WAKING FROM A DREAM

by Claude Buss

At a small dinner in Manila on the eve of World War II, President Manuel Quezon turned to Manuel Roxas, his Secretary of Finance. "Manoling," he said, "it looks to me as though I got the blessed thing, but it will be up to you to figure out what to do with it."

The "thing" was a U.S. timetable for full independence for the Philippines. When independence came, in 1946, Quezon was in his grave. As forecast, Roxas was President, and he had much to ponder.

With the removal of U.S. authority, the Philippines had to formulate a government system that would respond not to the wishes of America but to its own needs. Filipinos had evolved a pattern of social relations pre-dating Spanish times that linked peasants and landlords in a mutually beneficial patron-client relationship. Central to it was a concept of mutual obligations known in Tagalog as *utang na loob*, literally "debt from within."

A landowner looked after his sharecroppers. He provided money and food in hard times and protected them from government authorities and other outside powers. Often he would formalize this relationship by becoming godfather to his peasants' children. The peasants in turn pledged loyalty. The islands, as historian Peter Stanley has noted, thus developed a "matrix of reciprocal social and cultural obligations that link the great and the small in a kind of extended family." Society was arranged "in a series of vertical columns uniting rich and poor, rather than dividing it horizontally." It was a stable arrangement; what peasant revolts occurred were local and brief.

During the 20th century, the old extended family came under strain due to the economy's shift from subsistence farming to supplying the U.S. market. More farm acreage was needed to feed a growing population *and* produce export crops (by 1940, 81 percent of exports went to America). Result: More land was cultivated, and more was devoted to sugar and coconut products, which would become the islands' leading sources of rural jobs and foreign exchange.

Peasant life changed. In 1918, there were about two million farms, and 75 percent were worked by their owners. By 1939, the farms were fewer (1.6 million) but bigger—and only *half* were owner-run. By the thousands, small proprietors became tenants or migrant laborers. Typically, tenants borrowed from owners to meet expenses. By 1924, it was estimated that the typical tenant family would have to toil for 163 years to pay off loans and acquire the land it worked; since children inherited debts, families were bound to their

Independence Day celebrations, 1946. President Manuel Roxas greets his old compadre, *Gen. Douglas MacArthur, then U.S. proconsul in postwar Japan, as the Philippines ends 47 years of American rule.*

bosses for generations. In a nation whose economy was 70 percent agricultural, all this augured ill for a democratic government.

The rich-poor disparity was growing. On the eve of independence, 10 percent of Filipinos had 40 percent of the national income. This unusual concentration worried some affluent Manileños. Lawyer-politician Juan Sumulong warned that society was dividing into poor folk "with neither voice nor vote in the formulation of government policies" and a "feared and detested oligarchy."

The oligarchy was typically composed of families who prospered as rural landholders, moved to Manila to educate their children, and then turned to business. The Roxas family, landowners in the Visayan islands, ran the first Philippine corporation, the San Miguel Corporation, launched during the 1890s as a brewery. The Cojuangcos began as sugar planters in Tarlac. The Lopez family parlayed profits from sugar holdings in the Visayans into such properties as the Manila Electric Company and the *Manila Chronicle*.

Politics, too, became family-centered. The Laurels of Batangas province, south of Manila, would produce not just José P. Laurel, the Supreme Court Justice and President under the Japanese, but also his sons José, a leading Congressman, and Salvador (Doy) Laurel. The

name of the Aquinos of Tarlac was carried into public life not only by Benigno Sr., a cabinet officer in the Quezon and Laurel governments, but also his son and namesake, the martyred Ninoy, as well as Ninoy's widow, Corazon, who happened to be born a Cojuangco.

The political oligarchy was open to newcomers who acquired wealth or power or a rich man's patronage. But while there was room at the top, a politician's rise depended on his skill in dealing with the oligarchs. Ferdinand Marcos would be a prime example.

Hence, Washington's confidence that the islands had all that was needed for a working democracy was misplaced. What was lacking was the U.S.-British heritage—familiarity with compromise, the rule of law, civil liberties—and the experience that taught Americans to respect constitutional checks and balances. These pillars of a democratic system the Filipinos would have to erect for themselves.

Even so, the Truman administration regarded the Philippine government as well launched. There was an elected President and a two-house Congress. Washington was providing $620 million in aid, and the Bell Act granted breaks on tariffs for Philippine sugar and other products for years, in return for the right of Americans to do business in the islands in "parity" with Filipinos.

One year after World War II, as Washington saw it, the country had a stable peso, little debt, and fat currency reserves. Nor was it crowded: There were only 20 million Filipinos in a land area equal to Italy's. Industry was scarce, but there were valuable forests, plains and terraced hillsides for crops, and many mines. (The islands have the world's largest deposits of chromite, are sixth in gold output, and are a source of iron, copper, nickel, silver, and coal.) Other assets were such legacies of the U.S. era as rising life expectancy (which would lengthen from 37 years in 1904 to 62 by 1981) and a commitment to mass education.*

But Roxas, speaking on his 1946 election as President, was gloomy. The "wounds of war and economic prostration" were great. In mountain provinces and other areas, "children starve." Health

*Classes in most schools are taught in Pilipino, a variant of Tagalog, which is the dialect of central Luzon; it was declared the main Philippine language in 1946. English remains widely used in higher education, and in business and government (Spanish is rare). Literacy, once a prerequisite for voting, is easy to achieve, at least officially: The government deems anyone with four years of elementary schooling to be literate. In 1981, the claimed literacy rate surpassed 89 percent.

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programs, housing, and schools were in shambles. People had pesos to spend, thanks to U.S. aid. But prosperity was "a hallucination," he said. "Soon, very soon, we must awake from that dream."

On the surface, in those days the islands seemed a happy place. The rebuilding proceeded with speed. Rice and corn provided ample food while sugar and coconut exports earned the money needed for fun and fiestas. The country rivaled rice-rich Thailand as Southeast Asia's "land of smiles." With their carefree nature, ordinary folk left worries about national problems to their elected officials.

Though it had suffered more combat damage than any other capital but Warsaw, Manila swarmed with people—rural landowners in luxurious homes, peasants seeking work or handouts, and all manner of merchants and carpetbaggers. "It may well be," as journalist Robert Shaplen observed, "that in no other city in the world was there as much graft and conniving after the war."

The $500,000 Senator

Guns were ubiquitous. The sign I saw outside a law office in Cebu was typical: "DEPOSIT YOUR FIREARMS BEFORE YOU ENTER." People were settling old scores. None did so with more zeal than the Peoples' Army against the Japanese, a Communist-led guerrilla group known by its Tagalog acronym, the Hukbalahap. At first a group of aggrieved peasants in a rice-growing area of perpetual unrest in central Luzon, the Huks became wartime resistance fighters. They claimed to have killed 25,000 people, most of them not Japanese but Filipino landowners that the Huks accused of collaborating. Joined after the war by labor leaders and leftist college students from Manila, the Huks had 15,000 men under arms and a new goal: to bar the revival of the prewar landlord-peasant relationship.

The war, as José Laurel said, accelerated "transformations in social and political life" that might have taken years to develop.

But the *machinery* of politics had not kept pace. There were now two parties, the Nacionalistas and their offshoot, the Liberals. Both had grown up as advocates of independence. With that won, they had no clear philosophy. They represented the same stratum: those who had wealth. Politicians could easily switch parties. There was no brokering of power in the U.S. sense. Elections would not be won through a confluence of ideologies or regional interests but through dispensations of favors. Westerners would call this corruption. To Filipinos, it was *utang na loob* applied to politics.

With independence, underlying problems began to surface. His treasury drained by the costs of repairing war damage, Roxas in 1947 sought a $400 million U.S. loan, and was refused. A commission decided that Manila should get its house in order with import curbs and other austerity moves. Filipinos were shocked at their old pa-

tron's rebuff. Still, hours before he died of a heart attack on April 15, 1948, Roxas vowed in a speech at Clark Field, the U.S. air base in Luzon, that if need be the allies would again fight "side by side."

With the 1949 election, the flaws in democracy, Philippine-style, were glaring. Voters had a Hobson's choice. The Liberal incumbent, Elpidio Quirino, had been Vice President in Roxas's oligarchical regime. His Nacionalista challenger, José Laurel, still bore the taint of wartime collaboration. Quirino won the race with a proven formula of "guns, goons, and gold."

The military was not ordered to ensure honesty at the polls or to curb thugs who assaulted opposition candidates and cowed voters. Scores of people died. Quirino was accused of using bribery, forced contributions, padded voting lists, and other tactics. In some areas, results were declared before ballots were counted. In others, the votes exceeded the population. It was said that in Mindanao, the tally included the birds and the bees and the trees.

The electoral corruption was symptomatic. By the late 1940s, scandals were everywhere—profiteering from surplus war supplies, customs fraud, illegal sales of visas to Chinese, and so on. The attitude of people with power seemed to be "we will rehabilitate the country, but first we will rehabilitate ourselves." The bank account of the Senate president, José Avelino, reportedly grew from $3,000 when he took his seat in 1946 to $500,000 by April 1948. When the Ministry of Justice probed abuses, Avelino protested. "We are not

President Ramon Magsaysay and predecessor Elpidio Quirino in 1956. Both wear the traditional barong tagalog. *At formal events, it is buttoned to the neck, a reminder of the days when the Spanish forbade natives to wear ties.*

angels," he told Quirino. "What are we in power for?" As for reform, he invoked the distinction that Christ made on Calvary between bad and good thieves. "We can prepare to be *good* crooks."

By 1950, the economy was in crisis. In many instances, production per capita and living standards were below prewar levels. Rice was in short supply. Mining was slow to recover from the war, and foreign markets for hemp and coconut products diminished. While some Manileños were reaping profits, overall poverty deepened. As unemployment rose, wages went down—and inflation drove prices skyward. Trade stagnated, forcing the government deeper into debt.

Unable to attract capital from abroad or find it at home, the Quirino regime resorted to state financing. Industries covering agriculture, industry, and transportation were created by Manila, then foundered due to poor management, lack of operating funds, and still more corruption. U.S. aid was sought, and this time the Truman administration was receptive. Mao Zedong's rule of China had begun, a Communist-led insurgency had shaken French Indochina, and a test of East-West strength lay ahead in Korea. A prosperous Philippines could help contain the Red Menace. Quirino was promised $250 million in aid over five years—if Manila would push land redistribution and other reforms. That would become a pattern.

After North Korean forces struck South Korea in June 1950, a token Philippine contingent joined the United Nations "police action" there—in return for U.S. aid. One backer of this move was Ferdinand Marcos. But another young Congressman, Ramon Magsaysay, demurred. The main threat, he said, was at home: the Huks.

Learning from the Pygmies

No longer seeking mere agrarian reform, the Huks' Communist leaders wanted power. By 1950 they roamed over much of Luzon and ran their own local administrations. Their politburo met under the government's nose in Manila. The islands, Huk leaders said, would go the way of Red China by 1952. What the revolt *did* bring was the Philippines' first capable democratic leader—and the first to rise outside the old oligarchy. When public order declined to the point that Manila streets were unsafe at night, Quirino declared an emergency and named Magsaysay Secretary of National Defense.

The large, amiable Magsaysay was born in a bamboo hut, the son of a teacher-turned-blacksmith in central Luzon's Zambales province, about 130 miles from Manila. His first job was as a mechanic for a Manila bus company. When the Japanese attacked, he became a captain in Douglas MacArthur's army, running a fleet of ambulances. After the defeat, he joined some Americans as a guerrilla fighter in Zambales. His political career began early in 1945 when MacArthur appointed him Zambales's military governor.

At the time, farmers were being hurt by raiders from among the 7,000 Negrito Pygmies in the Zambales mountains. Rather than launch punitive sweeps, Magsaysay, who had hunted with the shy Negritos for wild pigs as a boy, contacted the Pygmy chief. The raiders' motives were simple: The Negritos were hungry. Magsaysay got them to join his forces, thereby solving the food problem, ending the attacks on farmers, and increasing military strength.

Magsaysay began his anti-Huk drive by building up (with U.S. help) the competence and patriotism of the 40,000-man Philippine Army, said to be so inept that it could not shoot its way out of a hut with a howitzer. He fired poor officers, promoted good ones, and dealt with troops as a father treats his sons. When he sent them into the field to "kill the Huks," he went along. As with the Pygmies, he then focused on what he saw as the causes of the Huk revolt.

Another Eisenhower?

"They are fighting for a house and land of their own," he said. "They can stop fighting because I will give it to them." Should that fail, "by golly, I have another big deal for them. I am going to make the Huk a capitalist. I am going to set up a carpenter shop and let the Huks run it." Those who surrendered were promised pardons and the chance for a new life, including possible resettlement in Mindanao. The Huks started coming in.

Magsaysay decided to run for the presidency. Having used the revitalized army to assure clean congressional elections in 1951, he felt he could win a similarly fair race in 1953. He broke with Quirino's Liberals to become the Nacionalista nominee.

The election was a high point for Philippine democracy. Incumbents or their designated successors had always been considered unbeatable: They controlled the soldiers, the bureaucrats, and the treasury. Buying votes, cheating at the polls, and voter intimidation were standard. Magsaysay decided to buck the system. Besides his own magnetism, he had other assets: the support of a corps of U.S.–educated "whiz kid" technocrats, of the Catholic Church hierarchy, and of American officials. Among them were Ambassador Raymond Spruance and Col. Edward Lansdale, a former journalist who was advising the Philippine Army on anti-guerrilla tactics.

He ran a U.S.–style race. Magsaysay-for-President clubs sprang up in most towns and barrios. He traveled by plane, car, boat, and even carabao to shake hands and play the happy warrior. When a Quirino backer said he was "fit only to be a garbage collector," Magsaysay cracked that he would indeed "clean out the dirt and filth of graft and corruption." A National Movement for Free Elections (NAMFREL) was organized to monitor the electoral process with volunteer watchdogs. The army guarded the polls.

In *The Magsaysay Story* (1956), Carlos Romulo and Marvin M. Gray reported that if the election were stolen or Quirino refused to concede a defeat, Magsaysay had plans to oust him by force. But Magsaysay won with a very decisive 69 percent of the 4,226,719 votes cast. Even the Huk leader, Luis Taruc, was impressed. He surrendered after summoning a reporter—a young *Manila Times*man named Benigno Aquino, Jr.—to his hideout to say that "the people have spoken" and the revolt "must now cease."

Time had called Magsaysay "the Eisenhower of the Pacific," a man who "brought a glimmer of hope for democracy in the Orient." But as President, he had no economic plan. He wished only that the Philippines should make the most of its resources. His hero was the *tao*, the common man. Forever flying around the islands, he lived among peasants and would even argue their cases with landlords.

He fought to help tenants get better housing, a decent income, pure water to drink, electric lights, more technical help, better irrigation, and more roads to get crops to market. He wanted the poor to have easier credit, to liberate them from moneylenders and Chinese pawnbrokers. Yet after he signed a land reform law, its execution flagged. His energies were diverted by other demands, and he was opposed at every turn by the oligarchs—and let down by his *tao*, too. They came to expect government to do everything for them.

Manila's Roxas Boulevard, 1966. Then as now, from some angles the city looked more like Miami or San Diego than an Asian capital. Manileños today can find "Laverne and Shirley" on TV and Blondie *in the papers.*

Magsaysay died before the 1957 election, in a plane crash.

The virtues he brought to politics seemed to die with him. Splitting tickets, voters elected the Nacionalista presidential candidate, Carlos P. Garcia, a landlord and businessman, and the Liberals' choice for Vice President, Diosdado Macapagal, another old-style pol. Bureaucrats joined candidates in stumping the country and distributing funds. Students sported "My pal, Macapagal" shirts. The race, said the *Philippine Free Press*, suggested that "public office is not a trust but a prize, that election to office is purely a business transaction with candidates buying their way into office and then using the office to enrich themselves, their relatives, and friends."

Garcia could not stop slippage in rural programs. Funds for roads and wells ran out. Seeds and fertilizers intended for needy tenants or small landholders wound up on the black market. What did expand was a policy of economic nationalism that led to growth in central planning and state ownership of businesses. Then, as the climate for foreign capital cooled, Filipino businessmen invested in new enterprises and bought out old U.S. firms, such as Firestone rubber and the Luzon Stevedoring Company.

'Throw the Rascals Out'

Whether from luck or general world prosperity, the economic numbers turned up, at least temporarily. As the old rich poured money into joint ventures, Manila acquired a new gloss. Avenue 54 (now Avenue Edsa) blossomed with a flour mill, a garment factory, and plants bearing names such as Pfizer Drugs and Pepsodent. While the city still had scores of shell-scarred buildings and shacks, as Robert Shaplen observed, "Most of them were encircled by the neon glitter of the kaleidoscopic 'new' Manila.... The effect was like that of a ruined university hemmed in by night clubs."

Yet poverty and slow economic growth persisted. Resentment grew as Filipinos tended to blame external influences for their problems. Disillusionment with their excessive attachment to the United States fueled the fires of nationalism. Sen. Claro M. Recto, a venerable intellectual known as the "Great Dissenter," was the most eloquent spokesman for respectable independence: "We have drawn so close to America that we have placed Asia beyond our reach." Politicians, university folk, columnists, ambitious native businessmen, and left-wing activists fanned the flames. They criticized the United States for everything from oppressive landlords to the bars, brothels, and black market dealings outside Clark Field and Subic Bay, the American naval base. They assumed that prosperity would come when nationalism was enshrined.

The Philippines was not alone in reacting to the political currents sweeping over post-colonial Asia as the 1960s began. National-

ism and neutralism flourished in the area as the East-West struggle grew in Vietnam. Philippine oligarchs were divided on foreign policy. Those whose enterprises prospered from the U.S. link backed America; those who felt threatened by U.S. pressure for reform supported Filipino First, the extreme position of Philippine nationalism.

But what determined the 1961 election was no foreign policy issue. The Liberal candidate, Macapagal, won by accusing Garcia and company of stealing everything but the curtains at the Malacañang Palace. Pointing out that Garcia's own brother was president of the Continental Oil Company's local subsidiary, the Liberals said he had used nationalism as a smoke screen for his own corruption. "He preaches austerity, yet he lives like a rajah."

Population growth, near the highest in Asia, ran far ahead of economic growth. Manila's deficit, along with the paucity of private savings and foreign investment, made a serious economic development program impossible. A 1963 Land Reform Act intended to abolish tenancy and sharecropping was a dead letter: There was no money to buy out the landlords. Without outside help, there was no way that industrialization could reach what Western economists called the "take-off" point leading to self-sufficiency.

By the end of his term, Macapagal had a new worry: The rebirth of Communist insurgency. The Huk leadership was invigorated by new blood. Macapagal went to Washington for talks with President Lyndon Johnson, who agreed to "review existing programs of assistance" in exchange for Macapagal's efforts to persuade the Philippine Congress to send a token force to South Vietnam, where America was now battling Ho Chi Minh. But the Filipinos were sharply divided on joining the U.S. war in Indochina.

The opposition was led by none other than the ambitious Liberal Ferdinand Marcos, now Senate president and still climbing. Macapagal, he said, was using the Vietnam issue to make himself a dictator. In truth, Marcos was angry that Macapagal had reneged on a promise not to block him by seeking re-election. When Macapagal was renominated by the Liberals in 1965, Marcos switched parties, got the Nacionalista nomination, and ran on its ticket.

The man who would dominate Philippine politics for the next two decades seemed to be a typical office seeker, bright, tough, and supported by a good organization, an astute wife with much crowd appeal, and an effective slogan: "Throw the Rascals Out."

Thus began the Marcos era.