terms in the Philippines have now been sharply altered as part of a strategy for one particular group to maintain itself in power. This, and the extensive foreign borrowings which have taken place since the first of 1975 (some \$400 million through September), will have important implications for the extent to which the economy is mortgaged to foreigners henceforth.

The Future

This is what has happened so far. What does the future hold, and how will it all end? Much of what Marcos is doing has been tried before. Systems such as he is creating have their own imperatives, despite the will of their creator, so we can clearly see some things ahead. In particular, we are likely to see more of five things in the future:

More corruption. Those who abolish parliaments because of their "political maneuverings and sterile debates," to quote the Board of Investment pamphlet again, are often under the illusion that they can thus abolish political maneuverings and sterile debates. Quite the reverse is of course the case, for the locus of allocative decisions simply moves into the bureaucracy and the top levels of the executive. All the old decisions will still have to be made, but now instead of being made by rich Senators, who were corruptible in the old days, they will be made by rich Cabinet members and poor bureaucrats, none of whom is subject to the glare of publicity which so illuminated both the good and the evil of the old society. What lies ahead is as obvious as it is inevitable.

More purges. Since the press, the public and the courts of law no longer reach the executive with the same force as in the old society, the system which

Marcos will have to use, like his predecessors in other countries before him, is fear based on sudden purges. Indeed, it has started already, with Marcos' speech at the Luneta Park on September 19, 1975, at which he summarily accepted the resignations of numerous civilian officials, many of them high in rank. (In the Luneta speech Marcos said this was "a first step to be followed later on by a broader sweep in the lower ranks of the civil service and in other parts of the government including the military organization, a sweep which as of today includes a listing of 2,000 undesirables. . . ." Defense Secretary Juan Ponce Enrile has since announced that Marcos has reconsidered and found a military purge unnecessary since "the weeding out of misfits and undesirables in the Armed Forces of the Philippines is a continuing or 'on-going' process even before the imposition of martial law.")

More cynicism. The one thing Marcos cannot afford to do is to move aggressively against the core of his coalition, including the senior military and the power brokers around him. But since many of these people adhere to the coalition for reasons often unlovely and frequently corrupt, and since this cannot be kept a secret despite the controls on the press, the public will grow increasingly cynical about their leaders not just in spite of, but because of, their expressed high ideals.

More cult of personality. Marcos' system is built not around institutions but public idols, and we may expect to see more of this too. Hence the intense personalism of Marcos' original martial-law declaration: "I, Ferdinand E. Marcos, President of the Philippines, do hereby proclaim that I shall govern the nation and direct the operation of the entire government, including all its agencies and instrumentalities"; hence his own name on each certificate of land transfer under the land reform program; hence the adulatory references to his leadership in the opening lines of subordinates' public addresses; hence even, most recently, the appointment of his own wife as the Mayor of Manila.

More scapegoatism. To legitimize the continuation of martial law, and to divert attention from domestic troubles which will inevitably arise, we may expect Marcos to focus public attention on the Muslims for their rebellion in the South, and on political dissidents in general, who will perform much the same role as the Jews, Communists and Socialists did in Nazi Germany. Like all analogies, this one is not exact, for Marcos has been much more conciliatory toward his opponents than Hitler ever was, but the imperative is the same. Moreover, we may expect an escalating nationalistic campaign against foreign influence, such as Valencia's inspired snapping at the heels of the American government and Japanese and Chinese businessmen. The point to remember, however, is that this harassment is essentially phony, a means of gaining credibility with the public and at the same time upping the price of cooperation with these essential foreigners.

Nevertheless, the system cannot survive as it is presently constituted. The simple question is, will Marcos eat the oligarchs, or will they eat him? It must be one or the other, because the rules which formerly defined the detente between President and Congress have been overthrown by Marcos himself. An act of heroic will might propel the system back to constitutional rule, and Marcos himself may even wish to do so at some time in the future. But while we cannot exclude this possibility, neither is it likely, because despite Marcos' pretensions to "direct the operation of the entire government," in fact he is now just one actor in a coalition of interests which do not always coincide with his own. And none of these interests can see any gain in constitutional rule -- indeed one Cabinet member goes

so far as to make a direct equation between the restoration of constitutional government and the return of the oligarchs to power.

The instability which lies ahead rests on a number of inescapable facts.

First, there is an essential contradiction between the value which brought the system into being -- moral regeneration -- and the operative principle which holds it together -- wheeling and dealing, at best on the border of the law, at worst outside it.

Second, we must add to this the presence of a considerable number of honest and principled officials in the bureaucracy and the military; a highly literate public; powerful linkages to the outside world and the presence of numerous international organizations in Manila; and the existence of the Catholic Church, itself happy with martial law (according to one Church dignitary, "we can live with any kind of regime: monarchy, socialism, capitalism, anything but atheistic communism") but the home -- sometimes the uncomfortable home -- of progressive influences which Marcos, for all he wishes, cannot possibly crush. Hence Marcos will be unable, as is possible in Taiwan, Spain or the USSR, to control the society so tightly as to ensure the perpetuation of the regime he is creating.

Third, and most significantly, Marcos cannot remain awake 24 hours a day manipulating and controlling the people about him. He must rely on his subordinates, each of whom is maneuvering to advance his own interests. The best way to bring about a radical improvement in one's personal position is to squeeze the old oligarchs, now bereft of their armor.

Hence there are essentially two ways the regime can end, assuming no return to constitutional rule: either a fast death or a slow one. In the fast-death scenario, some of Marcos' subordinates will move on one or more of the old families, demanding, say, ten percent of their fortunes as the price of protection. They will fight back. Here it is essential to realize that the secret of Marcos' success thus far has been his selectivity: he has savaged the fortunes of three leading families, and taken a personal hostage from each (Eugenio Lopez, Jr., Benigno Aquino, and Sergio Osmena III). The rest of the oligarchy is stunned, never having had to deal with such a ruthless and clever person as Marcos, nor one so unprincipled as to make an alliance with the lower classes. Hence the remaining oligarchs are resting, waiting, seeking a way to cooperate with Marcos, hoping that a deal can be made. After all, among the elites themselves, there has been no violence, no one has been killed, and except for the three horrible examples, everyone is free and in possession of part of his fortune. Only farmers, workers and Muslims have been tortured or killed. But sooner or later, the squeeze will come, and there are already petty examples of what is in store, for example the "voluntary contributions" which Mrs. Marcos is forcing the business community to make to various and sundry causes such as the Ali-Frazier fight promotion, the Miss Universe Pageant, and a new cardiac research center. So far the sums involved, about \$10,000 each time, have been peanuts for the oligarchs, but if the squeeze gets out of control, Marcos' personal shrewdness will become his death warrant. By so effectively coopting the military and the bureaucracy, he has ensured that the old oligarchy can respond in only one way.

For in fact the old oligarchs cannot possibly offer the military, to stage a coup, as much as can Marcos, with his hand on the US aid spigot, and in control of lucrative business deals. They cannot campaign in public. They cannot appeal to the courts. They will not even be able to conspire in secret, so effective is

the domestic spy system which Marcos is developing. But ten percent of a fortune of \$400 million (not unreasonable for, say, the Ayalas, who own much of downtown Manila) is \$40 million. For that sum, one can go through 39 assassins at \$1 million apiece and still be ahead. Marcos himself is intensely aware of this danger of falling to an assassin's bullet, which is why he has so stepped up his security detail, and why he so seldom appears in public except unannounced. The key to his personal survival lies in controlling the greed of his subordinates, in a system that works on greed.

Assuming that Marcos can keep his subordinates on a short leash in their own empire-building activities, and can ease the oligarchs out one-by-one without arousing retaliation, his system may last a long time, like Peronism in Argentina, being subject instead to a gradual rundown due to the parcelling out of the economy to favored cronies and the ever-increasing burden of the mortgage which foreigners hold on the economy. High levels of foreign investment, and high prices and demand for Philippine export products, may stave off the crisis. The difficulty is that a system such as Marcos is establishing takes ever more complex control measures and an ever trickier juggling of interests and competing factions to keep it going. Eventually it takes too much time and skill, exceeding the powers even of a master manipulator like Marcos. A crisis will arise, for what reason cannot now be predicted. And here the fundamental flaw of the martial law system will manifest itself.

The basic and fatal flaw is that Marcos has been able to establish no institutional alternative to personal rule. Marcos knew that his opponents within the old elite have a comparative advantage under the old rules, so he overthrew the rules and the institutional structure they articulated. But he can put nothing in its place, and he has since been grasping for a formula: referenda, reorganizations of barrios into barangays, manipulations of local rule, toying with computers and performance audit teams. But everything remains highly personalized, built around one man and his wife. Whatever the evils of the old system, it was at least able to mobilize public support and concentrate it in public institutions. But on that crucial day to come, when Marcos, having avoided assassination, faces his great crisis of authority, it will be just he versus his enemies in the swirling vortex of Manila intrigue. All the good will and all the friends he has accumulated so carefully with the land reform program, the cult of personality, the bread and circuses, will come to nought, for they will be able to find no institutional expression.

After Marcos

After Marcos, what? The answer here is clear: there is no going back to constitutional democracy as it was known before. The Philippines, like India and other former colonies too numerous to mention, is in the process of rejecting a foreign graft which ill-suits the desires of national elites for self-aggrandizement. Liberal constitutions, independent courts, the free press, all serve well the middle classes of advanced industrial societies, but they hardly match the realities of power in countries like the Philippines.

Simply put, after Marcos passes from the scene, it will be infinitely more desirable for a new contender to step into Marcos' shoes, than to go back to the old system of limited government and the rule of law, however attenuated it was. And there will be no lack of contenders, for the regime is necessarily creating a

whole array of privileged interests -- in the bureaucracy, in the military, in commercial circles -- who would be threatened by the old system of limited government. In fact, once Marcos is gone, everything falls into chaos, for he has established no party, no organization, no institutional procedure for succession: just The Leader. When Marcos departs, there promises to be a serious struggle between the remnants of the old oligarchs, and the new coalition Marcos has created, to seize control of this fantastic instrument of power and privilege which has been fashioned since 1972. It is likely that at least the first victors will install a figurehead known for his integrity, someone like General Ramos, while matters sort themselves out behind the scenes.

Where will this leave the common man? By that time his usefulness will have ceased, and his future looks rather bleak. And the US, which some allege to be behind martial law, or at least cheering from the sidelines? Really, none of this matters very much to the US, which need do very little, except what it is doing already. Ambassador Sullivan, or his successor, can calmly sit in his office on Roxas Boulevard, contemplating Manila Bay, while this struggle is played out. For, unlike Thailand, or Vietnam, or India, the Philippines has no more alternative to the US than Estonia has to the USSR. The US can regard the struggle for Malacanang Palace with indifference, and when the new occupant is installed, carry on as if nothing had happened.

Conclusion

Many objections to Philippine martial law are hypocritical, or at least poorly thought through. Despite its constitutional niceties the old society, like virtually all societies on the face of the earth, was a racket run for the rich and the powerful at the expense of the poor and the voiceless. While some communist states have managed to replace the exploitation of man by man with its opposite, even that nominal change has not been achieved by the New Society, and indeed it would be unrealistic to expect otherwise despite all the rhetoric. The New Society is also a racket, on behalf of a smaller number of racketeers, and provisionally less exploitative for some people at the bottom. While institutional and constitutional niceties are important, an equally important test of change must be the sincerity of the people at the top.

In fact there is an impressively large number of sincere and dedicated people in the Philippine government, but what is even more impressive is the number out of it and in fact in opposition to it. Moreover we must look not just at the bona fides of individuals but at the structure of interests. If even half of what is written here is true, then the present structure of interests under martial law leaves the common man just where he was before: as a means, not an end.

I am mindful that the greatest excesses are committed by the truest believers. But I conclude regretfully and reluctantly that the martial law regime has not reached a balance between true believers and a practical competition of baser interests which would preserve the structure of liberty and serve man as an end, not a means. In fact, it is probably not even on the right track. The old regime was more likely to evolve in that direction than the new, for the reasons spelled out above. I remain willing to be proved wrong, and hope for the sake of the Filipino I will be, but what I know of politics persuades me otherwise./