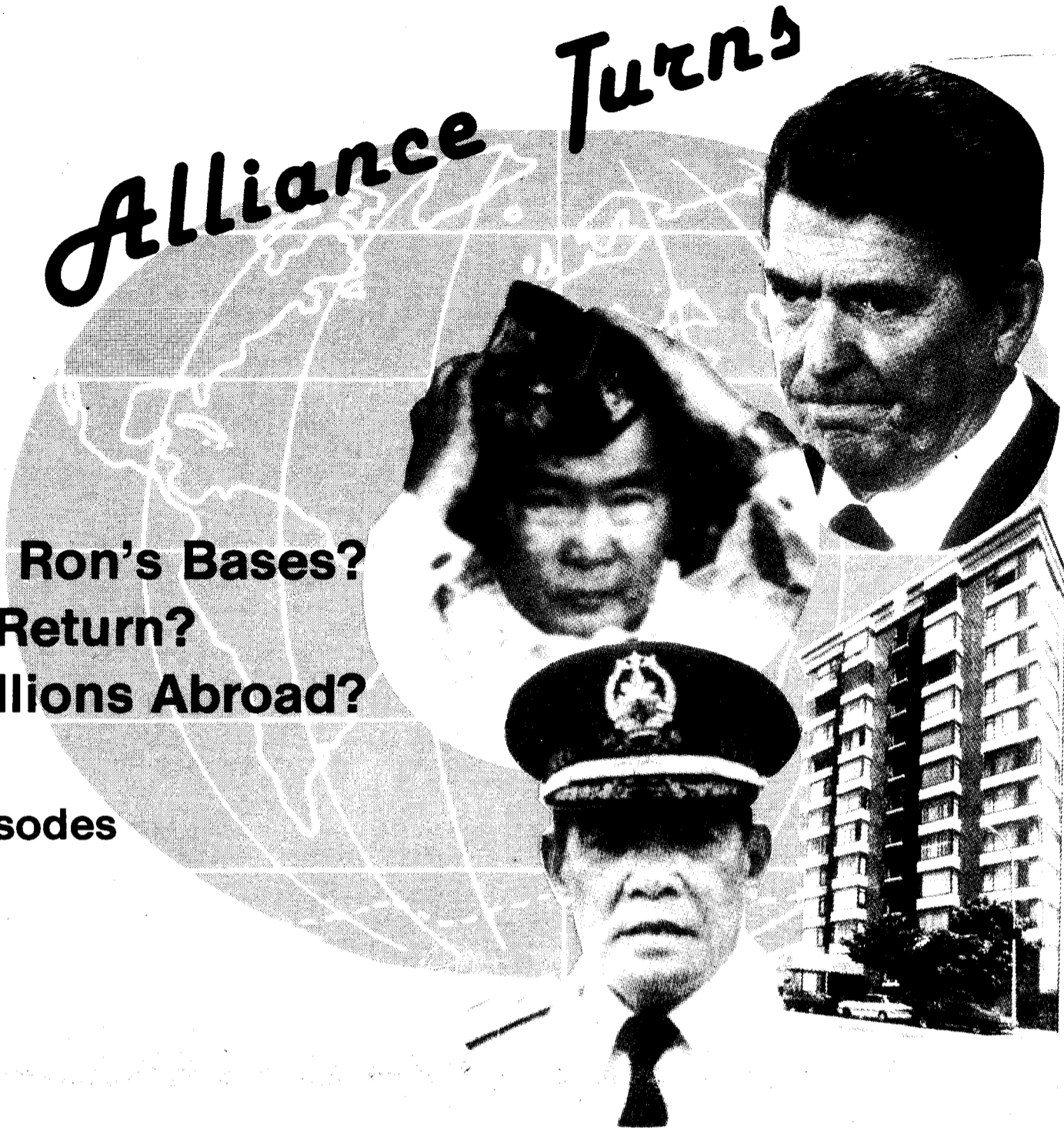


As Their Alliance Turns

Will Ferdie Close Ron's Bases?
Will Ron Let Ver Return?
Who's Salting Millions Abroad?

Read the Newest Episodes
on pages 4 and 5



White Man's War, Black Man's Anguish



Black Soldiers in the Filipino-American War (1898-1902)

By CHRISTINE ARANETA

"I want to say right here that if it were not for the sake of 10 million Black people in the United States, God alone knows which side of the subject I would be. And for the sake of the Black men who carry arms and pioneer for them as their representatives, ask them not to forget the present administration and the next election. Party be damned! We don't want these islands, not in the way we are to get them. And for heavens sakes, put the Party [Democratic] in power that has pledged itself against this highway robbery. Expansion is too clean a name for it."

—Unsigned letter of a Black soldier in the Philippines to the Editor of the *New York Age*, May 1900

In China, the Great Powers agreed to maintain equal commercial rights in all of that nation's territories. Shortly after, the Boxer rebellion unleashed its fury on all foreigners who wanted to carve up the Middle Kingdom.

After more than a century of joint plunder that bled the indigenous African peoples, the Boers (Dutch settlers) and the British trained their guns on each other in a bid for ultimate sovereignty over South Africa.

The new century saw the dawning of the age of imperialism, an era when no tribe, no people, no nation would remain an independent entity unto itself. International capital was weaving the fates of disparate peoples in a tapestry of exploitative political and economic relations over which the Great Powers colluded and competed for dominance.

Upheavals, wars and rebellions were the order of the day, as borders were re-drawn and new flags of conquest hoisted. In the citadels of power—Columbia, London, Paris, and St. Petersburg, the imperialists savored their new territories.

In a corner of Asia the Philippine Islands, newly freed from years of Spanish colonial rule, another war of independence was being fought by a stubborn people against a new conqueror—the United States.

American boys were turning tropical towns into "howling wilderness" and dying in turn. A bitter debate raged over those damned islands, home of the "cut throat Khakiac ladrones." Solons and soldiers of fortune, labor leaders and liberal intellectuals argued over the merits of "Manifest Destiny."

One sector of the American people—the Black community—stood at the intersection of this crisis abroad which had become a crisis at home. Among Black Americans, a dynamic contradiction was being

played out: would they side with imperialism and hope for the benefits that were expected to trickle down as a result of empire-building? Or would they resist the war against the Filipino people, a racist war justified by the same arguments that had kept Blacks enslaved and then disenfranchised? At the center of the controversy stood the Black soldier: a walking contradiction, an anomaly as an aggressor, and ultimately, a reluctant guardian of U.S. imperialist interests.

"Our aim is to maintain our standing among American soldiers and add another star to the already brilliant crown of the Afro-American soldier. We are now arrayed to meet what we consider a common foe, men of our own hue and color, and if such questions should arise, it would be disposed of as one of a political nature by the soldier. . . . The Afro-Americans are represented by 2,000 'sable sons,' as a Manila paper put it, 'Greek against Greek,' and in the usual

Continued on page 7

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1900. Republicans and Democrats were girding for a presidential election in the United States—the most important since the re-election of Abraham Lincoln at the peak of the anti-slavery struggle in 1864.

NO 'UNITED FRONT' WITH THE U.S.

Washington is quietly putting more pressure on Ferdinand Marcos to clean-up his act. He, in response, has been blustering about "U.S. intervention," even threatening to close down the U.S. bases. What opportunity does this quarrel present?

Marcos has not suddenly turned into a militant nationalist, that much is clear to the opposition in the Philippines and here. So, no force of significance is proposing an "anti-imperialist united front" with the dictator.

But some quarters in the opposition are attracted to the notion of some sort of a "united front" with the U.S. against Marcos. Some of its proponents are of course more calculating than naive, having never conceived of political careers independent of U.S. sponsorship. Others, however, may be drawn by the naive belief that this is the most practical thing to pursue because "only the U.S. has the strength and leverage" to get rid of Marcos quick.

It sounds practical, but it's shortsighted. This lovers' spat has not turned the U.S. into a selfless friend of the Philippines. So whoever wants to rely on Reagan must be prepared to abide by his terms and live with the U.S.' political-economic agenda and military interests—the deepest sources of nation's woes; in other words, sell out, because that is the price of U.S. sponsorship. The shame is, some oppositionists are peddling this notion with the excuse that there exists no other alternative.

But there is a way the opposition can take advantage of the growing contradictions between the patron and the ward without ending up as Washington's pawn. That is to keep fueling a mass-based resistance to the dictatorship on the basis of the call for democracy and genuine national sovereignty; to build a politically

broad, unified front that challenges the regime in every arena of political struggle. The development of opposition strength on the basis of this initiative will deepen Marcos' isolation, worsen its rift with its nervous sponsor while the latter is left with only a few elite sell-outs, with no mass following, to turn to.

Easier said than done of course, especially now that the opposition is going through the most difficult period of fragmentation and bitter dissension. But the growing vulnerability of the U.S.-Marcos alliance only highlights the need, and our hope, for a rapid recovery. Whether or not the political struggle will mature to regime-threatening proportions depends on it. □

SANCTIONS NOW

South Africa is exploding and the Pretorian racists and the White House are running scared. South Africa is a very developed capitalist society resting on a highly primitive form of human interaction: racism—open, codified and glorified racism. Thus, when the white apartheid government imposed a state of emergency July 21, the ensuing political repression was made all the more severe by the fact that it was, at the same time, the start of a systematic, and nakedly violent racial crackdown. One with all the arrogance the white minority rulers could flaunt.

But the smug sneer on Prime Minister P.W. Botha's face has disappeared. His troops have arrested some 2,000 people, killed scores, and injured hundreds but the leadership of the Black resistance has not been crushed as was his aim.

The broad, United Democratic Front is intact and leading the bold and open resistance to the crackdown while the African National Congress is welcoming thousands of new militants into its apparatus for armed struggle and underground work. Botha's state of

emergency is floundering before waves of defiant protest—his water cannons, rubber or real bullets, banning of public funerals, and death squads notwithstanding.

Apartheid's arrogance was such that ruling whites professed "shock" at the worldwide condemnation of the repression. France set the pace for sanctions in Western Europe. Only the U.S. and Britain blocked the UN Security Council's call for sanctions, but both Reagan and Thatcher had to issue "reprimands" to their ideological soulmates.

Reagan's hypocrisy has never been so clearly exposed. Quick to embargo Nicaragua and threaten it with invasion at the flimsiest of accusations, the world sees him hemming and hawing on sanctions against the indisputably inhumane, undemocratic, terroristic and Nazistic apartheid regime; a regime whose troops were even caught crossing into Angola to destroy American oil facilities there! Apartheid must go. The American public must keep pressing for sanctions now even if Reagan has to be dragged along kicking and screaming from his cherished "constructive engagement" with Washington's white gendarme in the South African cone. □

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LETTERS

Political Prisoners Send 'Thanks'

The four Redson Textile workers detained at Camp Crame sent the following note to AK readers and Coalition Against the Marcos Dictatorship/Philippine Solidarity Network supporters who contributed to the bail fund for their release:

Dear AK Readers:

"The CAMD/PSN, through its coordinator Fely Villasin, has sent us the donation you generously gave to our bail fund.

Though we remain in jail, your help raises our hopes that we will soon be freed from this narrow prison.

Thanks so much, not only for the amount but also for the concern and solidarity that goes with it. *Mabuhay kayo!*

—Lauro Pabit, Milith Soriano, Simplicio Anino, Jose Britanico

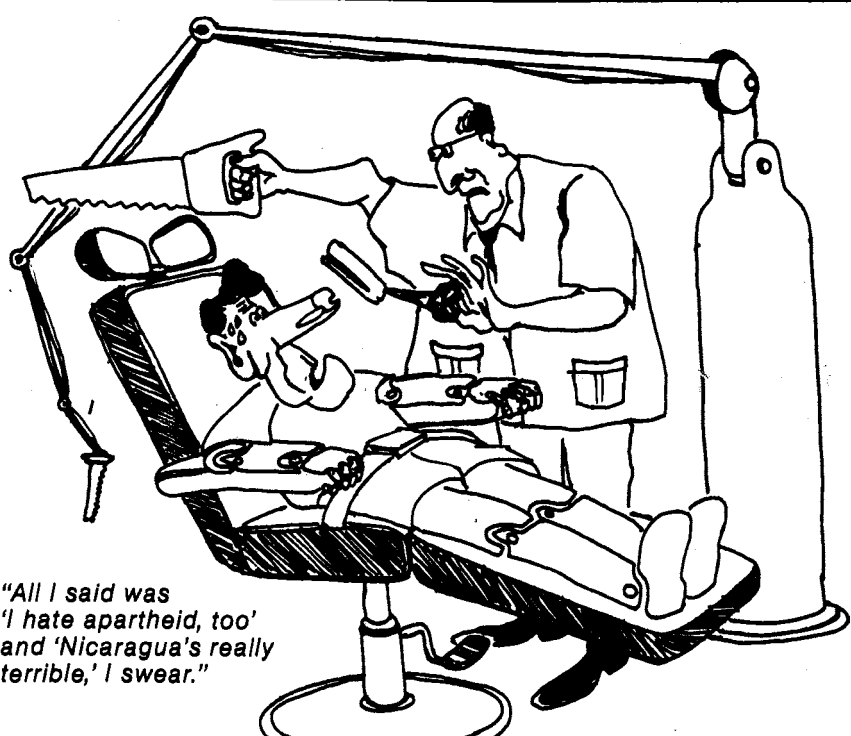
The four detainees posted bail last June but despite court order, they have not been released. Frustrated over this gross violation of their basic legal rights, they sued the military for contempt of court for non-compliance with their release order. They are again asking your help. Send telegrams urging their immediate release to: Defense Minister Juan Ponce Enrile, GHQ Camp Aguinaldo, Quezon City, Philippines

some malicious intent but the movie is boring. The people who made it should be held for questioning.

E.T., the Extra-Territorial, a Central Intelligence Artists release, is the scariest sci-fi movie I've ever seen. Aliens are allowed to set up military bases in Olongapo and Pampanga but they want them there permanently. They eat anyone who tries to stop them—and they can be ruthless eaters. (At home, their own president had to have a colon surgery after he tried to eat Central America.) One dark and stormy night the extra-territorials scare the hell out of our president. They tell him to hold early elections, clean up his image or face a coup. Nerve-wracking and realistic suspense under the merciless direction of William Casey. Not for people with heart or kidney or lupus conditions. Maybe all the government can do is give it an X-rating. I don't think we're strong enough to ban this film altogether.

By the way, being an objective journalist, I looked for the producers of *Lando* to get their side of that malicious and dastardly project. What do I find out? They're making another rip-off.

This time, it's about the government seeking \$25 million in unpaid interests from businessman Vicente Chuidian and trying to take over his companies. The exiled tycoon is depicted in a good light, as the victim of a greedy and powerful husband-and-wife team who promised to be his partner, didn't put in a cent, but now wants all of his wealth. The film is called *Desperately Seeking Chuidian*, starring a sexy star and slave named Madama who wears diamond and pearl-studded crucifixes and likes to sing in press conferences, government rallies and, if at all possible, state funerals. Does she ever take off her jewelry in front of the camera? "Only when the plot calls for it," she cooed. A terrible film. Seize this one too, Mr. President. □



Growth Removed From Reagan's Nose—Headline

Litter from Manila

LANDO: Second Blood Part I



By INIDORO DELIHENCIA

As the dean of Filipino columnists I am, modestly speaking, an intrepid journalist. So when an adoring fan suggested I try my hand at reviewing movies, I couldn't resist the challenge, the glamor, the thrill. So here:

People did not know that the Americans really won the Vietnam War because the movie about it wasn't made until recently—with *Rambo: First Blood, Part II*. Sylvester Stallone, whose acting talents are huge, goes back to Vietnam, slashes through thick jungles, and single-handedly wipes out the entire Vietnamese army. A great movie! *Rambo* should be shown in NPA-infested areas to show these reds what will happen to them once the U.S. intervenes. The First Lady should invite Stallone to the Manila International Film Festival, give him the top prize, and make *Rambo* an honorary citizen before Napoleon Duarte gets to him first.

But leave it to fast buck artists to take advantage of *Rambo's* success at the Manila box offices. Somebody

quickly released *Lando*, a poor copy of the *Rambo* formula. Its hero is a crack communist commando who singlehandedly eludes the airforce and the army, outwits all branches of military intelligence, slips past tough Metrocom escorts and shoots Benigno Aquino before getting himself killed. So far, so good. But what strains credibility is that the people in the movie do not believe *Lando* was the real killer! Talk about being unrealistic. Besides, the actor who plays *Lando* is so unconvincing the role could've been played better by a corpse. There are some explicit underwear scenes, though. *Lando* was confiscated by President Marcos on opening day as prejudicial to the ongoing court proceedings. An awful movie! The producers should be jailed.

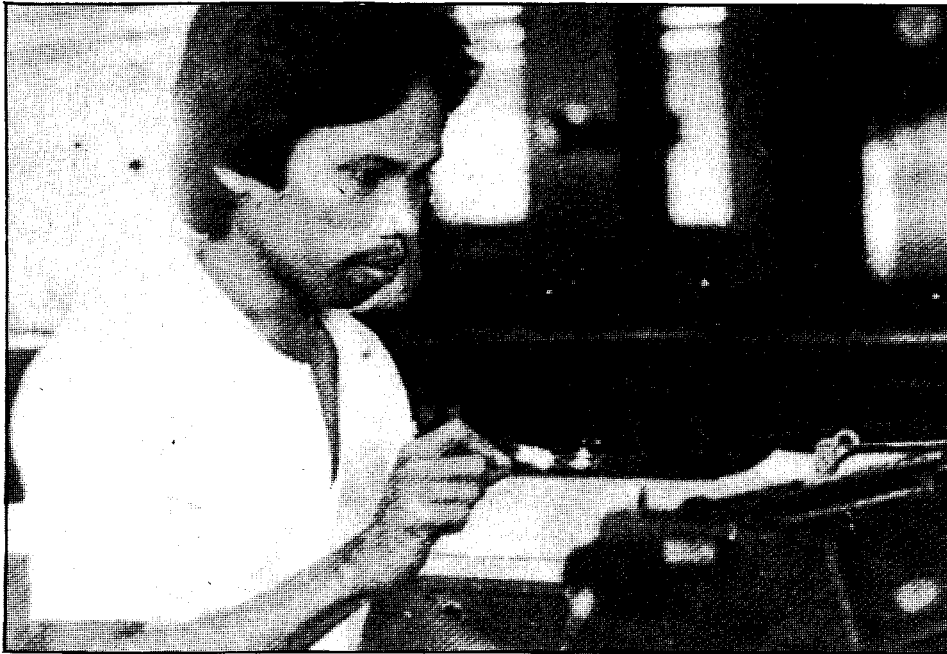
There's a crop of not-so-new films that are still hot on the VCR circuit.

My favorite, *Terms of Endorsement*, is a winner, a tearjerker with a happy ending. A handsome ruler is misunderstood by the president of the United States and the love between them suffers. As the ruler, sick and maligned, is about to be abandoned, he gets well and meets all the terms set by his friend. He quickly retires his favorite bodyguard, holds a credible election, wipes out the communists and lives happily ever after with his benefactor. This musical fantasy brims with optimism and shouldn't be missed! The director should be given a public works contract.

Animal House is a weird film about a National Assembly whose members belong to two rival fraternities. They have passed only three or four bills out of some 2,000 in a year, mostly street names. In a food fight one frat tries to impeach the president. Comic relief is at the expense of Assemblyman Palsificador who wants to kick out a Supreme Court judge he believes is not a "natural born" Filipino but a caesarian. I suspect

'Overdoing Freedom' Can Kill

By WICKS GEAGA



Tim Olivares, journalist: missing now for six months.

Either shut up or be shot," said the anonymous warnings that five Batangas City radio commentators who were exposing local corruption received recently. In earlier times, the threats might have been quickly dismissed as harmless pranks.

But not anymore. In the past year and a half, 16 journalists have been murdered in different parts of the country. Within one short week this past July, according to *Asiaweek*, three radio commentators in three separate towns were either gunned down or stabbed to death.

Eyewitness accounts of the various slayings reveal a pattern: heavily-armed men descend on their victim and dispose of him at point-blank range. Police and military authorities hold investigations which do not lead to any arrests. In several instances, the assailants have been described as men in military uniforms.

Defense Minister Juan Ponce Enrile cautioned that "it is too early to speculate whether or not there is a pattern to these murders."

Noted presidential apologist Teodoro Valencia, however, was too impatient to wait. He suggested that the killings "may have been provoked by [journalists] overdoing freedom."

Valencia undoubtedly had in mind the quick rise of alternative media not only in the major cities, but nationwide. Small town media have grown bolder in exposing government corruption, unscrupulous business dealings, and military abuses. The following are a few of the mediemen who may have "overdone freedom":

Geoffrey Diao, a reporter with the *Philippine Post* murdered in March 1984, after exposing irregularities involving government officials;

Arturo Yonzon, a reporter in *La Union* killed in April 1985 after writing about a local protection racket;

Tim Olivares, a reporter for *Tempo* in Manila, kidnapped in February 1985 and presumed dead after exposing business

scandals in Bataan province.

Radio broadcasters, however, claim a disproportionately high share of the casualties. Of the eight killed this year, six were broadcasters. Because of their wide access to the local populace—relatively fewer provincial households subscribe to newspapers but most own radios—broadcasters have become prime targets of the powerful interests they tangle with. The aim of the killings is simple: eliminate popular commentators and silence their sizeable audience through terror.

PRIESTS AND LAWYERS

To be sure, the rash of killings has not been limited to the media. Activist members of clergy and human rights lawyers have been similarly under attack for airing popular grievances.

Four priests, three pastors and several lay leaders have recently been added to the growing list of political murder victims.

In one gruesome incident, Father Tarciano Morales of San Francisco, Agusan del Sur, was assaulted in his home by government soldiers. Aside from sustaining mul-

multiple bullet wounds from an M-16 rifle, Fr. Morales' left eye was also pulled out.

Last November, in the same town of Bayugan, Father Sergio Acot was murdered in the presence of his family by an army soldier.

Five priests are still being held without bail under President Marcos' preventive detention action (PDA). All are accused of supporting the New People's Army and the Communist Party of the Philippines, and face rebellion charges. Another priest, Father Rudy Romano, who is also the provincial leader of a nationalist opposition group, was believed kidnapped by the military last July 11.

In addition to the press and the pulpit, the bar also seems to have become a special target of repression. "Hit the first two hard and then hit 'human rights lawyers' real hard and the chill is complete," said a prominent Manila attorney.

Three lawyers from the Free Legal Assistance Group (FLAG) have been murdered in the last nine months. The most widely reported was the killing of FLAG Zamboanga del Norte coordinator

Zorro Aguilar along with journalist Jacobo Amatong in Davao City by members of the military.

FLAG lawyers as well as other free legal aid attorneys are well known for their defense of political prisoners and representation of victims of military abuse. For these often uncompensated services, five FLAG lawyers have been jailed under PDA orders, while several are now reportedly facing the threat of arrest.

Meanwhile, the focus on the press, the pulpit, the press and the bar has not necessarily given the usual victims of repression a reprieve from terror.

FANATIC BANDS

According to *Bagong Alyansang Makabayan* (BAYAN) secretary-general Lean Alejandro, widespread military atrocities such as artillery bombings and food blockades in Misamis Oriental are rapidly driving up the civilian death rate.

Especially alarming has been the situation in Davao City, now dubbed a "no-man's land." The situation in the city has been described as "extremely tense," with activists and political organizers expecting to be physically attacked at any moment. An estimated 500 killings have occurred there since January this year.

While many of the deaths were unexplained and clouded by mysterious circumstances, fingers are fearfully pointed at either the military or another rising terrorist force—fanatic religious cults—as the likely perpetrators.

Most of these fanatic bands operate in Mindanao and were first formed as private armies of Christian settlers in the early 1970s. Because of their self-declared crusade against communism and Islam, they have been willing accomplices in the military's counter-insurgency drive against the NPA and the Moro National Liberation Front.

Now, trained and heavily armed by the military, these bands have been likened in their brutality to the roaming death squads of the terror-stricken countries of El Salvador and Guatemala. Most are fervent adherents of home-brewed Christian paganism, some of whose ritual practices include cannibalism, pig latin incantations before battle, and belief in death-defying amulets.

The notorious Ilagas, only one of several dozen cults, recently murdered an Italian priest, Father Tullio Favali, and kept a piece of his brain as a "trophy." □

Dog Days for the Opposition

By NENE OJEDA

While President Marcos has been busy squabbling with his U.S. backers, legal oppositionists have been too enmeshed in spats of their own to take advantage of his vulnerability.

And now that "early elections" have been dangled by Malacanang as a distinct possibility, the very tentative anti-Marcos electoral coalitions most likely will be buffeted some more by storms over who should be the presidential contender.

Within the broad spectrum of opposition, unity of action seems to be an endangered practice. Even in the *Batasan Pambansa* only 35 of the 59 opposition MP's signed the resolution for Marcos' impeachment filed by minority leader Jose Laurel (NP).

On a positive note, the move—first ever in the president's 20-year-reign—did provide some excitement in the halls of parliament. Some backers, from several women's groups, packed the chambers and unfurled banners supporting the removal of Marcos July 23.

The accreditation of a dominant opposition party also has been a cause of strain among electoral groups. The majority of elected MPs are UNIDO affiliates and the group, headed by Salvador "Doy" Laurel, wants to gain DOP status even while negotiations for a unified slate are still taking place with other opposition parties.

UNIDO has selected "Doy" Laurel as its standard bearer against Marcos in the 1987 presidential elections. Laurel was unopposed at the UNIDO June 12 con-

vention in Cubao, Quezon City. He triumphantly accepted the nomination before a crowd of 10,000 at the Araneta Coliseum.

PRESIDENT DOY?

Though ridiculed by Laurel critics as presumptuous and premature, UNIDO's Presidential campaign appears to be well on its way and close to dashing any hope that a single presidential challenger would emerge from the ongoing National Unification Council-Convenors Group negotiations. (see AK, Vol XI, No. 7).

Meanwhile, a financial scandal and an apparent struggle for the party helm that rocked the Philippine Democratic Party-Laban a few months back led to an announcement in July that the organization's structure and principles would be reexamined. The election of a chairman, originally scheduled in April, would follow.

The biggest loser was PDP-Laban chief Aquilino Pimentel whose credibility was seriously tarnished when he evaded party official Linggoy Alcuaz's questioning of the whereabouts of funds provided by the West German Christian Socialist Party. Moreover, Pimentel refused to vacate his post despite party guidelines. Another presidential hopeful, MP Ramon Mitra is the contender for the seat.

'INIMICAL ACTS'

The PDP-Laban merger is actually in a precarious state. Laban, which is Luzon-based, has complained of over-representation of the South in the group's national council. Laban's mass-action beginnings

has also tended to clash with the PDP's more traditional methods of opposition.

In other quarters, political infighting has bordered on the absurd. Ouster and counter-ouster recently shook the Social Democratic Party. SDP President Francisco "Kit" Tatad expelled Reuben Canoy and Secretary General Eduardo Tamundong on June 12 for "acts inimical to the party and the cause of opposition unity."

Tatad's move was apparently a response to Tamundong's announcement the day before of Tatad's removal from the party. Tamundong accused Tatad of "disregarding party policy decisions" and ironically, of "acts inimical to party unity and the opposition's unity efforts."

ATOM SPLITS

Tatad was reportedly removed by his partymates to prevent him from using the SDP to launch an "insolvent and questionable presidential candidacy." Canoy, a former *Batasan Pambansa* MP was chosen to be the party's official presidential candidate June 8.

(Tatad later met with more misfortune. The former minister of information was arrested and briefly detained July 17 on charges of corruption filed in 1980. Tatad dismissed them as false.)

Unfortunately, the most likely pace-setters for the entire opposition—the mass-based, cause-oriented groups—have been beset by problems themselves and have yet to recover from the tempestuous founding of the Bagong Alyansang Bayan in May. BAYAN, a coalition of 500 organizations was to be the unified com-

mand of all nationalist and grassroots-oriented groups.

Manindigan secretary general Emmanuel Soriano said "There were only minor differences in our declaration of unity and programs of action." The moderate liberals and social democrats walked out of the congress complaining they were being outnumbered by national democrats in the national council. (see AK, Vol XI, No. 7).

Some of the groups that left said cooperation on a project-to-project basis was still possible. BAYAN, for its part, left 17 National Council seats unoccupied for the groups willing to return.

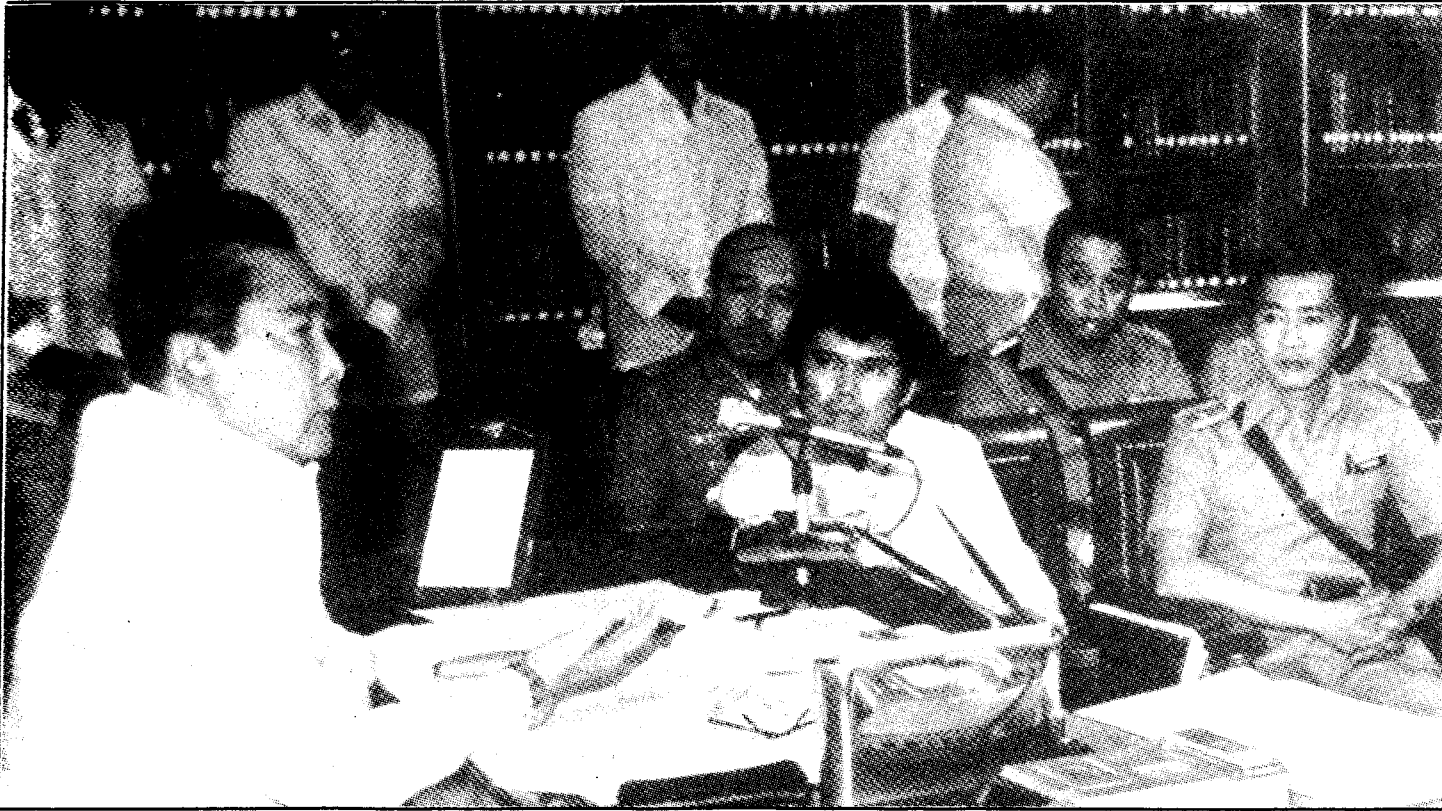
Cynicism and mistrust, however, have left deep wounds. Butz Aquino walked out of the group he founded when some members opted to join BAYAN. The August 21 Movement (ATOM) was meeting July 21 to decide whether or not to join the coalition.

"Those of you who feel they cannot follow Ninoy's vision can form their own group," Aquino said. Some 80 of the 180 members reportedly left with him while the remaining members continued the session.

Soriano thinks that "non-ND groups have now awakened to the fact that they have to get themselves organized."

Aquino, along with PDP-Laban's Teofisto Guingona, is reportedly setting up a separate coalition of social democrats and liberal democrats called BANDILA. Aquino said such a coalition would give them better leverage in negotiating with BAYAN forces. □

Marcos Throws A Tantrum



Marcos at a meeting with army officers.

By NANCY F. ROCAMORA

And the drama goes on. After months of denying the U.S. was pressuring him to hold early presidential elections, President Ferdinand Marcos finally indicated that he may call a special presidential election before the year's end and that he himself would seek reelection.

The announcement came from Malacañang August 1, and also said that Marcos was considering dissolving the National Assembly and holding parliamentary elections this December. The matters were "seriously discussed" during the June 31 caucus of Marcos' *Kilusan Bagong Lipunan* (New Society Party), and his officials went through the motions of cautioning that no decision was actually reached.

Marcos' acquiescence to Washington's election proposals contrasted sharply with the spate of blistering criticisms of "U.S. intervention" he let loose just a few weeks before. The criticisms even included threats to close down U.S. military bases in the country.

The sudden shifts in presidential mood signified the beleaguered Marcos' reaction to growing U.S. pressure for "reforms" that would stabilize the ruling system and pave

the way for a credible successor government.

In the middle of July, Manila threw highly publicized tantrums over actions taken by the U.S. House of Representatives. On July 11, the lower body voted to lop \$15 million in military aid off the \$100 million requested by the Reagan administration in connection with the Military Bases Agreement, and switch \$60 million from the remainder to the \$95 million in economic aid, bringing the total package to \$180 million.

'ALMOST AN ACT OF WAR'

Even more annoying to Malacañang were amendments pushed by Democratic Representatives Tony Hall and Charles Schumer. Hall's proposal, passed 254 to 169, tied future military aid to progress in the realm of human rights. Though less specific, it closely paralleled the amendment introduced in the Senate by John Kerry (D-NY).

Schumer targetted the \$78 million in development aid unrelated to the Bases Agreement. One-fourth of this, he proposed, should be funneled through non-governmental channels such as the Catholic church. His amendment, too, passed. Reaction in Manila was swift.

"The United States can pack up and

leave the bases if it cannot honor its commitments," snorted Defense Secretary Juan Ponce Enrile the next day. Columnist Teodoro Valencia called the House moves "almost an act of war," while the pro-Marcos *Times-Journal* denounced them as "smacking of gross arrogance and blackmail."

Acting Armed Forces Chief of Staff Fidel Ramos announced almost immediately that the military was capable of functioning without U.S. aid. Enrile revealed plans for a bigger budget for next year in order to do away with American help altogether.

'THIS IS NOT POSTURING'

One week after the vote, an irked Marcos, in a televised speech to graduates of the National Defense College, called for a commission to consider renegotiating the Bases Agreement.

The Philippines, he claimed, was the target of a "big lie campaign" by his opponents that influenced perceptions in Congress and "encouraged ideas of intervention in our affairs."

One day later Enrile introduced a bill in the Batasan to abrogate the Bases Agreement. "If the U.S. Congress tinkers with the Agreement on its own," declared Enrile, "then I believe that the Philippine Parliament has also the right to examine it

unilaterally as well as abrogate it and seek a renegotiation if warranted."

"Let America understand that this is not posturing," he added, clearly posturing.

'RATHER EXTRAORDINARY'

The intensity of the response was strangely out of synch with the actual significance of the congressional moves.

Leaders of the U.S.-based opposition, in fact, denounced the token character of the aid cuts. The House figure of \$180 million in total base-related aid remained the same as last year's. The Senate left the administration's \$195 million request untouched. The Hall Amendment was non-binding and not as strong as the one introduced in the Senate by Kerry.

This year's measure is "a step backward," insisted Odette Taverna, Congress Task Force Director of the Coalition Against the Marcos Dictatorship/Philippine Solidarity Network. Hall's attempts to cut aid last year may have failed, she said, but they generated far more enthusiasm than was seen this year in the capitol.

The regime's reaction, noted U.S. Ambassador Stephen Bosworth before the Manila Rotary Club was "rather extraordinary." The compromise between House and Senate, he added, "will not be all that different from what the administration's request was originally."

And sure enough, Bosworth proved right. A week later the compromise committee agreed to \$70 million in military aid and \$110 million in economic aid. The Schumer Amendment was dropped and the Kerry Amendment watered down.

WHIPPING BOY

So what was all the bluster about? If, in fact, Congress was being kinder to Marcos this year than when it kept military aid down to \$50 million last year as a reaction to the Aquino affair, why the sudden fury in Manila over "intervention?"

Because the U.S. is meddling in Marcos' affairs. The recent hanky-panky rivals that of the 1950s when the Central Intelligence Agency built Ramon "The Guy" Mag-saysay as successor of its choice to President Elpidio Quirino.

Despite the potshots from Hall, Kerry, Schumer and others, Congress has little to do with what is galling Marcos and his cohorts. It merely serves as the whipping boy of an infuriated dictator just beginning to realize the insidious potential of Ronald Reagan's "quiet diplomacy."

Reagan officials have put together a scenario for a political transition involving prompt elections, a quick and credible wrap-up of the trial in the Aquino assassination, IMF-directed economic house

Continued on page 9

Ver Ready to Return

"It looks like Ver is coming back," members of the Philippine military reform movement told one reporter.

Armed Forces Chief of Staff Fabian Ver has emerged as the most controversial figure in the Marcos regime outside of the First Family itself. He is also probably the most powerful.

Aside from being the military's official head, Ver also controls the National Intelligence and Security Agency and, via son Irwin Ver, the powerful Presidential Security Command.

Ver's iron-handed and highly personalized manner of running the military has created a backlash among younger and more professionally-oriented officers. This fact and the Chief of Staff's absolute loyalty to Ferdinand Marcos have made him a focal point of the growing tension between Marcos and the U.S.

EVIDENCE INVALID

Ver is currently on leave to stand trial as an accessory in the 1983 assassination of former Sen. Benigno Aquino at Manila International Airport.

But on June 13 the court trying the murder ruled as invalid the only evidence introduced by the prosecution against

Ver: his previous testimony before the Agrava investigating panel (*see AK, Vol. XI, No. 7*). It thus appears that, if the prosecution theory that Aquino was the victim of a military conspiracy is to be proven, someone lower down the chain of command will have to take the rap.

Ver's attorney last July petitioned the Supreme Court to order the dismissal of the case against his client. Meanwhile, the defense produced new witnesses who support the military version that Aquino was killed on the tarmac by Rolando Galman, a supposed Communist agent who was gunned down immediately after the shooting.

The prosecution's witness, Rebecca Quijano, the "Crying Lady," threw the defense into disarray when she testified that she saw how Aquino was killed by one of his military escorts on his plane's stairway.

KISSING LADIES

But the defense sprung back with a counter-witness, the "kissing lady," so immortalized by TV footage showing her kissing the late senator good-bye inside the plane. Pelagia Hilario claimed to have witnessed a "man in blue" shoot Aquino on the tarmac. Galman was dressed in the blue coveralls of an airport mechanic.

Hilario, a cocktail hostess who has been working in Tokyo since the assassination, said she failed to come forward earlier because she feared that she might lose her job.

She stood up well under questioning, at one point smiling and sticking her tongue out at Chief Prosecutor Manuel Herrera. Hilario's story was corroborated several weeks later by a second "kissing lady," Lydia Morata, also taped bidding Aquino farewell.

Herrera questioned the ladies' credibility, noting that neither's name appeared on the flight manifest. Still, the "kissing ladies" did breathe new life into the wobbling defense and Ver's return to his post appeared even more imminent.

LINING MILITARY POCKETS?

U.S. officials have made no secret of the fact that they would prefer to see Acting Chief of Staff Fidel Ramos stay on, even if Ver is acquitted. But President Marcos has stubbornly stood by his loyal valet, declaring Ver would be reinstated to his post if acquitted.

Observers thus considered it no coincidence when three weeks after the evidence against Ver was dismissed, the first of two

scandals involving the Chief of Staff broke in the U.S. press.

It concerned a missing \$6 million in Foreign Military Sales Credits extended by the U.S. to the Philippines for the purchase of communications equipment for Mindanao. The contract for a total of \$35 million for acquiring the equipment was awarded to a California-based company less than a year old called Amworld—and it was reportedly approved by Ver.

After financing the first \$6 million, however, the Pentagon became suspicious as to where the cash was going and stopped payment. Officials feared it was lining the pockets of Philippine officers and notified the Justice Department which called for a grand jury investigation.

INTERCEPTING AQUINO

But that wasn't all. Less than two weeks later, an expose appeared in the *San Francisco Examiner* which strongly suggested involvement of the Philippine military—and its chief—in the Aquino assassination.

U.S. military source told reporter Phil Bronstein that personnel at two U.S. radar tracking stations on Luzon found themselves surrounded by Philippine Air Force officials on the day of the Aquino assassination and asked to step aside while PAF forces took over. As USAF personnel at the Wallace Air Station looked on the Filipinos tracked two F-5's they had scrambled to divert another plane—the China Airlines jet Aquino was on.

Later, Col. Umberto Kapawan, fifth

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Cronies Save for a Rainy Day

By CHRISTINE ARANETA

There goes the neighborhood. In sunny California vacant lots and properties south of San Francisco and north of San Jose are selling like hotcakes and the buyers, Filipinos who live there will find, are real shady characters.

They are compatriots who are the targets of massive opposition at home for committing grand theft, bankrupting whole industries, causing the lay-off of thousands of workers, depleting the dollar reserves, defaulting on loans guaranteed by the government, hiking up the foreign debt, and making off to the States with their loot. Petty criminals they are not.

Unlike most of us, these folks came on a "buy-now-fly-later plan," bilking the Philippine finance system to transfer their wealth here, and manipulating dummies and holding companies to keep their bounty hidden. Of course, everything was arranged long before they landed at SFO.

THE STASH

From 1981 to 1983, the businesses of favored Marcos cronies with names like Disini, Floirendo, and Cuenca, began to falter. Their Malacañang padrino, who had hastened their enrichment by guaranteeing the high-risk, high interest loans they borrowed to underwrite multi-million ventures, came to the rescue. Marcos declared their properties state-owned, and absorbed their bad debts into the public debt.



Energy Minister Geronimo Velasco's house in Woodside, a suburb of San Francisco.

The capers of the crony capitalists caused so much furor, that their fade-out in 1983 caused many to sing "where have all the cronies gone?" Well, two years and millions of dollars later, the question may now be answered: "Gone to the U.S. everyone." And did they ever learn. Their unethical business practices are now a polished art.

According to a three-part *San Jose Mercury News* exposé written by Katherine Ellison, Peter Carey and Lewis Simons, California is a favored spot for crony overseas investments. Only the Marcoses avoid it due to the large presence of oppositionists.

Imelda Marcos has reportedly invested heavily in East Coast real estate. According to a lawsuit by one of her former partners, Pablo Figueroa, Mrs. Marcos owns a Long Island estate known as Lindenmere using a Netherland-Antilles based firm, Ancor Holdings, as a front. The Marcoses also own a home on 13 acres in Princeton, New Jersey, and through a personal secretary, Vilma Bautista, own three adjoining condominiums on 5th Avenue and a department store and buildings in New York City, including the \$51 million Crown Building in Manhattan.

Their favored friends apparently prefer the sun and surf and may be looking forward to retirement years of gracious California living.

• Rodolfo Cuenca, owner of the Construction and Development Corporation of the Philippines which became the major

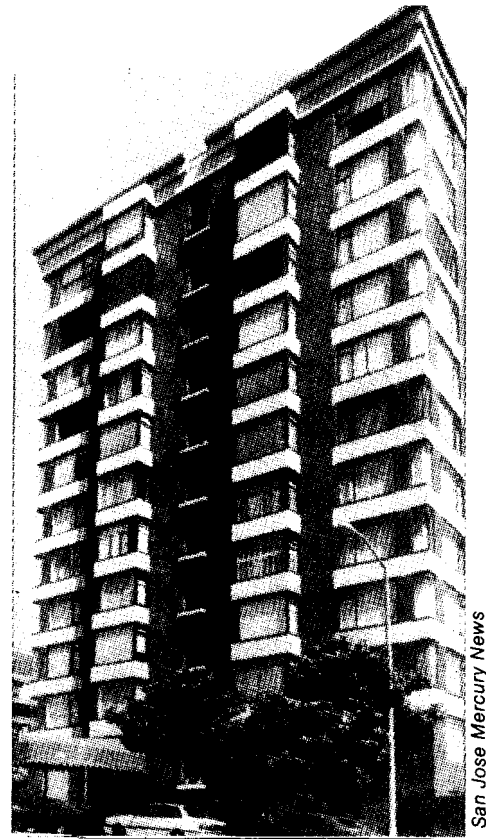
builder of public works under the Marcos government, owns several San Francisco Bay Area properties. These include a condominium on California Street, a home at 131 Devonshire, San Francisco, and half interest in a home in San Bruno. Cuenca has "sold" the Bay Area properties to TRA Equities, Inc., whose president is Cuenca's attorney, Roger MacKenzie. TRA Equities bought two San Francisco office buildings, one at 625 Market St. and its annex at 25 New Montgomery for \$10.3 million.

• Ricardo Silverio, made it when he won the exclusive right to assemble and distribute Toyota cars and trucks. His heyday ended in 1981 when the no-longer friendly Marcos seized his firm as partial payment for government loans to the company. Silverio now has new headquarters in Daly City, overseeing the development of a 105-acre housing and shopping project in Lancaster, Los Angeles County. He bought \$500,000 worth of land in Lancaster in 1974 and his Silcor Corp. also owns a Hillsborough home purchased four years ago with a total assessed value of nearly \$850,000. Silverio reportedly has equity in a subdivision development plan in Blossom Valley, Daly City, the St. Francis Square shopping complex, and Golden Gateway condominiums.

• Nemesio Yabut, mayor of Makati, owns a \$520,000 house at the exclusive St. Francis Woods. He also owns a \$900,000-apartment building, two condominiums, and one seafood restaurant, all in the San Francisco area.

• Herminio Disini, head of the Herdis group, reportedly spends much time in Europe but owns a \$350,000 condominium in San Francisco's Nob Hill. Two other condominiums are listed as belonging to Asia Resource International, a holding company of Disini, Sr.

• Juan Ponce Enrile, Defense Secretary, purchased a condominium at 2190 Broadway in San Francisco and a \$1.8 million mansion in the Pacific Heights registered under Renatsac, Inc.—his wife's surname spelled backwards.



S.F. digs of Cuenca, Disini.

• Antonio Floirendo, major banana planter, paid \$11.7 million for three sugar refineries in Boston, Chicago, and Brooklyn, that belonged to Sucrest Corporation. The companies have since been renamed Revere Sugar Corp.. Floirendo is also director of the Ancor Holdings Co., the holding company for Imelda's properties. Floirendo also owns a \$1 million mansion in Makiki Heights, Hawaii.

• Roberto Benedicto, a banker and sugar baron, is the principal owner of the California Overseas Bank in Los Angeles with total assets of \$133 million. The bank owns real estate worth \$7 million. He recently bought a U.S. sugar trading company for \$63 million, paid in cash.

• Geronimo Velasco, Minister of Energy was a millionaire many times over before Marcos named him to the post. Velasco owns a mansion in the Woodside suburb of San Francisco, valued at \$925,000 in 1979 and a condominium in Century Hill, Los Angeles. Both properties are registered under the Decision Research Management, Ltd. managed by his nephew, Alfred De Borja who handles Velasco's offshore funds.

The *San Jose Mercury News* exposé also reported the U.S. holdings of "Coco

Continued on page 14

Hornets' Nest Over Honolulu Mansions

By HORACIO V. PAREDES
Special to the AK

"They have just scratched the surface," said the Rev. Edgar Saguinsin, a Negros parish priest in the predominantly Filipino Kalihi district. "All of us have known of the Marcoses' big properties in Honolulu and other foreign places," added Mercedes Toscano, a housewife.

"But it is common knowledge that they have enormous deposits in Swiss banks and who knows how many more billions are stashed away?"

The Marcoses' only visible holdings in Honolulu are two palatial mansions on Makiki Heights Drive: Nos. 2344 and 2443. Number 2344 is in the name of Bienvenido Tantoco, ambassador to the Vatican and husband of Gliceria who runs Rustan's Department Store in Makati. Antonio Floirendo "owns" number 2443. Floirendo had been awarded 5,000 hectares of Davao land owned by the Bureau of Prisons and uses prison labor, at a 15-cents daily wage, on his banana farms. He bought out Sucrest refinery in New York in 1978.

The Tantoco mansion was bought in 1977 for \$717,000 from Lorrin Thurston, the former publisher of the morning daily,

The *Honolulu Advertiser*, which reprinted the Mercury exposé. Floirendo bought his from Helen Knudsen for \$1 million. Both houses have a total of 20 rooms, two swimming pools, large yards and garages for a dozen cars but are mostly unoccupied throughout the year.

A niece of the first lady, Dulce Romualdez, who manages Plaza Manila, a classy Filipino restaurant which has authentic furnishings, paintings and cutlery flown in through Philippine Air Lines, sometimes stays at one of the houses although she has her own residence in Hawaii Kai, a middle class neighborhood. She supervises the caretakers in the absence of the real owners.

Imee Marcos Manotoc, assemblywoman from Ilocos Norte, stayed for a whole month recently and visited Plaza Manila, and Job Lot, the discount house owned by the Jacintos who had been forced out of Philippine business by the Marcoses. She is pregnant again and is due to deliver her second child in Hawaii on the first or second week of September.

During her first pregnancy, Imee reportedly brought in \$500,000 in a suitcase. This was deposited in People's Savings and Loan Association for less than a week and then transferred by bank draft to Europe. People's Bank was established for ownership by persons of Filipino extraction. When the bank was in trouble late 1982, among those approached by

the management was President Marcos who reportedly signified interest but only if he could have a controlling interest in the bank. The bank's charter disallowed such a possibility.

What intrigues Marcos watchers is: What attracts them to Honolulu? Why have houses in Honolulu? Why not in larger cities where they can be more anonymous?

One of the reasons could be Gov. George Ariyoshi, who was an avowed Marcosophile until the Aquino assassination. In fact, one rumor which turned out to be unfounded was that Marsh Co., a large furniture store, was owned by MARcos and ARioSHi. Filipino workmen cleaning out a Marsh Storeroom reportedly found heroic giant murals of Marcos' World War II exploits.

Marcos felt so secure during his visit to Hawaii in 1977 that the security-conscious president actually left his security at the Ilikai Hotel (the only recorded instance he did this) to visit the mansion in Makiki. A check with the Ilikai Hotel which rents out rooms on longterm leases yielded one Ayala and another tenant with a Filipino sounding name.

Another reason for the Marcoses' penchant for Hawaii could be the large Filipino population, currently forming the third largest group—after the whites and the Japanese. But not all Filipinos would welcome them there.

State Senator Ben Cayetano, Republican, reacted to the *San Jose Mercury News* exposé by saying: "I feel disgusted about what is happening. This is the method of operation of despots everywhere—those who take money out of the country preparing for the rainy day. This was what Thieu and Ky of Vietnam did to make sure that when their regime toppled, they could live in comfort and away from prosecution.

"It shows there are a lot of thieves in the Marcos government who put their interests above the national interest. I don't think we should welcome these thieves at all."

"By the way," Cayetano who is a lawyer hastily added, "none of them have approached me for representation."

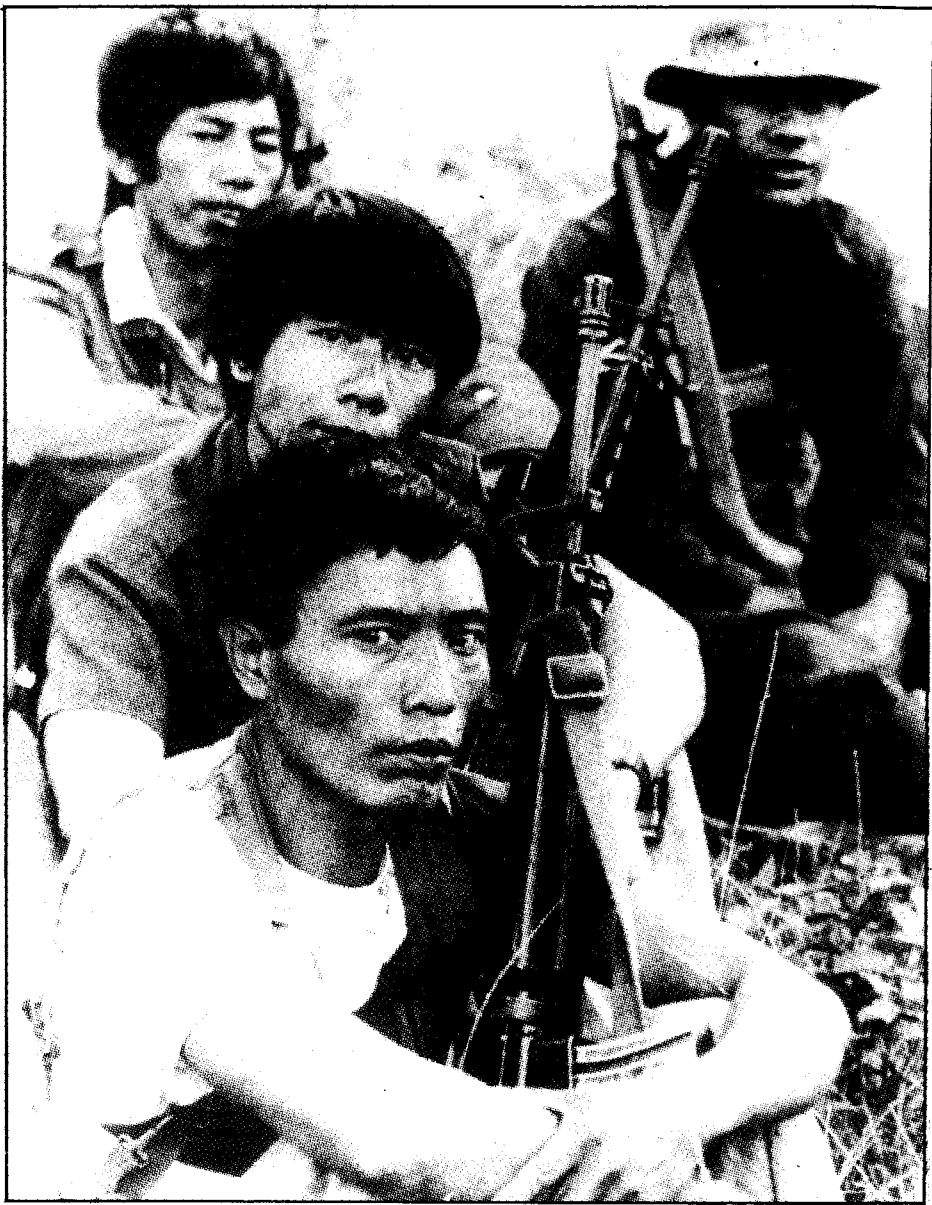
Magno Toscano, a Filipino barber in Kailua, the windward side of Oahu, chuckled, "Isn't it true that where there's smoke, there's fire? With the recent exposé, this is no longer just smoke; it's a raging fire."

Art Siga, a civilian worker in a military installation said that if the U.S. "truly promotes freedom and democracy in the world today," it should stop aiding "governments run by self-serving despots." Siga noted that U.S. aid "made Marcos one of the most powerful men of the world."

John Doherty, a Jesuit priest who was at one time considered a Marcos confidant but was later prevented from returning to the Philippines after he wrote a pamphlet unflattering to the cronies, observed grimly: "This money belongs to the Philippine people. It has been stolen from them in the form of wages not paid, medical care not made available, benefits not given, land not utilized for people's needs, investments not made for the country's interests."

For once, the consul general who is usually very quick in writing letters to the editor anytime there is controversy on the Philippines, remained quiet. □

NPA: Moving Closer to a Stand-Off



Melvyn Calderon/Asiaweek

By EDDIE ESCULTURA

There are plenty of signs that the 16-year-old guerilla war in the Philippines, now entering the final phase of its strategic defensive stage, could move toward a "stand-off" with government forces in a few years. Recent statements of concern by U.S. and Philippine government officials have only fueled speculation about this possibility.

But the most resounding confirmation has come from the battlefield: bold New People's Army attacks on urban centers, some involving company-size formation of as many as 500 fighters; the emergence of armed city partisans with their own network of urban supporters; and the increasingly more vocal support for the NPA among mass organizations in urban centers.

Even government statistics are quite

revealing. For instance, the government reported that in Bicol, of the 3,452 barrios, 833 are "threatened," 531 are "infiltrated," and 333 are under CPP-NPA influence.

Brig. Gen. Alexander Felix, regional commander for the Cagayan Valley area, reported that the NPA has 38 encampments, training camps and bases in the area. Of the 117 towns, he said, 22 are "embattled." Out of the 2,722 barrios there, 541 are "threatened" and 343 are "influenced" or "infiltrated." He reported also that there are 1,037 regular NPAs, 900 assorted arms, 12,000 support elements and a mass base of 98,300 in the area.

The guerillas' tactics vary. Sometimes they move in large groups and at other times they employ commando-type operations and quick raids by smaller units of three to seven fighters each. All operations usually involve sophisticated surveillance and intelligence, a thorough study of battlefield terrain, and support from inhabitants in the vicinity. A noticeable degree of professionalism and greater yield of cap-

tured weapons have been evident in recent guerilla offensives.

Paul Quinn-Judge of the *Christian Science Monitor* described the NPA as "one of the world's most sophisticated and successful insurgent movements."

The guerilla publication, *Pulang Tala*, claimed that the NPA won 95% of its 526 attacks from April 1984 to May 1985. In the same period, the NPA gained temporary control of 30 towns, averaged 10 operations per week and doubled the number of firearms seized from 1,090 in the previous year to 2,192. The government suffered 1,200 troops killed or wounded and 800 who surrendered while the NPA lost 100 fighters.

NIGHTMARES FOR MILITARY

In a recent assault in broad daylight on the town hall and police headquarters of Isabela town in Negros Occidental, the NPA took 68 high powered rifles, 30 grenades and more than 10,000 rounds of assorted ammunition after killing 11 soldiers including the commanding officer.

After the attack the guerillas issued a manifesto which said: "If the NPA could easily strike at the well-trained and well-equipped Scout Rangers, there is no reason why other AFP units of inferior training and low morale cannot be crushed."

In the Bicol region the biggest battle between the NPA and the government raged for three days on June 27-29 at the boundary of Lisbon, Oas and Ligao, Albay. The NPA killed 20 government marines and 11 Philippine Constabulary troops. Three hundred NPAs were involved in the fighting.

In what must have been a nightmare for the military, the NPA recently showed their new skills in several towns dotting the archipelago including Baggao, Cagayan Province; Vintar, Ilocos Norte; Kabugao, Apayao-Kalinga; Maslog, Eastern Samar; Pandan, Antique; and the towns of Claveria and Lugait in Misamis Oriental. Municipal halls, military and police headquarters were the usual targets. But in Marcos' home province of Ilocos Norte, the NPA destroyed a multi-million geothermal plant in Malpac, Solsona.

CITY PARTISANS

In Davao province, the NPA has set up mass bases adjacent to urban centers. In Davao City, the third largest city in the Philippines, rallies openly support the NPA, indicating its influence among grassroots organizations. Also in this city, "NPA sparrow units operate with impunity," reported *Washington Post's* William Branigan.

At a meeting with the regional provincial, city and municipal peace and order councils, Defense Minister Juan Ponce Enrile charged that the NPA has infiltrated labor,

student and lawyers groups and that it was behind the recent *Welgang Bayan* (People's Strike) which paralyzed 80% of Mindanao's transportation.

Enrile also accused the NPA of training 'sparrows' or armed city partisans there and sending them to the North, including Metro-Manila, to organize similar units. He cited the recent shoot-out in Tondo, Manila which led to the capture of Alexander Binondo y Kintanar, who allegedly belongs to a sparrow unit.

The execution of Metro-Manila's northern police commander Brig. Gen. Tomas Karingal last year was believed to be the work of armed city partisans. The same unit was reportedly involved in a shoot-out with the Metro-Manila police last June. At least two more incidents involving these units have been reported in Manila.

In Quezon province, a unit of seven fighters raided the municipal hall of Buenavista, killing police chief Sgt. Luisito Gresola. Similar activities were reported in Meycauyan, Bulacan and Tuguegarao, Cagayan Province.

Armed city partisans, now reportedly present in all major areas, are the beginnings of an armed urban infrastructure crucial to future insurrections and uprisings. At this time their aim appears to be to harass, punish and demoralize the enemy. These units were first set up in 1974 but were dismantled apparently for lack of capacity.

Their reestablishment in 1981 signify that these units already have their own networks separate from that of the "mass movements" in the area; these mass movements can already sustain retaliatory arrests and assaults; and there are already adjacent base areas from which to launch the partisan attacks.

Marcos is not sure whether to downplay the NPA's strength or cry wolf. At one point he even publicly declared the possibility of asking for direct U.S. troop involvement. He has also ruled out any amnesty for political prisoners and boasted that the only talks with the rebels he's interested in would be on the topic of their surrender.

AFP Chief of Staff Lt. Gen. Fidel Ramos called for the training of 20-year-olds and 1,000 more policemen for deployment in the South. He ordered aircraft support for regional commands and troop reinforcements for the Negros provinces. At the same time the notorious "secret marshals" were reactivated last May.

The Reagan administration does not like what it is seeing either. At a March hearing in Congress, Assistant Secretary of State for International Security Affairs stated that "If the rebel strength keeps expanding at the recent pace, the guerillas could fight the Philippine military to a stand-off in five years." □

How Soon Will Revolutionary Forces in the Philippines Achieve Victory?

(The May-June issue of *Liberation*, the official international publication of the National Democratic Front gave a reply to this question. It is reprinted below. The underscoring is ours.—Ed.)

"This question was posed in the first press conference of the NDF in Mindanao last April 19. The NDF in the island has governing committees in over 1,100 organized barrios, counts on the support of 20,000 activists and has a base of around 170,000. The New People's

Army (NPA), which is a part of the NDF, has 9,000 full-time and part-time guerillas in the island operating in 19 guerilla fronts. In total, the fronts cover 2,700 barrios in over 200 towns and cities in 16 provinces or practically the entire mainland Mindanao. NDF Mindanao also currently exercises leadership in all major democratic sectoral movements in the island and has effective influence among workers in 150 factories or plantations and among students in over 80 schools.

"The prospects for revolution, the NDF Mindanao provisional council says, can be described this way:

"With the unprecedented advance of the armed and political struggles, there is no more doubt that the U.S.-Marcos fascist reign is drawing to an end. The intensifying economic and political crises, which show no signs of being reversed, and the accumulated gains of the revolutionary struggle in the previous years are the conditions which may enable the people's war to reach the strategic stalemate within the next three to five years.

"Militarily, this means that the New People's Army shall have attained a rough parity with the enemy forces in major areas, marked by the increasing capacity to undertake regular mobile warfare, such as the seizure of big towns and cities and wiping out of large enemy

forces. Politically, this means the escalation of the people's open political struggle into popular uprisings and insurrections directed at shattering the regime's foundations of power.

"The time frame for this revolutionary scenario, however, is not constant. It may rapidly accelerate if conditions ripen to allow for the fullscale escalation of the political struggle far ahead of the armed resistance. As illustrated by the Sandinista victory in Nicaragua, the political struggle may mature ahead of the armed struggle, capped by the outbreak of almost simultaneous and partly spontaneous armed insurrections on a nationwide scale, which will inflict a fatal blow on the ruling regime.

"Built on the dual strategy of political and armed struggles, the NDF is well-equipped to seize a wide range of revolutionary opportunities. Not only does it have the capacity to effectively combine the impact of the armed and political struggles. It has the potential to even shift and give full play to whatever revolutionary strategy may become appropriate and effective in the light of changing conditions.

"Whatever it is, one thing is certain: the victory of the national democratic revolution is drawing close, indeed much closer, than any time in the past." □



White War, Black Anguish

Continued from front page

old way, we are an experiment. The honors of the campaign in the Philippines are to come.

—Sgt. M.W. Saddler
Company K, 25th Infantry
September 1899

For the “smoked Yankees,” as the Black soldiers came to be known, fighting the Philippine-American war was an unavoidable task of a “political nature,” a none-too-pleasing chore that came with the job. But they were also out to prove themselves. Thirty-five years after the abolition of slavery, the conditions of the “freed slaves,” most of whom still toiled in the South as sharecroppers, remained abysmal. Joining the army was a way out of an otherwise bleak future. Once in the military, hurdling the obstacles of racism and “pulling oneself up by the bootstraps” to the petty officers’ ranks were a source of pride and honor which extended to the rest of the Black community.

The treatment of Blacks in the U.S. military was one of deliberate discrimination. Blacks were conscripted during times of war and discharged during times of peace. In large part this was due to the whites’ belief that arming Blacks was a dangerous proposition. Thus, they were largely assigned as pursers, drummers, stewards or manual laborers. In 1863, with the Emancipation Proclamation, the Lincoln administration authorized the creation of the United States Colored Troops as part of the volunteer army. Some 180,000 Blacks served in the USCT, making up 10% of the Union Forces.

Due to the belief that Blacks were of inferior intelligence, racial separation was a cardinal rule, to the extent that white officers passed up promotions instead of commanding Black regiments. In 1866, Blacks were integrated into the regular army.

During the Indian Wars (1865-1890), overt racism was conveniently submerged by the need to “pacify” the Apaches, Comanches and Sioux. Black regiments were sent to the frontier and for the first time given combat duties. It was during this period of massive enlistment among Blacks that they fought with a vengeance to prove they were worthy of the full rights and honors accorded white soldiers. Numerous acts of heroism, unfortunately against Native Americans, earned for Black soldiers reputations as good fighters.

When the U.S. went for the Spanish colonies, Blacks were pulled from the frontier and deployed to the frontlines, this time in Cuba. The Black regiments gained wide recognition for being the main forces in the decisive U.S. victories at San Juan Hill and Siboney.

The “Negretter Solados” (as the soldiers thought they were called by the Spanish troops), won the respect of their enemy. Even more, they commanded the adulation of the Black community at home. They were welcomed at home as heroes by both Black and white crowds. Medals were pinned, honors bestowed, and souvenir photos of San Juan and Siboney became mementos of pride in most Black homes.

But the services rendered Uncle Sam were not

reciprocated by even the mere recognition that Blacks were entitled to full civil rights. The backward South, continued to set the standard for race relations nationally.

In the late 1890s, Blacks in the South were being lynched at the rate of 100 a year. By 1896, racism was in effect codified by the Supreme Court ruling on segregation in the case of Plessy vs. Ferguson: “Legislation is powerless to eradicate racial distinctions . . . the attempt to do so can only result in accentuating the difficulties of the present situation.” Racism was rationalized by the slogan “separate but equal.”

This policy was not effectively challenged by the Black community and what remained of the abolitionist movement. Instead, “proving oneself by example” and ideas of economic “self-advancement” propagated by Booker T. Washington gained significant influence.

According to Willard Gatewood Jr., author of “Smoked Yankees” and *the Struggle for Empire*, the pro-war wing asserted that war would bestow benefits upon Blacks, that Black participation would win respect from whites and enhance their status at home. The colonization of the Philippines would open up opportunities for Blacks, while white prejudice would diminish when brought in touch with other colored cultures.

The anti-war wing feared the impact of the quest for empire on Black Americans. They warned against a Jim Crow war which would leave Blacks and colored colonials in a more oppressed condition than ever. Though sympathetic to Cubans, especially Black Cubans, they argued that North American racism would be far worse than Spanish rule. Black anti-imperialists contended that only when the American government guaranteed its citizens full constitutional rights would it be in a position to replace Spain in Cuba.

For the most part, the majority of Blacks were ambivalent. On the one hand, military services was a way of enhancing their status at home, but on the other, many had misgivings about fighting a war in the name of humanity and in behalf of “our little brown brothers.”

In July 1899, 5,000 Black soldiers sailed for Manila. The “Negretter Solado” had big dreams, but a troubled conscience.

“I was struck by a question a little Filipino boy asked me, which ran about this way: why does the American Negro come to fight us when we are much of a friend to him and have not done anything to him. He is all the same as me and all the same as you. Why don't you fight those people in America who burn Negroes, that make a beast of you?”

—William Simms, 1901

America’s racial contradictions went ashore with the Black soldiers. From the outset, ranking officials became nervous about the warm fraternizing between the Blacks and the Filipinos. The Black soldier’s patriotism was always questioned and his white colleagues never made him forget that he was just a “coon and nigger” back home. The racial epithets hurled against Filipinos only served to strengthen Black’s sympathy for the natives. Filipinos on the other hand were puzzled by the treatment of Blacks and while

themselves “indios” under Spain perceived the conflict with Spain, an oppressor nation, as principally political, and only secondarily racial.

As one Pampangueño physician told Sgt. John Galloway, 24th Infantry soldier stationed in San Isidro:

“Of course you are both Americans, and conditions between us are constrained, and neither can be our friends in the sense of friendship, but the affinity of complexion between you and me tells, and you exercise your duty ever so kindly and manly in dealing with us. We cannot help but appreciate the differences between you and the whites.”

Unintentionally, Black soldiers became the ambassadors of goodwill between the peoples of the United States and the Philippines. This friendship was aided no less by the white soldiers’ continuous attempts to enforce the color line, despite the fact that Black and white shared the same trench when fighting the “insurrectos.”

“Our racial sympathies would naturally be with the Filipinos. They are fighting manfully for what they conceive to be their best interests. But we cannot, for the sake of sentiment, turn our back upon our own country.”

—Colored American, 1899

During periods of defeat and demoralization, whites were psyched up by virulent assertions of Anglo-Saxon supremacy. Their marching orders were often punctuated with slogans like “Kill the gugus,” the derogatory term coined for Filipinos.

By the end of 1899, the lesson was driven home to the Black soldiers that altruism to “our little brown brother” was the least expected outcome of the war.

“The future of the Filipino I fear is that of the Negro in the South. Matters are almost to that condition in Manila now. No one white has any scruples as regards respecting the rights of a Filipino. He is cuffed at will and he dare not remonstrate,” wrote Sgt. Galloway.

On April 23, 1899, before Black troops left for Manila, Sam Hose, a farmhand, was lynched and burned by a white mob after being accused of killing his white employer and raping his wife. The incident was made more hideous by the celebratory response of rural whites in Georgia. Thousands of out-of-state whites made a trip to the scene to scavenge “souvenirs” of Sam Hose’s remains.

The lynching galvanized opposition to the war in the Black community and fueled Black participation in the anti-imperialist movement. It occurred when a racist offensive was in full swing in the South against Black voting rights and therefore drew in sharp relief the link between the war in the Philippines and the “war” at home.

W.H. Lewis, a Black lawyer and member of the Cambridge City Council thundered at a meeting of Black Bostonians:

“What a spectacle America is exhibiting today. Columbia stands offering liberty to the Cubans with one hand, ramming liberties down the throats of Filipinos with the other, but with both feet planted on the neck of the Negro . . .”

Northern Blacks, concurred with the observations of the *Springfield Republican* that the lynching parties were also an outgrowth of the racist war hysteria towards the inhabitants of the Spanish colonies: “the overbearing and contemptuous career of force towards the niggers of the Spanish islands.”

Meanwhile, in the Black community, the pro- and anti-war positions hardened. Prof. Kelley Miller of Howard University and Rev. W. H. Scott, two key figures in the anti-imperialist movement, wrote pamphlets explaining the connection between the worsening conditions of Blacks at home and McKinley’s war in the Philippines.

A call was made to all those who advocated Black rights to break with the McKinley administration. Rev. Scott took issue with Booker T. Washington’s submission to McKinley and silence on the racist offensive, and led a protest meeting when Washington’s National Negro Business League convened in Boston.

In the Philippines, U.S. troop casualties escalated as the guerilla war led by Gen. Emilio Aguinaldo made it hard for the U.S. forces to distinguish between the “amigos” and the “insurrectos.” Unsuspecting soldiers would be ambushed inside their own defense perimeter by “common obreros.”

In November 1899, David Fagan of the 24th Infantry defected to the Filipinos, carting off with him as many firearms and ammunitions his arms could hold. Fourteen other Blacks followed suit. Fagan was commissioned as a captain in Aguinaldo’s army and “wreaked havoc on the U.S. army for two years.” Other Black soldiers were likewise given commissions. But above all, according to limited accounts of the defections, they were accorded the respect denied them in the U.S. army.

The defections sent shock waves in the U.S. and the imperialists began hurling accusations of high treason at the anti-imperialists. No amount of invective, however, could hide the emerging reality that this war did not bring to the Blacks the hoped for benefits of first class citizenship or bring to the Filipinos, the alleged blessings of

Continued on page 14

Buod ng mga Balita

LABOR THREATENED WITH ANOTHER MARTIAL LAW

Water cannons might not be the Marcos government's preferred weapon for cooling the restive labor force. At a four-hour cabinet meeting July 3, President Marcos proposed using a cold iron fist by declaring a state of national emergency and decreeing a ban on strikes and lockouts for at least three years. The cabinet "rejected" this "economic equivalent of martial law" but the presidential proposal issued a clear warning: military might will again be applied when deemed necessary. Officials fear that on-going economic disturbances could tip the very delicate balancing act the Marcos government has been forced into in the aftermath of the Aquino assassination in 1983. Finance Minister Cesar Virata, chairman of the council, cried: "We just want to make sure economic recovery is not impeded."

Earlier, on June 26, Marcos created the Presidential Council for National Economic Recovery to coordinate efforts to revive the country's depressed economy. Presidential directives placed labor-related problems as a major stumbling block to "a speedy economic recovery effort." Organized labor, rumored to be widely infiltrated by the left, has indeed worried Malacañang.

Last year's record 282 strikes idled 65,306 workers and 1.9 million man-days were lost. Worse, this year's first half already saw 173 work stoppages involving 40,000 workers. Trade and Industry Minister Roberto Ongpin has already blamed the fall of 8% in export sales to strikes and the unstable labor situation. Virata concurred that export orders "have been cancelled or not made because buyers were not sure whether companies can deliver." Marcos can ill afford foreign clients shifting to other suppliers. Export sales receipts help pay for \$9 billion in goods and services imported as well as interest payments on the country's \$32 billion foreign debt.

Clamping down on labor, from Marcos' point of view would not only help arrest economic deterioration but also the growth of urban insurgency. The government believes there is a communist plot to paralyze Metro-Manila industries which generate 40% of the country's gross national product. Intelligence reports claim the communist-led National Democratic Front has intensified the organizing of workers as well as students, urban poor and intelligentsia in preparation for disrupting banking, food and exports.

While intelligence claims may be exaggerated for propaganda purposes, there is very real anger raging in the labor force. In Rizal province, 17 factories are on strike. Two struck export companies in that heavily industrialized section of Metro-Manila employ some 7,000 workers each. Major garment factories in Cavite, another Manila neighbor, have also had their recent share of strikes.

In a new claim, President Marcos said there is evidence of Soviet involvement in the organizing and training of labor activists. In an interview with [London] *Daily Telegraph* editor William Deedes and correspondent Ian Ward, Marcos said the Soviet Union, while officially taking a "hands-off" stance, has sponsored Filipino labor organizers in Moscow, Vietnam and North Korea. This bit of information was allegedly given by a former *Kilusang Mayo Uno* official.

Despite this, some officials believe a total repression of labor could end up as a case of the cure being worse than the disease. Labor Minister Blas Ople warned that "a state of emergency would unite all workers against the government, regardless of political belief." Ople even blamed the unrest on the adjustment policies imposed by the International Monetary Fund and noted that "90% of the strikes are retrenchment-related." Top businessmen and government-sponsored union leaders likewise decried Marcos' harsh stance on labor. The July 3 proposal, though widely reported, has been quietly shelved. For the time being. □

ANOTHER CARDINAL?

First Lady Imelda Marcos had yet another vision: a cardinal for each Philippine island group. At a late June reception hosted by newly-appointed Ricardo Cardinal Vidal at the Coleggio Filipino in Rome, Mrs. Marcos proposed that with Jaime Cardinal Sin based in Manila and Vidal in Cebu, one other cardinal should represent Mindanao.

Imelda supported her proposition by citing the fact that 50 million of the 54 million Filipinos are Catholics. Besides, ever since 1521, when Christianity was introduced to the archipelago, the Philippines has been the cradle of Catholicism in the whole of Asia. The

foreign media, she said, have been the source of the Vatican's knowledge of the religious doings in the country. She dismissed them as "quite leftist and inaccurate."

Host Cardinal Vidal concurred with the First Lady's proposal. With a cardinal in Mindanao, he said, the Philippines will truly be a "shining beacon of Christianity in Asia." Guest Sebastian Cardinal Baggio, president of the Pontifical Commission for the Vatican thought Imelda's proposal was feasible, but added that the naming of the cardinal remains the Pope's prerogative. □

NUKE PLANT TOWERS BLASTED

A total of 18 power transmission towers of the Bataan Nuclear Power Plant have been blown up by sympathizers of the anti-nuclear plant movement, according to military authorities. Two separate incidents in July prompted a dispatch of one battalion of security reinforcement for the plant. A subsequent New People's Army attack on a military outpost near the plant, though not linked to the tower blasts, was used as additional justification for increased military presence in Bataan.

On July 4, 14 transmission towers in the towns of Abucay, Hermosa and Morong were dynamited or cut. Following the incidents, Col. Jose Andaya requested a battalion of troops to reinforce security for the power facilities in the province. One suspect was caught near a tower, allegedly carrying a sack of nitrate.

On June 30, villages neighboring Munting Batangas, Balanga were rocked by nighttime explosions. Four towers worth ₱1.2 million were dynamited by still unidentified men. Philippine Constabulary investigators found sticks of dynamite at the foot of the towers. One suspect was later reported caught while dismantling the metal braces of a tower. His two companions fled the pursuing troops.

Tension in the province, just over an hour's drive from Manila, has been running high in recent months. Pickets and rallies continue to call for a halt to the plant's opening, although the licensing and start-up of the \$2.1 billion "Monster of Morong" is awaiting a court-ordered public hearing.

A three-day "people's strike" called by anti-nuclear plant organizers virtually paralyzed the province June 18. The Mariveles Bataan Export Processing Zone came to a standstill as 18,000 workers, in many cases with the management's approval, walked out of their jobs in protest. Students boycotted classes, businesses closed and public transportation halted. Human barricades, sandbags and other roadblocks closed all arteries to the provincial capital of Balanga.

Organizers claimed eight of Bataan's 12 towns participated fully in the three-day action. Skull masks and green or red headbands dotted the protest actions in the principal towns of Pilar, Orani and Morong. The strike was not without incident. An armored personnel carrier rammed through the Pilar crowd. The 20-troop escort was soon routed when angry townsfolk began to surround it. Other stand-offs between military and protesters were reported.

Meanwhile, a soldier was killed and six other troopers were wounded in an NPA attack on a military post near the nuclear plant. Brig. Gen. Angel Mapua said that 40 NPA guerillas descended on the post. He added that troop reinforcements, backed by helicopter gunships have been sent to track the rebels. A *Bulletin Today* correspondent, photographing the damage from an Armed Forces helicopter, was fired upon but was not hit. □



Anti-U.S. protestors, numbering 6,000, gather in front of the U.S. Embassy, July 4, marking Philippine-American Friendship Day.

NO JUSTICE FOR JUSTICE TEEHANKEE

Senior associate justice of the Supreme Court Claudio Teehankee was next in line for the court's highest post when Chief Justice Enrique Fernando retired last July. But Teehankee's independent, pro-civil liberties stance in a 15-judge court dominated by presidential sycophants has cost him his promotion. President Marcos simply would not let the maverick judge be the chief justice for obvious political reasons.

To bypass Teehankee, Marcos let Member of Parliament Arturo Pacificador do the dirty work. First, Pacificador "wrote a letter" to Marcos complaining that Teehankee is Chinese—not a "natural-born Filipino" and should be removed from the high court because he is disqualified by his non-"natural" citizenship. Then Marcos asked Justice Minister Estelito Mendoza to launch a probe. Mendoza just happens to be a party in a highly contested gubernatorial battle to be decided soon by the Supreme Court. The rumor is Mendoza has an axe to grind because Teehankee had asked him "more questions than necessary" in the case.

Then finally, Pacificador brought his complaint to the National Assembly which promptly shoved the case to a "good government" committee for review. Of course, the resulting "controversy" over Teehankee gave Marcos the justification to appoint loyalist associate justice Felix Makasiar Chief Justice.

When he was appointed undersecretary of justice in 1966 during President Marcos' first term, Teehankee was no doubt a natural born Filipino citizen. Teehankee's citizenship withstood probes in 1967, 1968, and 1982. In a memorandum to the president dated May 13, 1982 Teehankee rested his case: He was born in 1918 in Manila of a Filipino mother and a Chinese father. The Philippines, at the time of his birth, adhered to the principle of *ius soli* and his choice of Philippine citizenship at the age of majority was a mere formality following the country's switch to the principle of *ius sanguinis*. Teehankee's other public documents, including his marriage license and military training registration, list him as Filipino. Marcos kept retaining him. But presidential memory must have been dimmed by Teehankee's constant contra-Malacañang stance.

Marcos' maneuver created a tempest. Eight regional leaders of the Integrated Bar of the Philippines decried the treatment of Teehankee as "politically motivated" and inimical to the independence of the Supreme Court and called on the public to show its "outrage against this baseless attack." Opposition leaders as well as the Civil Liberties Union of the Philippines called the operation against Teehankee "a cheap shot" aimed at keeping the high court a Marcos rubberstamp. As of presstime, there was still no justice for Justice Teehankee. □

WHAT EVER HAPPENED TO . . . ?

Ilocos Norte governor Ferdinand "Bongbong" Marcos Jr., returned from the Peoples Republic of China mid-June with more than the usual diplomatic greetings from Beijing. Returning with Marcos, Jr. who attended the 10th anniversary commemoration of the opening of relations between the Philippines and the P.R.C., was Danilo Lobitana, 35, one of six students who hijacked a Philippine Airlines plane to China in 1971. Lobitana asked the young Marcos' help in returning to the Philippines. The latter did not guarantee Lobitana a presidential amnesty and left the matter to be "decided upon by the justice ministry." Marcos, Jr., did praise the Chinese government for issuing exit visas to Lobitana, his wife who is a Japanese national, and their one-year-old son. Lobitana is now a doctor and returned "to serve the people."

Meanwhile, another former activist who decided a few years ago to "serve the people" through government channels recently boasted of his successes. Nilo Tayag, former chairman of the militant Kabataang Makabayan, is now head of the government-sponsored *Dakilang Alyansa ng Organisadong Pamayanan sa Pag-Unlad (Daop-Palad)*. In a four-hour dialogue with First Lady Imelda Marcos and 500 Daop-Palad "activists," Tayag spoke of his organization's growth. He claimed that 200 affiliated groups involving some 200,000 member-families have been touched by Daop-Palad. He added that more than 20 former ranking New People's Army officers are now "propagating the Filipino ideology based on [Marcos'] peaceful democratic revolution."

Imelda, in turn, promised that her Ministry of Human Settlements would look in to the possibility of providing housing for Daop-Palad members. The Kabataang Makabayan, during a congress it held underground last year, repudiated Tayag as a traitor. □

FM Foes Parley

Some of the fireworks last Fourth of July were aimed mainly at Ferdinand Marcos. Three major Philippine opposition groups in North America held their national congresses and conferences that long weekend.

At its 2nd Annual International Congress, the Ninoy Aquino Movement for Freedom, Justice, Peace and Democracy (NAM), hosted several well-known opposition figures in Chicago and got a surprise visit from Rev. Jesse Jackson, the former Democratic presidential contender. Jackson was guest speaker at the National Conference of the Friends of the Filipino People that same weekend in the city. Meanwhile, in Toronto, Canada, members of the Movement for a Free Philippines gathered for their 12th anniversary reunion and Executive Council meeting.

NAM's convention at the Hyatt Lindwood Hotel, glittered with opposition celebrities like street parliamentarian Agapito "Butz" Aquino, brother of Benigno Aquino; ex-Senator Salvador "Doy" Laurel, recently crowned presidential candidate of UNIDO; and Reuben Canoy, a possible independent presidential contender from Mindanao. Also present were Members of Parliament Marcelino Fernan, a unification negotiator and Mel Lopez, contender for Mayor of Manila. Dr. Alejandro Rocas, possible contender for Mayor of

Makati, Rizal was also present.

Former Supreme Court Justice and MP Cecilia Muñoz-Palma addressed the congress, stressing the need for the entire opposition to unite behind a single presidential/vice-presidential slate against Marcos.

Jesse Jackson, whose national office of People United to Save Humanity (PUSH) is located in Chicago, addressed the July 6 lunch proceedings calling for an end to U.S. aid to the Marcos regime, and urging Filipinos to join the Rainbow Coalition.

"The blood of an innocent man [Aquino] caused us to join together. But that is not enough. We must now join forces where all of our interests converge. Move from racial separation into racial solidarity," Jackson said. He is preparing to go to the Philippines soon.

Jackson also addressed a public meeting during the conference of the Friends of the Filipino People.

"Jackson's presence is a hopeful sign that roots for Philippine support work are being introduced into the Black community," said Daniel Boone Schirmer, a standing committee member of FFP. The group was invited to attend a PUSH meeting the week following the gathering.

Other conference highlights included an address by Lupita Kashiwahara, sister of Benigno Aquino; the showing of the anti-bases film "The Myth and the Flame";



Jesse Jackson blasts the Marcos regime and urges Filipino-Americans to join the Rainbow Coalition at the NAM International Congress.

and a special report from John Witek of the Philippine Workers Support Committee which is planning a tour of three *Kilusang Mayo Uno* members in October. Future plans for the FFP include a petition campaign against U.S. bases in the Philippines. The FFP hopes to deliver thousands of signatures to Congress on September 21.

"It is going to take a lot of pressure to make Congress move on this issue which has been a traditional sacred cow for them. In the eyes of Congress, the bases are identified with national security, which is false. In fact, the bases are detrimental to the safety and the economics of the Philippines," Schirmer said.

Simultaneously in Toronto, Canada, Movement for a Free Philippines members from Toronto, St. Louis, Detroit, Chicago, New York, Washington, D.C., Los Angeles and San Francisco converged for a lively reunion and leadership meeting and were at times joined by allies from

other opposition groups in the city.

Former senator Raul Manglapus, MFP founder, stressed that the main task of the opposition is to remove Marcos from office so that the process of democratization can take place. He claimed, however, that the unification of the opposition's varying political currents behind a single opposition slate has never been achieved in any other country in the world. Yet, he will support such an effort if the opposition decides it is the best means of toppling Marcos.

MFP's Executive Council also issued an "Open Letter to Ferdinand Marcos" which lambasted Manila's offer to exiled opposition leaders "to come home and see local conditions for themselves." The letter denounced Marcos' claims that the exiles would find a "free and democratic society," and cited the regime's role in worsening the failing economy, corruption, hunger, disease, and political repression. □

Forum Defends Bilingual Education



Over 70 Filipinos attended a forum in support of bilingual education sponsored by a coalition of San Mateo community groups on July 27 at the Serramonte Center in Daly City.

Dr. Reina Bautista of the Association for Asian Pacific Bilingual Educators, Becky Villones of the Asian Pacific American Advocates for California and Tessie Zaragoza of the Katipunan ng mga Demokratikong Pilipino urged the audience to defend bilingual education in the same light as

civil rights gains such as affirmative action, voting rights and desegregation. Members of the multiracial Oakland parents group who recently won a landmark settlement with that city's board of education were also honored. Among the sponsors of the event were the Filipino American Democratic Club, the Filipino American Political Association, the Filipino Choir of St. Andrews, the Philippine American Involvement League and the Katipunan ng mga Demokratikong Pilipino.

Tantrum

Continued from page 4

cleaning, and a refurbishing of the Philippine military. They would like cooperation from Marcos himself and are careful not to destabilize him unnecessarily.

TUG-AND-PULL

But fear of the left's strength and the weakness of the moderate opposition has the U.S. genuinely worried that Marcos is not cooperating enough. CIA Director William Casey, visiting Manila in May, strongly recommended that Marcos not reinstate Armed Forces Chief of Staff Fabian Ver, currently on trial as an accessory in the Aquino assassination.

The question of Ver has been the knot-tiest in the tug-and-pull between Washington and Manila. U.S. officials have made it clear that they prefer to see West Point-trained Gen. Ramos stay on. Ver, a Marcos relative and blindly loyal personal friend, is seen as an unpredictable element. Washington further hesitates to rule out, if all else fails, a coup d'etat involving "reform-minded" admirers of Ramos.

Marcos so far stubbornly refuses to give

in on the Ver front and word is that the Chief of Staff soon will be acquitted and reinstated. (See story below)

Eerily, only three weeks after the court declared the only evidence against Ver invalid, two scandals involving him broke in the U.S. press. It could have been coincidence, but some Marcos advisors speculated that some information was leaked as part of a deliberate effort to step up the pressure on Ver.

CHEERING THE U.S.

Casey also reportedly told Marcos that the CIA even feared the president's party might be defeated in next year's local elections. He pressed for an earlier presidential vote presumably as a concession to the right wing of the moderate opposition, and to start a momentum for an electoral contest before the weakened moderates can successfully forge an alliance with the left.

Sure enough, certain quarters in the opposition are cheering Washington's pressures.

"Somehow it's only the U.S. that can

make Marcos move—hold clean elections next year and in 1987," according to Jose Concepcion. "Otherwise the elections will be as dirty as usual."

Concepcion heads the National Movement for Free Elections, an organization set up by the CIA in the 1950s. After disappearing from the scene, NAMFREL was reborn last year to oversee the Batasan polls.

"What the U.S. needs to do is pressure Marcos to observe democratic practices—create an environment in which Filipinos can choose their future leaders in a free and honest way," adds former Sen. Ramon Mitra.

But nationalist leader Jose Diokno disagrees. "The whole logic of the U.S. line here is 'reforms' that do not entail fundamental changes," he said.

"This is a squabble among thieves," said U.S.-based opposition leader Geline Avila. "It doesn't mean the opposition should rely on the U.S. plan. The point is to exacerbate the squabble by developing the opposition's own unity and initiative."

MONEY AGAINST THE LEFT

Meanwhile, more ominous forms of U.S. intervention in the grand tradition of the CIA, were uncovered recently but elicited hardly any protests from both Marcos and pro-U.S. oppositionists.

The *San Francisco Examiner* recently revealed that a private group, the National Endowment for Democracy, has for two years channelled \$3 million in U.S. taxpayers' money into the Philippines through non-governmental organizations. NED's stated goal is to bolster the right wing of the labor movement and undermine left gains in religious organizations, universities and among the rural poor.

NED money finances the AFL-CIO's Asian American Free Labor Institute which has supported rightwing labor groups via funds from the U.S. Information Agency and its parent organization. AAFLI distributes its cash through the discredited Trade Union Council of the Philippines.

NED granted AAFLI \$250,000 in 1983 to use in the Philippines, \$1 million in 1984 and \$2 million this year. The Philippine project is "far and away larger than anything else we've got going," said Charles Gray, AAFLI's executive director. NED aid was directed to radio stations and publications. It was used in getting right-leaning labor leaders elected and boasted its administrator for the Philippines Bud Phillips, "If people hadn't had immediate assistance then and there, the success of the political left would have been phenomenal."

But NED is not accountable to Congress and its annual report fails to specify details. In Manila, U.S. Embassy Labor Attache Joseph Lee got curious but was told to keep his nose out of NED activities. AFL-CIO executives in Washington threatened to have him fired.

Among those who blocked Lee was AFL-CIO international section chief Irving Brown. An ardent anti-communist with a knack for showing up in international troublespots, Brown has been linked by former CIA members such as Philip Agee with agency activities. Brown was in the Philippines only last year.

Other countries have found the links between the AFL-CIO, AAFLI, USIA and CIA a little too close for comfort. Thailand last year expelled AAFLI's local director for spying.

GOOD MEDDLING

Even more disturbing was the disclosure made by the Washington-based Center for Defense Information last June that U.S. special forces are now stationed at Clark Air Base and Subic Bay Naval Base. Schooled in covert action and unconventional warfare, these troops are similar to those used to invade Grenada and train Nicaraguan contras. Deployed with them are MC 130 Combat Talon aircraft designed specifically for unconventional warfare.

There are also rumors that U.S. troops have constructed a training camp in Palayan City, Nueva Ecija. Other reports claim Americans at times have reinforced Philippine troops chasing members of the New People's Army and run reconnaissance missions for these troops.

The U.S. is also shoring up its base defenses. The Navy recently shut Subic's gates for a three-day exercise simulating a siege. Everyone was mobilized, from elite Navy units to the wives and children of the troops.

The activity could be explained, in part, as a local extension of Reagan's "anti-terrorist" precautions. But why the need for MC 130's and special forces? "A clash with the U.S. is almost inevitable," a representative of the Communist Party of the Philippines told the *Christian Science Monitor*.

Marcos has not raised a whimper against NED activities and the curious U.S. troop movement. Clearly, for Malacañang there is bad meddling and good meddling. In fact, only a few months ago, he shocked listeners when he announced that he might call for armed U.S. intervention under the terms of the Military Bases Agreement should the NPA get out of hand. □

Democrats' Dumping of Asian Caucus May Backfire

By MADGE BELLO

The Democratic Party's decision to eliminate the Asian Pacific Caucus last May could boost conservatism in Asian communities and have serious repercussions on the future participation and alignment of Filipinos in the electoral process.

Asians nationwide reacted harshly to the decision, calling it a "slap in the face." Leading Asian Democrats questioned their party's commitment to integrating Asians in its apparatus while others charge that stripping their caucus of official status "smacks of racism."

The decision to disband the Asian Pacific Caucus together with the Gay-Lesbian, Business-Professional, and Liberal-Progressive Caucuses, observers said, was part of the Democratic Party's reaction to the losses it suffered in the past presidential election.

But party officials denied that the action was part of an attempt to regain the conservative white male vote it lost to Ronald Reagan last November. Paul Kirk, the Democratic National Committee chairman who had called the caucuses "political nonsense," asserted that the leadership was merely responding to a widespread internal criticism that the party was being controlled by "special interest groups." Only two "no" votes were heard in the unrecorded voice vote that followed a brief discussion of party vice-president Polly Baca's resolution to disband the caucuses.

Retained were the vote-rich Black, Latino, and Women's Caucuses. In addition to the three formal caucuses, other groups such as the democratic state party chairs, congresspeople, governors, mayors, county officials, and official youth and women, have seats in the executive committee under its by-laws.

The Asian Pacific Caucus, though not integrated formally into the national executive committee, operated officially under the party's 1982 guidelines which recognized it as a step towards representation in the executive committee. Its abolition eliminates the possibility of representation.

"They feel in order to have a successful campaign, they need to reorganize the party, but they are forgetting who their friends are. The party is trying to simulate the Republican Party, and they've forgotten the strength of the party is in the grass-roots," asserted Dick Cerbatos, president of the Filipino American Democratic Club of San Francisco and member of the city's school board.

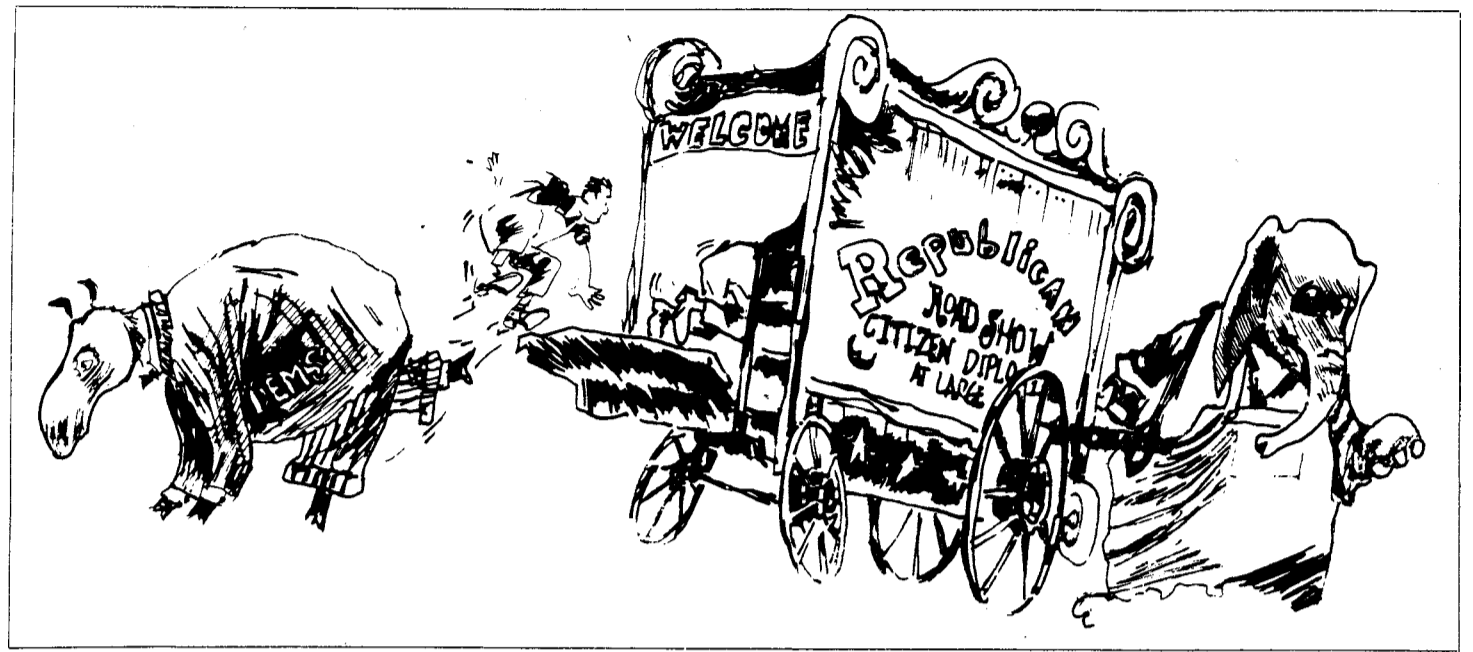
Sandi Mori of the Nihonmachi Political Alliance in San Francisco, who along with Thomas Hsieh, was recently appointed member-at-large of the executive committee, confirmed this assertion: "The mood of the party is really anti-caucus."

Hsieh and Mori's appointment to new national posts were seen as an attempt to mollify Asian Americans and skirt the issue of reinstating the Asian Pacific Caucus. Hsieh reportedly was satisfied with Kirk's assurances that Asians would retain their position within the party, including access to office space, staff and resources. Both remained vague, however, on how they could use their new posts to demand the caucus' reinstatement.

MOVE TO THE RIGHT

"The move against so-called special interest groups signals the Democratic Party's rapid slide toward conservatism," said Mila de Guzman, local leader of the *Katipunan ng mga Demokratikong Pilipino* who was active in the Rainbow Coalition.

De Guzman said the Democratic National Committee at its meeting in Wash-



ington, D.C. in late January this year, came to the conclusion that in order to rebuild itself, the party must erase its image as a party of minorities or "special interests." It must also project a strong patriotic stance and even align itself somewhat with Reagan's "fiscal responsibility" posture on social spending.

"The new posture even contradicts its election platform," continued De Guzman. "The Mondale-Ferraro ticket, for example, promised to control the rate of increased military spending and urged the transfer of \$30 billion from the military budget to education, health, legal services, jobs, and child nutrition."

Paul Kirk's election as the new chairman of the DNC was also viewed by others as a sign of the party's shift towards conservatism. Kirk is backed by the party aristocracy. The conservative Democratic hierarchy also decided to ignore the traditional practice of accepting the Black Caucus nominee for one of the DNC's vice-chairmanships. Gary, Indiana mayor Richard Hatcher who headed Jesse Jackson's campaign nationally, was summarily bypassed in favor of Roland Burris, an Illinois state government official who is seen as more accommodating of the conservative hierarchy's wishes.

REPUBLICANS MOVE IN

Hatcher charged that the DNC has closed off a process of representation and participation that allowed minorities to achieve their goals within the existing political structure of the country.

Reiterating that the political growth of this country remains in the hands of "the poor, Asians, Blacks, Hispanics, and women," Jesse Jackson sharply criticized the Democrats' current shift, but called for a vigorous struggle to redirect the party as he tried to do during the Democratic primaries last year.

"In clipping the wings of a rising Rainbow Coalition and eliminating the Asian Caucus, among other things, the DNC has clearly given the signal that the legitimate civil rights and other concerns of minorities can be sacrificed to win back the more conservative constituency that it lost to Reagan," concluded De Guzman.

The Republican Party meanwhile, has taken advantage of the controversy to draw more Asians into its ranks. At the conclusion of the National Republican Heritage Group Council's meeting in Washington, D.C. late May, the Republicans—sparked by the Democrats' action—enthusiastically called for the formation of an Asian Pacific caucus by the next presidential election in 1988.

Asian members of the GOP (including Filipinos) in California, New York, Texas and Washington, D.C. are now hurriedly working towards such a caucus, said John Tsu of San Francisco. He said the mo-

mentum is strong considering that the organizers have met only twice.

San Francisco Republican Central Committee head, Harriet Ross plans to conduct extensive voter registration drives among Asians. She said her party will also counter perceptions that it is not receptive to minorities. Asians are up for grabs right now, declared Martin Eng, chairman of the S.F. GOP issues committee. He is telling Asians "The Republican Party is open to all groups rather than specific ethnic groups."

California Republican chairman Mike Antonovich has joined the psy-war. "The other party is only concerned with getting your vote—their abandonment of Asian American causes after the November election is clear evidence of opportunism. Their insensitivity is further evidenced by the exclusion of the Asian Pacific Caucus."

Democrat Hsieh, however, disagreed. "What the Republican party is doing—we've known all along—is just lip service for Asian Americans."

Douglas Chan, vice-president of the Chinese American Democratic Club (CAD-DC), blames it all on the Democratic Party. "It was a strategic error. It gives the Republicans ammunition to ask Asians to reexamine their party affiliations."

The GOP's pursuit of Asian communities comes with the understanding that they are the fastest growing minorities. Asians are also seen as a potent economic base for Republicans. Ross said Asians tend to be more property conscious, or inclined toward the acquisition and protection of property rights. "The Republican Party offers the bare minimum of restrictions on these rights," she boasted.

Republicans also believe Asians are a natural base for conservatism. The recent influx of Indochinese refugees, most of whom are fiercely anti-communist is expected to lead to even better conditions for making Asians a base for the rightwing movement.

The Republican drive is bound to make itself felt in Filipino community politics where enfranchisement and electoral organizing are increasingly becoming a major focus of interest.

Filipinos are the third largest minority group in California next to Blacks and Mexicans. It is also the fastest growing Asian group. Filipinos are naturalizing—and acquiring voting rights—at a rate of 12,000 each year. While they account for 27% of the national Asian-Pacific population, only 24 out of 287 elected and appointed Asian-American officials were Filipinos, as of 1984.

Even though one out of two Filipinos is a U.S. citizen, participation in the electoral process is not yet seen as a necessity by many. U.S. citizenship is used mainly to petition for relatives to come to the U.S. or to secure more stable jobs with the

government.

However, with Jesse Jackson's extremely visible Rainbow Coalition presidential bid last year, the issue of minority empowerment and political representation forced itself into the national political agenda once again, albeit for a limited period. Political empowerment and representation in the electoral process became hot topics again not only for Blacks and Latinos but for the Asian—and Filipino—communities. The general excitement revived or gave impetus to "political action groups" in Filipino communities from Chicago to Los Angeles. In the Bay Area, the Filipino American Political Movement of Alameda County, the Filipino-American Political Association, and Filipino Democratic clubs like those in San Mateo, Santa Clara and Monterey, swung into a flurry of election activities.

DEFECTION

The DNC's decision, however, could dampen Filipinos' rising interest in Democratic Party politics. In some quarters of the traditional Filipino Democratic circles, the feeling of "disenfranchisement" within the Democratic Party may lead to major defections to the GOP.

"The Republican Party is more inclined to the needs of minorities," said Remedios Geaga, a long-time Filipino Democrat in Los Angeles who recently defected to the Republicans. She argued that Gov. George Deukmejian appointed more Filipinos than any Democratic administration in California. She cited the appointment of a Filipino to the prestigious Board of Medical Quality Assurance as an example of the GOP's better treatment of Filipinos.

In addition, she said, "not all Republicans are pro-Marcos." She said most Republicans support Marcos because they do not know what is happening. "It is better to work inside [to educate them about Marcos] than outside, Geaga asserted.

Other community organizers disagree with Geaga, arguing that the community's collective interests are not simply satisfied by one or two individual appointments of Filipinos.

"As for Republicans not being all pro-Marcos," De Guzman countered, "not all Democrats are anti-Marcos either. But the point is, the incumbent party has programmatic support for Marcos."

Geaga, aware of the controversy that could surround her defection, said she may not campaign as actively as she did during California Governor Jerry Brown's administration. She was one of the Filipino leaders who organized the "Browns for Brown" campaign in the 1978 gubernatorial election. She said her recent decision was purely a personal one.

"I do not want to be responsible for the repercussions in the community [as a

Continued on page 11

Fil-Am Wins Top Women's Caucus Post

Pro-ERA, Pro-Choice and Fast on Her Feet

By OFFIE VILLERO
New York

Without a doubt, Irene Natividad has captured one of the most influential positions in women's politics in the United States today.

On July 30, 1985, she was elected chair of the National Women's Political Caucus (NWPC), a bipartisan 77,000-member organization "dedicated to the election and appointment of qualified women to political office at all levels of government."

The NWPC claims it has contributed greatly to the increase in number of women holding political office today. Its members include Bella Abzug, 1984 vice-presidential candidate Geraldine Ferraro, and the current New York City mayoral candidate Carol Bellamy.

Natividad's election gives her the distinction of being the first Asian-American to head a major national political organization in the U.S. But she is already proud of her role in building the New York women's caucus which she said had only 30 members four years ago but is now "a player in New York politics" with close to 1,000 members.

For the past seven years, Natividad has been the director of the Center for Continuing Education of William Patterson College in New Jersey. She has served on the boards of three national non-profit organizations, including Planned Parenthood Federation of America, and she credits her ability "to communicate well" to her years of teaching at Columbia University and Lehman College.

FAST ON HER FEET

Highly articulate and fast on her feet, Natividad has successfully broken into the seemingly impenetrable New York "media market." But like it or not, the media invariably dwells on her race and national origin.

Media comments range from surprise at her "accentless" English to the warning that her election may lead to a stress on minority interests rather than on the "greater" requirements of the women's movement.

The "accentless English" is easier to explain. Why it should elicit surprise at all only reflects the prevalent notion that non-whites with immigrant surnames somehow must not be, well, legitimate Americans. But American Natividad principally is.

She lived in the Philippines only until she was five, and was educated mainly in U.S. schools or international schools run by Americans. The B.A. in comparative literature was from Long Island University, the M.A. in American literature and a Masters in philosophy from Columbia University.

As to the murmur that she might put the interests of the minority sector over that of the majority of her NWPC constituency (whose profile she describes as white, age 30 or over, middle or upper class, and highly educated), she gets irritated.

"I head up a national movement. Of course, I understand what it means to have the interest of the whole rather than just a part of that movement," she says. In fact, the campaign theme was "A national leader for a national movement."

On the other hand, she argues for the need to reach out to a variety of potential NWPC members.

"It is not enough to have new members. We must also have different kinds of members. If we are serious about our commitment to bipartisanship and affirmative action, NWPC must be more deliberate in its outreach to minority women and Republican women. That means actual recruitment materials, strategies, and 'raps' to bring in a more diversified audience."

IMPACT ON ASIAN-AMERICANS

Natividad has already started a dialogue with the Hispanic Women's Organization and the National Caucus of Black Political Women. She has also sent overtures to the president of the American Association of Retired Persons.

Her election, she predicts, will spur greater participation in the electoral arena by Asian-Americans, the multi-national constituency with which she is most closely identified. Indeed, the Asian-American political scene has been the springboard for her present prominence. The NWPC's *Women's Political Times* traces her history back to the New York State Asian Pacific Caucus, of which she was the vice-chair.

"As deputy vice-chair of the Democratic National Convention Asian Pacific Caucus," the publication reported, "she helped form the Asian Pacific Caucus in 22 states in two years. During the 1984 elections, she was appointed National Asian Pacific Representative to the Ferraro campaign."

On her own, Natividad helped develop several Asian women's professional and political groups like the National Network of Asian/Pacific American Women and the Asian American Professional Women, Inc.

"This new position affords me a visibility that most Asian-Americans won't have. It gives us a sense of our capacity to enter into an arena where traditionally we have not participated. We are usually found in the economic realm."

FACING RIGHT-WING TIDE

However, the same result may not yet apply to Filipino-Americans, Natividad notes.



Irene Natividad

"Filipinos don't see themselves as Asian-Americans. They still aren't interested in working jointly with other Asians, much less with other minorities.

"They still have to understand they are citizens of this country and ought to have something to say about how it is being run. They should not only participate by voting, but they should be candidates themselves."

She encourages Filipinos to make a push for empowerment citing that "Filipinos would have a better chance to influence, for instance, U.S. policies in the Philippines if they are not just passive but active political participants."

Rapid participation for Filipinos is possible, Natividad adds, because of their capacity for immediate assimilation.

"Filipinos don't live in ghettos. They assimilate quickly, and it's not a big deal for them to join political clubs."

For now, she hopes her position as NWPC chairperson can serve to direct Filipino community interest in empowerment.

But admittedly, her bigger concern is how to gear up NWPC for a more militant fightback against the erosion of the women's movement's gains.

"Given the conservative tide that's sweeping the country, our greatest challenge in the next two years is to remain firm in our commitment to our basic goals—the Equal Rights Amendment, freedom of reproductive choice, childcare. Right-wing attacks on these positions should not force us to dilute our message."

Organizationally, she wants NWPC to go on working in coalition "with women from other organizations engaged in the same fight, just as we're doing now with the civil rights restoration act of 1985."

Only with united strength, she said, can the movement effectively counter the highly organized opposition and "bring to the women of this country the full measure of our citizenship." □

Democrats Dumping

Continued from page 10

result of her defection] since people know me as a staunch Democrat."

'STAY AND FIGHT'

In Hawaii, mass defections to the GOP already occurred with the November 1984 election victory of Republican Mayor Frank Fasi. The *Honolulu Star Bulletin* in its post-election analysis attributed his victory to the Filipino swing vote.

"Sizeable portions of the multi-ethnic electorate, except for the favored Japanese constituency, have become alienated from traditional Democratic machinery," noted Dean Alegado of the Ethnic Studies Department of the University of Hawaii. The GOP campaign to woo the Asian vote in the wake of the Democrats' abolition of its Asian caucus may turn the Hawaii phenomenon into a national trend.

In the Filipino community, a swing to the Republicans would bolster the sagging fortunes of conservatives, many of whom are identified with the Philippine consulates. "Community leaders who defect to the Republicans and conveniently tone down their anti-Marcos positions could help slow down the rapid isolation of the regime in many community groups and circles," warned Jon Melegrito, anti-Marcos organizer and a member of the Asian Pacific Caucus in the Washington, D.C.-Maryland area.

"I think people should stay to fight it out rather than defect if you believe in the Democratic principles," said Alice Bulos, head of the San Mateo Filipino Democratic Club.

Other electoral activists are suggesting that the Asian Pacific Caucus flex its financial clout by urging a nationwide boycott of the Democratic Party's fundraising appeal in order to register a stronger protest with the DNC. Although Asians make up only about 2% of the country's population, they are estimated to contribute as much as 15% of the party's national campaign chest.

In late July, the controversy led California's Democratic Party to give more power to its downgraded caucuses despite national party policy. State Democratic chair Betty Smith announced that she will hire a new staff member whose only duty will be to help the caucuses. "We're committed to the caucus system," she said.

"I don't think [eliminating the caucuses] is going to make the white male in the South come back to the Democratic Party," said Alice Travis who is in the DNC. "We should not just punish those who vote Democratic. We're so busy trying to out-Reagan Reagan."

With at least part of the apparatus pledged to fight for the caucuses, Bulos felt more confident about fighting it out inside the party. □

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Book Review:

Memories of Rizal

LOLO JOSE

by Asuncion Lopez Bantug
Vera Cruz, Inc., Manila 1980

By CONRADO SANDIKO

José Rizal, the Filipino patriot is Lolo José to Asuncion Lopez Bantug, author of this informal biography, she being his grandniece. *Lolo José*, affectionate and reverent, and withal faithful to facts, was written to honor him.

At this time of our national crisis when the country faces foes other than the Spanish government and Spanish frailocracy, but with the same faces of imperialism and anti-Filipino nationalism, remembering Rizal is being in the struggle. In fact, the oft-stirred conflict of opinion and emotions as to who is the real national hero, Rizal or Bonifacio, is almost ridiculously out of context now.

Rizal is a national hero. So is Bonifacio. What about Marcelo H. del Pilar? And let us not forget José Abad Santos who, at the moment of his death in the hands of the Japanese, told his son not to grieve for him because there was no greater privilege than for a man to die for his country. In our present fight, more national heroes will come out to grace the scene and the pages of history. Heroism, like other great manifestations of human nature, is total at the time and circumstance of its appearance.

"Lolo José" is depicted very warmly by the author, as would be expected in a charmingly loose biography of a man by a grateful and respectful relative. Yet, it is not all praises and bouquets that are found here—there are portions in which Rizal's weaknesses are shown up, with the author expressing her own judgments, excuses or recriminations. A subjective book, yes, but written dispassionately.

There are many points which the Filipino reader will find familiar, like Rizal's deep friendship with Blumentritt, his popularity with the ladies, his proficiency in languages, his remarkable range of natural gifts both in the arts and in the sciences, etc.

But very few of his countrymen might know of his self-consciousness about his height (or better, his lack of it), and the determined way in which he trained what might have been a puny body, but which, instead, turned out to become a model for a foreign artist.

We know that Paciano was like José's second father, but it is not so well known that Paciano could well have been considered a minor hero from the tortures and sufferings he underwent for his younger brother whom



he shielded and protected.

Many probably did not know that Teodora Alonzo was such a strong character that quite a few people shied away from her, that she might, for a reason which she believed right, have caused the rift between Rizal and Leonor Rivera, and that she overshadowed the less strong-willed and perhaps gentler father of Rizal.

These are mere examples culled at random to show the intimate construction of the book. They do not illustrate the depth of the portions of the book which are historically significant, and which reveal Rizal's place in the Filipino struggle against tyrannical domination.

For this book has a little of everything about Rizal: bits of anecdotes here and there showing the romantic young man conscious of a mission, yet troubled by young emotions; the worried Rizal—for he was extremely sensitive and vulnerable; the studious Rizal who was an achiever, in the present-day meaning of the word; and the serious old-young man who had to die for his country because he acted out what he thought. He was a real activist.

The great and wonderful friendship between the brothers, Paciano and José, is made much of by Mrs. Bantug. So is the determination of Rizal to come home to the Philippines after the publication of the *Noli*, and in spite of the danger of such a return. (This is somehow reminiscent of Ninoy's stubbornness.)

In these touches, Mrs. Bantug makes the reader feel that she is not a historian, but someone close to a venerated subject. She confesses, in fact, that she knows her Lolo José through his "*memorias*," his letters, "even his toys speak to me."

Rizal, in fact, could have escaped his tragic end. But he was not one to run away (as was suggested to him when he was in Dapitan) from a mission. Like Socrates who refused to escape from his death-prison because it was the law of his country, Athens, which condemned him there, Rizal would not flee from what he felt was the responsibility of confrontation. Blumentritt's letters sustained Rizal through his difficult life. That was a consolation, for he had also known betrayal.

Mrs. Bantug spoke of a stillborn son of Rizal by his "*dulce extranjera*," Josephine Bracken. What if he had lived? Being Rizal's son might have been too heavy a burden for an ordinary man to carry.

Epilogue

Alay Kay Rizal

- 1 Ang alay ni Rizal
Sa mahal n'yang bayan,
Di matutumbasan
Magpakailan man.
- 2 Ang nilaan n'ya
Sa kinabukasan,
Ang mga pangarap
Kan'yang kabataan,
- 3 Lahat-lahat nito
kanyang inialay
Lahat ibinigay
Na walang hinayang.
- 4 Rizal—
Kung naiisip kong
Ikaw'y Pilipino,
At isipin ko ring
Pilipino ako
- 5 Diyan ko nadadama
Ang kakulangan ko,
Na dapat tumulad
Sa halimbawa mo!
- 6 Kungdi ko gagawin
Lahat ng kaya ko
Di ko maabot
Ang itinuro mo.
- 7 Salamat O Rizal!
Sa paalala mong
Hug kong kalimutan
Pagka Pilipino!

Conrado Sandiko

JUST RELEASED

"Firetree," a collection of poems written by political detainees in Camp Crame, is available for \$3.50 (postage and handling included) through the Institute for Filipino Resources & Information (IFRI). To order the book by Crame's "aspiring poets," fill out the form below and mail to IFRI, P.O. Box 31896, Oakland, CA 94604.



I would like to order _____ copy (ies) of "Firetree." Enclosed is my payment of \$_____ (Payable to IFRI).

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APPEAL FOR AGUILAR

On August 6, 1984, Mila Aguilar, Filipina poet, teacher and journalist, was arrested and accused of subversion, a charge quickly dismissed by the civil courts. While her co-accused have been released, Mila has been singled out for arbitrary punishment and continues to languish in prison. She has appealed her case before the Supreme Court with the hope that they will uphold the lower court's decision to release her.

Mila, a widow, has a nine-year-old son as well as an aging mother to care for. Her incarceration affects them in the most cruel way. In the name of justice, we urge all AK readers to hasten the immediate release of Mila Aguilar by writing:

President Ferdinand Marcos
Malacañang Palace
Manila, Philippines

Justice Felix Makasari
Supreme Court
Manila Philippines

HELP US SEND MORE AKs TO THE PHILIPPINES

The newspaper, of course, not the assault rifle. For years now we have been giving free AK subscriptions to readers in the Philippines. They are mostly movement organizers, free or imprisoned; human rights advocates; members of the opposition press and personnel of educational institutions.

However, requests for free subscriptions are still coming in and in growing numbers. We understand these requests perfectly well. At 18 Philippine pesos to one U.S. dollar, it is simply close to impossible to buy an AK sub from the Philippines. But it costs us \$1.88 to mail a single copy, printed matter airmail to the Philippines. Currently our mailing expenses to the Philippines amount to over \$2,000 a year.

We're beginning to feel the pinch in our already meagre budget but we still don't want to say no—and we're sure you, our readers here, will understand why. The Institute for Filipino Resources and Information has been helping us facilitate this free subscription program but we need more assistance.

Please help us give more free AK subs to Philippine readers. Send \$5, \$10, \$20 (or more) checks or money orders, payable to IFRI. Mark them "Free Philippines Subs" and send them to Ang Katipunan, P.O. Box 2759, Oakland, CA 94602. Donations are tax-deductible. Thank you very much.

Voices



Fire Tree, water color, 1982



Lost Love, oil, 1969



Constellation, woodcut, 1976

Painting Against Winter



Villavera, Self-portrait, oil, 1969

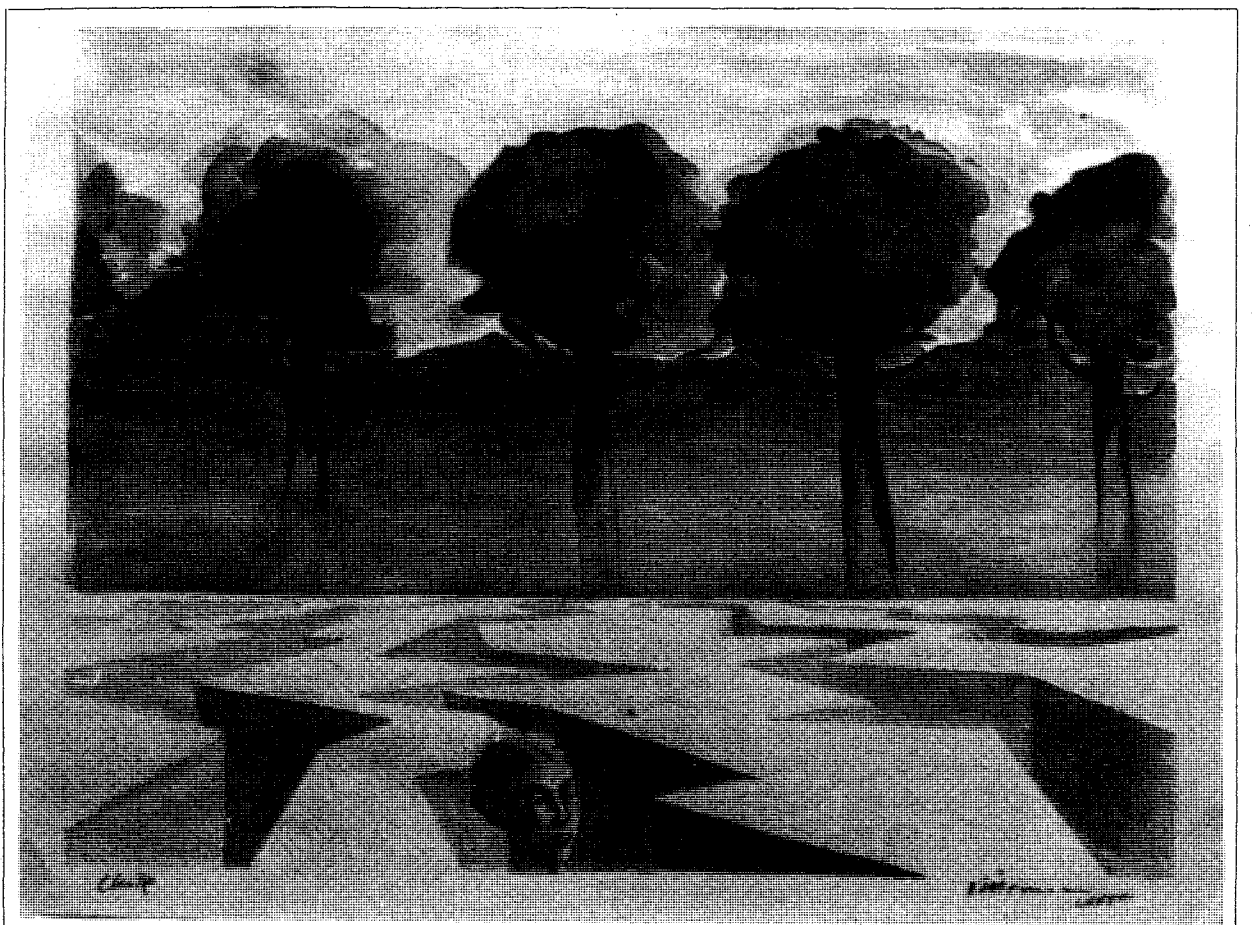
David Villavera, 44, claims he has been interested in art "since the time I woke up." Besides drawing "at a very young age," Villavera trained in the University of Santo Tomas in the Philippines and the New Jersey School of Fine and Industrial Arts after his arrival in the U.S. in 1964. He now lives in Montreal, Canada.

Villavera's works have been exhibited at the prestigious American Watercolor Society of New York, and the Arts Club in Montreal. He presently works as arts director for B.C.T. Advertising, the largest French-speaking advertising company in North America.

Villavera prefers to use bright colors in his works, "especially here in Montreal—during the long stretches of winter, there's nothing but gray."

Muralist Carlos V. Francisco, "who used bright graceful styles and exemplifies the art of the people, ordinary people" inspires Villavera. He also admires Juan Luna who "intensely portrayed a sense of pathos in his art."

"I have a dream that someday I would do something that would convey what is happening in the Philippines—the conditions they live in. It's something I'm sure I will do." Villavera is an active organizer of the Coalition Against the Marcos Dictatorship/Philippine Solidarity Network in Montreal. □



Chile, water color, 1978

Cronies

Continued from page 5

King" Eduardo Cojuangco, Philippine Airlines president Roman Cruz and presidential financial adviser Jose Y. Campos.

But the holdings, according to Philippine opposition figures are "merely the tip of the iceberg." A senior executive with a large Philippine bank said: "You're not seeing the securities, the Swiss bank vaults."

Since the 1950s capital flight from the Philippines has ebbed and flowed. By the 70s and 80s, however, the dollar hemorrhage appeared permanent when it became clear to Filipinos and foreigners alike that the economy was unstable.

When Senator Benigno Aquino was assassinated in 1983, according to a study by the Northern California Interfaith Committee on Corporate Responsibility, a capital flight surge drained \$1 billion in 1983 and \$2 billion in 1984. Since the 50s, the estimated cumulative figure for "salted dollars" comes to \$30 billion.

THE SCAM

U.S. government agencies, private investigators, and opposition groups are having a difficult time uncovering the extent of the Marcos bureaucrat capitalists' holdings because of the myriad ways the cronies have to conceal their wealth. Cronies form holding corporations registered in tax havens such as Hong Kong or the Netherland-Antilles, under professional dummies' names.

These corporations are in turn represented by U.S. law firms which conduct most of the transactions. Law firms such as Rosenman, Colin, Freund, Lewis & Cohen; Bernstein, Carter and Deyo in New York; and Graham & James in San Francisco, zealously protect the identities of the principals.

Real estate agents in Palo Alto, San Francisco, and the Peninsula express astonishment at the way transactions are handled. "They come over here with shopping bags full of money—real money," said one realtor.

Why the big rush to transfer assets? Said a Philippine banker: "When their patron saint [Marcos] goes, most of them

will go overseas to stay, many already have green cards. These people have not bought U.S. real estate as a financial investment. It is for their retirement when they could no longer stay in the Philippines."

THE STING

In the wake of the exposés, opposition Members of Parliament have filed a bill to impeach Marcos, a move considered more symbolic than meaningful in the KBL-dominated body. Members of the Anti-Cronyism Movement and women's groups such as AWARE, CWP and MARIA, disrupted parliament proceedings July 23 by unfurling "Impeach Marcos" signs.

As usual, Marcos has ordered a probe into charges of "illegal salting of dollars." However, it is unlikely that any of the cronies are threatened since, as Marcos pointed out: "So long as the acquisitions are legal, nobody can question the owner's right to these properties."

Mendoza has already said that Marcos is exempted from the investigation since "he owns no property in the U.S." A palace insider called the probe "damage containment." In fact, it is expected to probe oppositionists' business dealings instead.

Some cronies may strike back. Florendo has already filed a P200-million libel suit against the opposition daily *Malaya* for reprinting the *San Jose Mercury News* series.

The Senate Foreign Relations Committee has denounced the amassing of fortunes as a "special outrage" and the State Department is conducting investigations of its own. However, no systematic steps have been suggested to curb the looting.

A group of Filipino bankers, however, well-placed in international finance circles, claims that the assets can be frozen. Antonio Gatmaitan, a banker, claims that many of the U.S. and Swiss banks holding deposits of prominent Filipinos are in a position to freeze them. Gatmaitan said that banks belong to a consortium of U.S. and foreign banks to which the Philippines owes \$32 billion.

An opposition group suggests the banks take it one step further. Why not use these deposits to pay off the country's foreign debt? For now anyway, it looks like Marcos Incorporated will keep the stash, creative financing notwithstanding. □

Ver

Continued from page 4

ranking officer in the PAF, explained to Sgt. Jack Hampton at Villamor Air Base that they were trying to intercept Aquino's plane and land it at Basa Air Base. When unsuccessful, they asked USAF officers to scramble some aircraft as well. Unsure of what was going on and fearing an international incident, the Americans refused.

It was impossible to believe that such a plan might have been undertaken without the knowledge of the Chief of Staff. The story added grist to the prosecution's mill at a time when Ver was all but off the hook.

Now Herrera wants the U.S. officers involved to testify in the trial. As for Col. Kapawan, he has reportedly vanished from public view. Visitors to his house in Manila found it "deserted."

What was remarkable about the two scandals was their timing. Both broke at a point when Ver appeared to be on his way back and involved information to which U.S. government circles had been privy for quite some time.

The grand jury had been sitting in Alexandria, Virginia for a year on the Amworld matter. And the PAF involvement in the Aquino arrival, if true, dates back to August 21, 1983.

REFORMISTS WAFLING

Both stories were soundly denied by Ver. Through his lawyer Antonio Coronel, the Chief of Staff denied any involvement with the selection of Amworld. As to the PAF interception claim, Air Force Chief of Staff Vicente Piccio dismissed it as "a sensationalized barracks story of the usual type bandied about in air force operations rooms."

Meanwhile, Ver's son Irwin intimated that if his dad were to be acquitted and reinstated, he would serve only for a few months to clear the family name and then retire. But other sources close to Ver claim that the general is not at all keen on the idea of retiring. Others say another post is being prepared for him—a ministe-



rial position or ambassadorship.

One general warned that the U.S. pressure to install Ramos can actually be counter-productive. "If someone forces you, you tend to resist," noted Air Force Brig. Gen. Ramon Farolan.

Other sources claim the acting chief's days are numbered. "Ramos has lost a lot of yardage with the President," palace sources told Paul Quinn-Judge of the *Christian Science Monitor*. "He's let his ambitions show."

Apparently, U.S. officials who think the acting chief might be a possible successor to Marcos himself have been a bit indiscreet. Many thus suspect that, if and when Ver goes, Ramos will go with him.

Of the candidates for the chief post, speculation continues to focus on Ver protégé Gen. Josephus Ramas who consolidated his position during the Chief's absence. Ramas' close personal ties to Ver, however, leave members of the military reform movement uncomfortable. Gen. Roland Pattugalan, another member of Ver's circle is a possible compromise. At least, claim the reformists, he is a "professional."

Even the reform movement has clearly backpedaled. Faced with what they see as the inevitable return of their nemesis, the group called a news conference July 5 to announce that it did not oppose Ver.

The reinstatement of the Chief of Staff, according to spokesman Col. Rad Capunan, will have a "minimum effect on the reform movement because the movement is not a movement of personalities but of principles." □ NFR

Blacks

Continued from page 7

"benevolent assimilation."

If the imperialists did not grasp this all-important truth, certainly Gen. Aguinaldo did. In a pamphlet distributed to Black soldiers in Mabalacat, Pampanga November 11, 1899, Aguinaldo wrote:

"It is without honor that you are spilling your blood. Your masters have thrown you into the most inequitable fight with double purpose—to make you the instrument of their ambition and also your hard work will soon make the extinction of your race. Your friends, the Filipinos, give you good warning. You must consider your situation and your history and take charge that the blood of Sam Hose proclaims vengeance."

Polarization over the war led to a scorching presidential contest at home in 1900. William Jennings Bryan was nominated the Democratic Party standard bearer. The centerpiece of his platform was opposition to the war in the Philippines:

"Imperialism would be profitable to the army contractors; it would be profitable to the shipowners who would carry live soldiers to the Philippines and bring dead soldiers back; it would be profitable to those who would seize upon the franchise; and it would be profitable to the officials whose salaries would be fixed and padded; but to the farmer and the laboring man, and to the vast majority of those engaged in other occupations, it would bring expenditures without returns and risks without rewards."

Bryan billed his campaign as a crusade against the "trusts" and "monopolies" and called the Republican Party "the rich man's party." Many of his speeches exposed the Republicans' stake in imperialistic ventures abroad. The Morgan Bank, in fact, underwrote the costs of the Boer War for the British government. The Republican chair of the House Committee on the Army was president of the Philippine Lumber and Development Company. Bryan also drew the link between the export of finance capital and the growth of militarism; that, in effect, the military was at the disposal of the rich and powerful who threaten violence

against striking workers and popular movements at home.

The Democratic Party rallied behind the anti-monopoly tenor of Bryan's platform. An alliance of anti-imperialists, Blacks, Irish-Americans, and German-Americans who opposed the Boer War, Eastern "Mugwumps" and various stripes of Southern Democrats who opposed the war for racist reasons (they feared further racial contamination should the Philippines be annexed) formed behind Bryan's ticket.

In the Black community, many defected from the Republican Party, "the party of Lincoln," heeding the call of W.H. Scott to vote against President McKinley especially in those states where Blacks held the balance of power. Prominent Black abolitionist Archibald Grimké thundered:

"Scratch the skin of Republican leaders like Hanna, Lodge, Roosevelt and McKinley and you will find race prejudice underneath."

The tenuous anti-monopoly alliance was no match for McKinley. The real issue in 1900 was imperialism versus anti-imperialism, but McKinley successfully obscured it by promoting the Republicans' economic promise of a "full dinner pail" for working people at home. In effect, "jobs and wages" were to be the American people's reward—or bribe—for supporting imperialistic ventures abroad.

Moreover, McKinley exploited the inconsistencies of the Democratic alliance, noting that Bryan's bedfellows included the most avid Southern racists who in many instances attacked Black voting rights. The Democrats also squandered an opportunity to make a real difference in ending the war.

In October 1900, representatives of the Aguinaldo government approached the Democrats with a proposal they hoped might help Bryan's cause. The Filipinos offered to stop fighting immediately if Bryan were elected. The Democrats refused to have anything to do with the envoys and withheld the information.

Bryan's defeat, helped no less by the Democrats' conciliation of racism and the unstable opposition to the war in most areas outside of Massachusetts, was in a way fated. The "spoils" of imperialism were trickling down to the white working man, filling his dinner pail, and making him oblivious to the atrocities

committed 8,000 miles away. As astutely observed by the *Springfield Republican*:

"The nation's heightened economic activity 'fire arms' prosperity was caused in good part by the war policies of the government . . . so that the war economy, one of the by-products of imperial policy, itself brought a degree of mass support for that policy."

Meanwhile, on March 23, 1901, Gen. Emilio Aguinaldo was captured in his hideout in Palanan, Isabela by Kansas Colonel Frederick Funston. America went wild. The war would be over.

Open hostilities came to a cessation in the main island of Luzon, but hit-and-run guerilla attacks, and non-cooperation with the Americans would persist in many parts of the country. Nevertheless, the soldiers made ready to go home.

On the eve of victory, George Prioleau, chaplain of the 9th Cavalry wrote:

"With patience and much labor, schools on the American principle have been established all over the land, and with this potent instrument we will have in a few years a people who will outstrip the American Negro unless he gets up from where [he] is at, and the door of opportunity thrown open a little wider for his entrance. The Filipino is to be America's 'China baby,' while the Negro will continue to be the 'rag baby' for the republic." (July 13, 1901)

While the white workingman enjoyed his full dinner pail, the reward for supporting America's imperialist policy, the "rag baby" who helped subdue the "China baby" still found himself knocking at the door of opportunity hoping it would open just a little wider each time. The Black community's subsequent peacetime experience only proved the Black anti-imperialists who opposed the Philippine war's racist underpinnings were right all along; and that the soldiers who defected were fully justified in preferring racial solidarity with oppressed Filipinos to loyalty to American national interests.

This weak link—the fact that non-whites particularly the Black minority, have the least material and moral stakes in supporting imperialism's wars of intervention—revealed itself the very first time the United States tried its hand at overseas acquisitions. It will remain a vulnerable spot for U.S. imperialism because racism is a persistent force, an inextricable feature of the society it has built. □

Behind Reagan's Tax Proposal

By WICKS GEAGA

In his crusade to "whittle away Big Government and spur economic opportunities for growth," President Ronald Reagan spent much of his first term slashing federal social programs for the underprivileged and creating tax breaks for the wealthy. Pursuing this mission into his second term Reagan has presented "tax reform" as the final offensive of his "Second American Revolution."

Indeed, the Reagan tax plan—also dubbed Treasury 2 for its kinship with the first Treasury Department proposal floated late last year—embodies the major elements of the administration's ambitious goal of overhauling not only the current and long-standing tax code, but central features of the government and the economy as well.

Combining basic mechanisms already set in motion in Reagan's first term with specific tax measures, the White House wants to achieve the following:

- a revival of ailing smokestack industries on a more efficient footing through the elimination of the noncompetitive enterprises and the speedy monopolization by surviving conglomerates;
- as a consequence of the foregoing, a drastic reduction of the unionized work force which is highly concentrated in these smokestack industries;
- promotion of investment in the relatively more vibrant high-technology, non-unionized sector of the economy;
- the further curtailment of spending for social needs on the state and local levels, and the permanent prevention of such spending from ever rising again.

POPULIST MARKETING

Employing his trademark populist marketing style, Reagan is advertising his tax package as a simple, fair, pro-family and pro-growth proposal.

Replacing the existing 11 tax brackets ranging from 11% to 50% with merely three brackets of 15%, 25% and 35% is Reagan's main selling point.

Like most previous attempts at tax reform, he hopes to capitalize on the popular desire for a simplification of a process which is inherently complex. Analysts point out, however, that while Reagan's plan would appear to achieve simplification, its net result would be a more regressive system that slaps the same rate on taxpayers whose incomes greatly diverge at the extreme ends of the same bracket.

Reagan estimates that the lowering of tax rates for all brackets would, on the average, result in a 5% tax reduction over the next five years. To heighten the tax plan's popular appeal, individual personal exemption is nearly doubled from \$1,000 to \$2,000.

As if to clear his record of hostility towards the poor, Reagan even promised to free from taxation altogether most families below or near the poverty level.

Taken as a whole, however, these token giveaways are hardly heartbreaking concessions for Reagan. His aim is to win the support of average-income taxpayers with

the glitter of an illusory tax relief. Meanwhile, he did not fail to litter his package with disproportionately generous breaks for upper income taxpayers. In presenting his proposal on national television, Reagan tried to portray the lowering of tax rates across all brackets as being even-handed. For the wealthy, however, the lowering of the existing top bracket from 50% to 35% would mean a reduction of tax rates by a whopping 50% in five years when combined with the hefty 20% tax cut granted by Reagan in 1981.

RELIEF FOR THE RICH

Under the slogan of promoting business formation, Reagan is granting upper income taxpayers a disguised but even more sizeable tax cut by lowering the capital gains tax to 17.5% from the current 20%. Capital gains—profits from the sale of real estate, stock, company shares and other assets—have traditionally been the favorite source of income of most wealthy taxpayers. These investment ventures are not only lucrative but are subject to near-bottom rates of taxation.

Administration strategists believe capital gains tax breaks for the wealthy provide "incentive for higher risk venturing" or spark investment confidence in risky new

standing minimum tax of 15% for corporations and 20% for individuals. Aside from evening out the tax rate for both types of taxpayers at 20%, Reagan's plan would change little else.

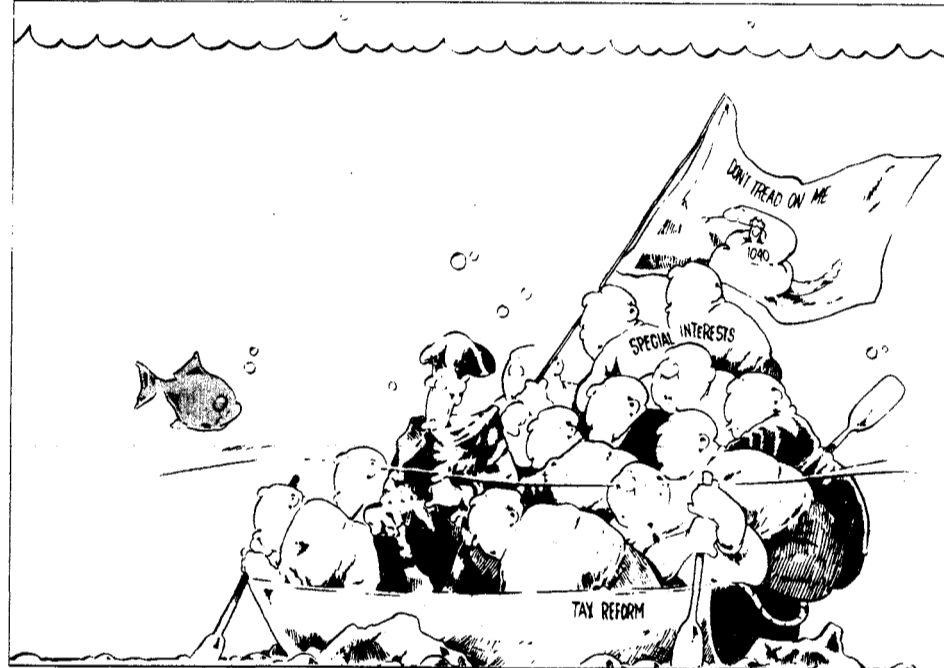
WHAT ABOUT THE DEFICIT?

But with these generous concessions to the wealthy, will Reagan's tax package secure enough revenue to help his other crusade, that of taming the gigantic budget deficit? Would not those tax giveaways cut into the savings and additional revenue needed to reduce the deficit?

Without batting an eyelash, the president at first insisted that his package, if left unmodified, would be "revenue neutral" or collect roughly the same total amount of federal tax revenue as the current law.

However, even in the unlikely event that his proposal is passed unchanged, Treasury Department figures show that the federal coffers would be shortchanged \$11.5 billion by 1990. Some economists are less optimistic, predicting shortfalls of \$40 billion or more.

Despite Reagan's claim that more kinds of income would fall under his bottom line tax, many old breaks, as well as new ones under Treasury 2 would provide adequate escape from it.



enterprises where the rate of business failure is over 80%.

To further stir confidence in the business community, the Reagan plan would drop the top tax bracket for corporations from 46% to 33%. These measures are intended to especially revitalize the high-technology sector of industry where unionization is less established.

To camouflage the tax proposal's decided tilt toward the rich, Reagan especially highlighted the inclusion of a "minimum tax" on corporations and wealthy individuals, implying the unprecedented nature of such a move. In fact, a similar bottom line tax in the current tax code has proven to be virtually impotent.

Due to the almost endless loopholes, a significant number of corporations and rich taxpayers have traditionally managed to evade substantially, if not completely, the

The White House finally issued a statement affirming a recent Congressional report—which estimated at least a \$25 billion shortfall—as a more accurate estimate.

Thus, while Reagan's package has shown creativity in devising tax breaks, it shows less artistry in identifying feasible sources of revenue.

The administration has conceded that not all taxpayers will enjoy relief. Actually, over 20% will experience a rise in their taxes, in order to subsidize part of the plan's revenue shortfall.

Among the major revenue-raisers considered was the elimination of the tax break for oil companies that allowed write-offs for "intangible drilling costs." Under pressure from the powerful oil and gas conglomerates, Reagan restored the tax break at the last minute. Texan oil firms

heavily subsidize the Republican Party and Vice-President George Bush lobbied heavily for the restoration of the tax breaks (in the name of national energy self-sufficiency) to return campaign favors.

By contrast, the ailing smokestack steel, auto, rubber, and machine tools industries could not muster the same leverage to reverse another major revenue-raiser provision: the repeal of tax credit for capital investment in plant and machinery.

If this repeal provision passes, more than a few of the already shaky smokestack companies are expected to go bankrupt or be swallowed up by the largest combines. The resulting increased drive toward monopolization fits handily the administration's vision which includes the profitable contraction of the highly-unionized industrial workforce.

(Meanwhile, the Senate Republican leadership July 25 proposed tax increases—including a \$5-a-barrel fee on imported oil, and adjusting tax brackets to account for inflation every other year instead of every year—as a source of additional revenue to cut the deficit. Reagan still says no to such tax hikes.)

PERMANENT CUTBACKS

But one of Treasury 2's proposed sources of revenue is stirring the most bitter controversy. This is the proposal to eliminate the deduction of state and local tax payments from personal taxable income.

Under current laws, taxpayers who itemize their deductions are allowed to write-off the combined total of state and local taxes on income, real estate and retail sales. Middle-income taxpayers in such states as New York and California, where social spending is higher than the average for the rest of the country, would be hit hardest by the proposed change.

Governors from the most-affected states fear that the loss of this deduction would create tax revolts demanding lower local taxes, thereby threatening funding sources for educational, social and environmental services.

At a time of budget cuts and already sharply reduced federal programs, the repeals would be a "crushing blow" to state and local governments, state legislators charge. Some liken the expected impact to the setback that California's Proposition 13 in 1978 inflicted on many city and county governments when underprivileged and elderly were subsequently deprived of many urgent public services.

Reagan's grudging admission that his tax plan would lessen government revenue but stubborn refusal to impose obvious tax hikes have reinforced speculation by many economists that his tax reform is purposely designed to produce significantly less income for the treasury than the present system.

They see in the reform and the reduced revenue base that would result from it Reagan's longstanding goal of permanently limiting future government budgets and ensuring that no administration can ever restore the cuts in social spending he has successfully orchestrated. □

Debtors Club

Continued from page 16

away to let civilians figure out the whole mess.

With the debt problem getting bigger, the new liberal regimes have no choice other than to align themselves with the popular democratic movements in their countries and face their creditors boldly.

"Most of the money that was loaned left the country and returned to the industrialized countries," Castro says. A good part of it was stolen by corrupt rulers, another part was used to buy arms.

"Why should the workers, the peasants, middle-income brackets, people in general, be starved to death or made victim to bloody repression and untold sacrifice in order to collect a debt for which they are not responsible?" Castro says the new civilian regimes should take this view and side with the popular resistance to austerity and other onerous measures.

By allying with democratic and popular movements, the liberal governments can get out of the debt trap and

at the same time push militarism and fascism to further retreat.

Of course, the Latin American states have not yet openly taken up Castro's proposal. But their ears are cocked. The new liberal regimes, for one, are aware that the proposal will, sooner or later, become a demand pressed upon them by the popular movements.

At the very least, all the talk it has generated has already increased the Latin states' leverage in their dealings with the lending institutions. Besides, even short of heeding Castro's call, Latin debtor states know that any step they take, to be realistic, will have to be somewhat drastic anyway.

Peru's new president, Alan Garcia, recently announced that his government will bypass the IMF, talk directly to its creditors and limit payments on its \$14 billion debt for the next year to 10% of its export earnings. Peru has not made any payments on its debt principal

for over a year and is \$475 million in arrears on interest payments, \$170 million of it owed to U.S. banks.

Castro's idea is gaining ground in other quarters of the Non-Aligned Movement as well. President Julius Nyerere of Tanzania, for instance, sounded the same theme for resolving Africa's debt. It is expected to electrify conferences by the debtor countries and grassroots organizations in Latin America.

A ruler like Ferdinand Marcos seems to have two options. As a fascist military ruler, he can throw up his hands and let civilians sort out the mess he created—something he has refused to do. Or he can try to ally with the very same popular democratic movement that is demanding his head and rightfully blaming him for the country's debts! As a ruler dependent on U.S. political and military support, there is just nothing he can do but follow his creditors' dictates. He is too vulnerable to the slightest U.S. retaliation.

Thus, for the Philippines, breaking out of the debt trap goes hand-in-hand with the democratization of the government and its severance from U.S. political military sponsorship. □

'Form a Debtors Club, Join a Debtors Strike'

By EDDIE ESCULTURA

Nothing has gripped much of the underdeveloped world with greater urgency in recent years than the debt crisis. In 1982 alone, 22 countries, including the top debtors—Brazil (\$105 billion), Mexico (\$100 billion) and Argentina (\$48 billion)—sought to reschedule their loans while Argentina threatened to default on payments altogether.

Faced with the unpleasant thought that these countries' groanings could lead to a defiant "debtors' cartel," the U.S. scammed to free up more loans through the International Monetary Fund, World Bank and Bank for International Settlements to bail out these countries temporarily and avert a stunning jolt to the capitalist world's financial system.

1982, the year of the debt shock, sent shivers to the creditor countries and added impetus to the Non-Aligned Movement's clamor for a new international economic order—a demand which had been forcefully articulated by African and Latin American countries at the 1981 North-South conference in Cancun, Mexico.

While foreign indebtedness has been a fact of life for the underdeveloped countries since World War II, it expanded dramatically in the 1970s from a total of \$87 billion in 1971 to \$456 billion in 1980. Foreign indebtedness by the non-OPEC countries now hovers near the trillion mark at \$935 billion.

Huge surplus capital from oil profits which glutted U.S. and Western European banks propelled an active search for debtors at interest rates as low as 8%. These loans, coupled with IMF/World Bank-imposed develop-

repeatedly asked for capital payment moratorium and loan rescheduling.

When the IMF reschedules loans, however, it expects improvement in the climate for foreign capital. It wants relaxation of tariffs, open investment policies, easier remittances of profits, devaluation of the local currency, austerity measures, drastic reduction of deficits and repression of labor.

DEEPENING EMISERATION

Such demands, along with U.S. monetary policies, high interest rates, overvaluation of the dollar and unequal terms of trade have wreaked much havoc on debtor countries.

These pressures, combined with capital flight, have deprived Latin America of \$45 billion in 1984: \$20 billion from the deterioration in trade relations, \$10 billion in excessive interest, \$5 billion from the overvaluation of the dollar, and \$10 billion from capital flight. Including what can be considered normal interest on the debt, the amount added up to \$70 billion, \$50 billion of which was in cash.

The overvalued dollar sucks capital from around the world, especially from debtor countries whose domestic economies do not inspire confidence. Bank deposits and purchase of stocks and bonds are the usual forms by which capital naturally gravitates towards the developed countries.

Unequal terms of trade and the general decline in the purchasing power of basic raw materials relative to the costlier commodities from the industrialized nations worsen the outflow of capital. Meanwhile, underdevelopment of the productive forces—in terms of human skills and technology—places domestic industries



Peru's president Alan Garcia: Will bypass IMF and limit debt payments.

ment strategies that promoted export-oriented industries, tied most of the borrowing countries to the purse strings of financial institutions.

As the interest rate climbed to 12% in 1982, the debtor countries gasped for breath trying to meet their obligations. Today, they continue to borrow more to service old loans, that is, to pay both the interest and amortization of capital.

LOANS AS NARCOTICS

It is in the nature of these loans to accelerate their own expansion (i.e., indebtedness expands exponentially). Aid and loans are like narcotics according to T. Hayter and C. Watson in *Aid—Rhetoric and Reality* (Pluto Press, 1985).

"Once a country is hooked on aid and loans from abroad, its economy becomes oriented towards foreign trade and it needs new loans to service old ones." For instance, if the strategy of a country calls for annual loans of 1,000 units at 11.5% yearly interest, the loans being payable in equal installments in 20 years, then by the sixth year, as a result of the steady expansion of capital, interest and amortization, net proceeds would be only 10 units and the new loans for the 7th year would already be short 155 units just for servicing the old debts. Thus the need for more loans to meet debt obligations, not to mention the continuing requirement of the development strategy.

It is clear that the creditor banks are more interested in securing conscientious payments of interest than in retrieving the capital. This is why the creditors have encouraged steady debt expansion and why debts are openly sold like any commodities in the world of finance, sometimes at discount prices.

At the current level of indebtedness of \$935 billion by the underdeveloped countries and at 11.5% annual interest, debt service would amount to more than \$108 billion annually—a tremendous loss of resources from the already impoverished nations.

Annual debt service by the Philippines has averaged 15% since 1972 and at its current indebtedness of \$32 billion it must pay its creditors \$4.8 billion this year. The Philippines, which ranks sixth in foreign indebtedness, is the only country in Southeast Asia that has

in disastrous competition with their foreign counterparts.

How can the Bolivian tin industry, for instance, survive when even at starvation wages it takes \$16 to produce a ton of tin while the world price for tin is \$5 per ton?

It is a vicious cycle. Huge debts divert a great part of foreign earnings away from the purchase of capital goods necessary for industrial development, widen the trade imbalance, increase the outflow of resources and raise the pressure for more loans. The inevitable result is the deepening emiseration of the population, especially in Latin America where the situation is particularly explosive.

Latin America, currently in debt for \$400 billion, has an average inflation rate of 175%. Those with the highest inflation rates are Bolivia—2,300%, Brazil—194%, Argentina—657%, and Peru—105%. The region experienced the worst recession and unemployment in the last few years and suffered a sudden dip in its combined Gross National Product of 25% last year. In Chile, where Milton Friedman applied his monetarist policy with a vengeance, domestic industries were practically wiped out.

IMPOSSIBLE TO PAY

Some Latin American countries have made gargantuan efforts to liquidate their debts by using a greater portion of their foreign earnings for debt service. Bolivia voluntarily adopted a 57% debt ratio (portion of foreign earnings for servicing debt) while Argentina, Chile and Brazil set aside 52%, 46% and 37%, respectively.

These seemingly heroic efforts have led only to further economic ruin and still bigger loans. What is becoming clear is, under present conditions and the current terms for loans, it will take more than heroic belt-tightening to get out of the debt rut. A look at a few scenarios is quite revealing. Assume the following: no more borrowings by the debtor countries; interest will continue to be paid at a rate no greater than 10%; a 10-year moratorium on the payment of capital; and at the end of that period another 10 years is granted for amortization at an interest rate no greater than 10%.

Even under this rather "liberal" set of conditions which exceed what creditors are presently willing to concede, the non-OPEC countries would still have to pay \$935 billion in 10 years and an additional \$1.45 trillion in the next ten years for a total of \$2.4 trillion in 20 years. The Philippines, with a current debt of \$32 billion, has to pay a total of \$81.4 billion in 20 years.

Assume now that in addition to the above a 20% debt ratio is imposed to ease the burden of interest payment. For Latin America, with a \$400 billion debt and an annual volume of exports of \$100 billion, this would mean paying \$400 billion in 20 years and still facing at the end of the period an outstanding debt of \$1.31 trillion.

For the Philippines, whose volume of export amounts to \$8 billion a year, the corresponding figures would be: \$121.3 billion in unpaid debts at the end of 20 years after having paid \$32 billion in interests! The figure is twice its current GNP and almost four times its current foreign debt.

A kinder scenario would be to reduce the interest rate to 6%, allow a 10-year grace period on payment of interest and capital and pay both in the next 10-year period. Under this scenario, Latin America and the Philippines will have to pay \$850 billion and \$68 billion, respectively. In both cases we assumed no limit on the debt ratio.

If we assume a 20% debt ratio, neither Latin America nor the Philippines will be able to pay their debts. On the contrary their debts will expand to \$853 billion and \$68.4 billion after having paid \$200 billion and \$16 billion in interest, respectively. Again, this calculation assumes that these debtors have stopped borrowing which is no longer possible.

DEBTORS' GENERAL STRIKE

All this calculation only goes to show that given their economic realities, it is now mathematically impossible for the debtor countries to pay off their loans. A radical approach would be needed for them to be freed from this trap. And a radical approach is what Cuban President Fidel Castro, the man responsible for most of the aforementioned calculations, is proposing to Latin American states.

Castro's call for a "general strike of debtors" is making waves in Latin America, to the United States' chagrin. Though careful to maintain their distance, governments in the region are listening very carefully. Cuban-sponsored conferences have focused on the proposal so that Latin American political activists are now forcing it onto the public agenda in their own countries. Castro's proposal is simple: creditor states should cancel the debt and pay their own banks; if not, debtor states should "simply not pay, make a clean slate of it, forgetting all about the debt."

The U.S. government, for example, could take over the cancelled debts by increasing the current U.S. federal debt of \$1.6 trillion by an amount equal to Latin America's indebtedness to U.S. banks. More than one third of the region's indebtedness is with the nine largest U.S. banks. Even if the U.S. were to take over the entire debt of non-OPEC countries this would mean raising the U.S. federal debt by \$935 billion to \$2.6 trillion or 71% of the current U.S. GNP of \$3.66 trillion. This would still be way below the 130% ratio of federal debt to GNP in 1945 which did not bother the U.S. a bit.

How could the U.S. government do that without hurting the U.S. taxpayers? By transferring the trillions of dollars earmarked for military spending, for "Star Wars" and other ambitious military projects. This would not only resolve the debt crisis but also enhance the prospects for peace.

But in order to successfully cancel, debtor nations must form a "debtors' club" to face the creditors as one. If all of Latin America did this, there would be little the creditors could do. And if the movement is joined by other non-OPEC nations, "What can the rich do, an embargo?" Castro asks.

"They can't blockade the entire Third World because they'd be blockading themselves, they'd be without coffee, without chocolate, without raw materials, without fuel, they'd be left with nothing."

It would also be rather inconvenient for the U.S., for example, to invade a few dozens of countries at the same time (short of a world war) to coerce compliance with loan obligations.

While Castro has no illusions that this resolution is not going to be antagonistic, he thinks the U.S. ultimately would have to come to terms with the debtor countries if a certain level of unity were established among them.

The newly reestablished liberal democratic regimes in Latin America have a real interest in approaching the debt crisis in this manner, says Castro.

DEBT AND FASCISM

In Argentina, Brazil, Peru, and Uruguay, the previous military regimes found themselves helpless in the debt Frankenstein they had created and were buffeted by severe economic and political crises. Unable to cope with the strikes and massive demands for democratic rights, at the same time, the juntas literally walked

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