

DOS 'pleased' with Philippines election

by Linda de Hoyos

The U.S. State Department is extremely pleased with the results of the May 14 parliamentary elections in the Philippines. The strong showing registered for the opposition to President Ferdinand Marcos has cleared the way for the Philippines to "bite the bullet, and put its financial house in order" by submitting to the austerity conditionalities of the International Monetary Fund, said an official of the State Department.

Such measures promise to put the islands into turmoil again in the very short term, in which case the force that will reap the benefit is the most radical section of the opposition which wanted the boycott of the elections and which are adamant in its demands that the U.S. bases at Clark Field and Subic Bay be removed from the country. While Marcos may be an inept leader, as was the Shah of Iran, his successors, under the State Department's scenario for reducing the global power of the United States as Henry Kissinger prescribes, would become a horror.

"Our embassy" in Manila, added the State Department official—an embassy directed by newly appointed Kissinger protégé Stephen Bosworth—"was very actively involved" in the election process.

The election results

In one of the highest voter turnouts ever seen in the country, Filipinos rejected the demands by the radical anti-U.S. opposition for an election boycott, and overwhelmed the polls. However, although the official results have not been yet reported, unofficial tabulations by private agencies show that the opposition may well have gained up to 90 seats in the 183-seat parliament. This does not provide the power to depose Marcos, but it nullifies the parliament as a rubber-stamp body for the Marcos government.

The strong figure emerging from the elections is Salvador Laurel, the head of the 14-party United National Democratic Organization (UNIDO), who was wined and dined in the United States this January (see *EIR*, April 3, 1984). Laurel had called upon all Filipinos to vote in the elections. "If we don't it may be the last elections, and revolution will follow," he warned in late April.

He was joined in this call by Catholic Cardinal Jaime Sin, the "Khomeini of the Philippines," who Jesuitically told his flock of supporters to take any money the governing party

might offer, but "vote the way you want."

In the last month, pressure has come down from the State Department on the Marcos regime to make sure that the elections are not rife with fraud. In an open letter to Marcos last week, even President Reagan implored Marcos to make the elections "clean and meaningful." Leading commercial banks in New York and Europe also made "clean" elections a condition for the granting of any more credit to the country.

Marcos complained in a recent TV interview that the major factors thrown against him were the August 1983 murder of Benigno Aquino and the collapse of the Philippine economy. The two are interrelated. The assassination of Aquino, carried out with the complicity of Soviet KGB-directed forces in the United States who wanted to use his death to spark the destabilization of the country, also became the pretext for the big commercial banks to shut off their credit lines.

This forced the Philippines, with a debt of \$25 billion, into the hands of the IMF. Together with the banks, the IMF demanded a shutdown of the development projects begun by the Marcos government. Said one banker in March, "These large-scale projects are the genesis of the debt problem. They don't need nuclear power plants." In October, in exchange for a 90-day moratorium on its debt payments, the Fund imposed a 20% devaluation of the peso, which caused a 30% jump in food prices. Factories were forced to shut down, unable to get supplies because of the foreign currency scarcity and the halt in imports. Instead of repudiating the IMF and imposing a full debt moratorium, Marcos merely postponed the day of reckoning until after the election, meanwhile doling out quick wage increases to government workers.

Now the Fund is demanding a further devaluation of the peso, a cut in government expenditures by 10%, a cut in imports by 10%, and a 10% increase in exports—the same measures that have resulted in a 40% per annum collapse of production in Mexico.

IMF's economic agenda

This is the package that is now on the agenda after the elections. A week before election day, opposition leader Laurel, who has never questioned the Fund's power over his country, announced that if the elections produced satisfactory results, he would be ready to sit down with Marcos and discuss how we can "face the challenge of the economic crisis." "Let us join hands to solve our economic problems," Finance Minister Cesar Virata, point man for the IMF and New York banks, declared two days after the election.

"The message from the elections is that we have to act on economic problems," Deputy Prime Minister José Rono said May 17, the same day the government announced a 5% cut in government spending and a 3% rise in petroleum prices in a bid to revive the economy. The increases will produce price increases throughout the economy, including in food and transportation.