

Todaro, Michael
Ec. Dev. text ^{by} de January.
used

_____ Korea. Get phone nos. from
Tuckie Birchott, 200 Lou Henry Hoover Bld
94306
125-1489
325-0244 res.

_____ Our print in Korea --
John Powell. The President Betrayed
for Suofani. - J. Powell, Land in History
put Bob on their mailing list

Seagrave, Sterling. The Marcos Dynasty. NY: Harper & Row, 1988

9 17th cent., priests agglomerated r.e. "In time, priests controlled 21 gigantic haciendas around Manila."

9 Spaniards limited Chinese immigration, blocked their citizenship, forbade them to hold land. But mestizo children of Chinese fathers were considered Filipinos, were used to acquire land. Had benefit of Chinese credit system.

10 Spanish mestizos less good at business, turned to law & professions.

13 Vatican influenced Wm. Howard Taft, head of 1st civilian govt., not to confiscate church lands. America bought 17 of the 21 "friar haciendas" around Manila. Sold on terms, 8%. Malays mostly lost their land to Chinese lenders. By 1946, tenancy rate higher than it had been under Spain.

13 Manila govt a "collaboration between ambitious Americans and rich Filipino landowners." Sugar barons controlled politics; Chinese controlled finance.

20 Forest land belonged to Spanish crown, but under American rule some was homesteaded, units up to 24 ha. Fraud easily multiplied that.

30 Osmena & Quezon ran politics for 40 years, to 1946. Nacionalista Party, rhetoric for independence, secretly cooperated with Americans. 31, Quezon & Osmena controlled national assembly for Americans, got patronage in return. Acts of nat. assy. subject to veto by U.S. Congress and, de facto, Gov. Gnrl.

30 Del Monte, limited by law to 1,024 hectares, got help from the Gov-General. He converted public lands into a U.S. Naval Preserve, had navy sublease 20,000 ha. to Del Monte. This was "not unusual".

30-31 John Haussermann had U.S. law degree, used superior knowledge of U.S. law to gain key local industries. E.g. the Benguet gold mine. Built great fortune. Bribe MacArthur.

33 1921- , Gov Leonard Wood, 1st gov to use veto freely.

35 Dean Worcester was U.S. Secy of Interior. Retired to a 7,000 ha. cattle ranch nr Mailag, Philippines.

36 Tydings-McDuffie "indpendence" Act, during Roosevelt admin., let Americans enter & reside in Phils. w/o restriction.

52 "Under the Americans, practicing law replaced the priesthood as the path to power and glory."

62 Govt bank received and dispensed Am. aid, post 1946. Eduardo Romualdez, Imelda's relative, was a director, and such people siphoned away most of it. They were great landholders.

64 400 families "owned everything in the islands".

68 The Escolta, Main St of the financial distr.

70 Quezon bribes MacArthur. 78, more on same. Historian Carol Petillo discovered facts.

71 Roosevelt blocked Tokyo from access to oil of Dutch E Indies.

85 Marcos gave a name and an identity to some shadowy syndicates, thus converted them to a consolidated political machine.

[Likewise, let's call our name "Doers", or "Doers of the Word". And make "doing" something integral to joining.]

85 Huks were originally guerillas who assassinated landholders who collaborated with Jpns. They were more effective than other guerillas, took control of central provinces.

91 Benigno Aquino Sr. was a Jpns collaborator. So was Laurel. Were forgiven postwar. Laurel was Marcos' patron.

Roxas was forgiven much earlier, by MacArthur, bcs of business associations. Roxas was M's gopher.

114 Most of the oligarchy had been collaborators; had to bury the issue, or lose control. Roosevelt had said purge them, at direction from America. Truman wilted, owing to anti-commie fears. [Collaborators may have fed those fears, to save themselves; likewise rich Japanese.] Marcos was probably a collaborator, secret. May have remained so.

115 MacArthur railroaded and executed Yamashita and Homma, who had humiliated him professionally. But released Kodama and Sasakawa and 52 other politically powerful right wingers, to suppress Japan's radicals and impose a malleable right-wing regime. Kodama and Sasakawa organized and financed the Liberal Democratic Party, which has dominated Japan ever since. 120 Part of the deal was they gave big bucks to the KMT also. It was Chiang who went to bat for them, needing help desperately. The KMT and the CIA just picked up pieces of the old Kempeitei, Japanese Gestapo.

121-22: MacArthur liked big money & fascism. Mac's aide Willoughby went to Madrid for Franco right after retiring from Japan. Mac played ball with Franco rep in Manila, Andres Soriano. S. was also a beer baron, San Miguel, who took Phil citizenship

as war approached. 126-27 Mac took him on as aide, got him Am. citizenship.

125-26 Bell Trade Act opened Phils to U.S. goods, duty-free; grants Ams. equal rights w. Phils to exploit natural res -- but not v.v. Roxas got it thru, by expelling Huk members of legislature.

126 After all was rigged in its favor, then Washn came thru with rehab \$\$, paid for war damage to pvt propty (not to people, evidently).

127 Industrial lobbyists made it illegal to bring surplus war equipment home. It was sold to insiders like Roxas for nothing.

128 Fernando and Eugenio Lopez owned Filipino-Am newspapers in SF & Chicago.

129 KMT huge influence in Phils.

144 Magsaysay was a landholder of means. His image was created by Lansdale, who started with Willoughby, Mac's gopher and red-chaser. Magsaysay was slow; Lansdale primed him.

150 CIA used Cojuangco's Hacienda Luisita for training site. Returned favors later. Also used Del Monte lands.

152 Same Ams who created Magsaysay created Diem; attacked Castro; removed Allende. Some Phils came with them: Valeriano the most deadly.

158 Phil Senators are national reps, obliged to campaign throughout the islands.

165 "Gradual reform programs were always doomed by the disinterest of the next faction in Malacanang (power)."

167 Marcos gave Harry Stonehill monopoly in importing tobacco. Stonehill invested gains in Am r.e. 169 Stonehill probably lives in s. Am today, hiding out from I.R.S.

169 Marcos pays political debts, and/or creates credits, by buyilding roads -- this one in Mindanao.

170 Fishermen drift into smuggling. (Is that how old Mr. Lau got rich?)

176, 178 CIA supported Marcos, 1st election. Just as it did Magsaysay, Ky, and Suharto.

176 Macapagal opposed him. Hired Quentin Reynolds to help with a bio. Reynolds met an accident.

180 KMT Chinese ran Phil Bank of Communications, a branch of Taiwan Bk of Communications, controlled by Chiang's inlaws the Soongs and Kungs.

180 Jpns war reparations were funnelled thru Jpns friends like Laurel, Marcos' patron.

Sasakawa and Sun Moon set up Tokyo chapter, World Anti-Communist League.

180 MacA channeled U.S. war reparation funds to his political favorites.

183 Kermit Gordon, Dir of BB under LBJ, collaborated with LBJ subsidizing Marcos, using unvouchered funds.

183 Walt Rostow advised LBJ to help Marcos silence his critics, etc. 186 Bill Moyers gophered for LBJ.

184 U of Mich gave Marcos honorary degree.

186 World Bank complied with LBJ's wish to lend to Marcos.

188, 205 LBJ enabled Marcos to gather police power, make Phils a police state.

192 Mike Mansfield helped, too.

196 "... CIA agents actively helped Marcos salt money in America, especially in Hawaii."

199 R. Reagan also involved, as Gov of Calif.

203 Fine needlework, embroidery, centered in Manila. Bras, e.g.

206 AID's Office of Public Safety (OPS) taught torture, got defunded by Congress. So from 1974 admin evaded this by calling it drug control, AID working with DEA.

228 Owners of Benguet gold mine: Chas & Herbert Allen, N.Y.

232 George Hamilton bought Chaplin's old mansion in Bev Hills, 1982, 1.2 m\$, with money "they say" provided by Imelda M. Later Ham sold for \$6m, to dtr of Adnan Kashoggi, also a Marcos pal.

249 Ateneo is elite, Jesuit-run. (Maybe Dave O'Brien could make a contact there.)

254 Under Reagan, Filipino refugees in U.S. are hunted down as "terrorists", if anti-Marcos. State sends intelligence rpts to Fabian Ver, head of Marcos' secret police. U.S. lets Ver send agents to murder in U.S.

273-74 Marcos' agents plundered libraries and bookstores of expose book, Conjugal Dictatorship.

276 Am's interests. Bankers managed 1/10 of Manila's \$2.1B debt. (Peanuts!) U.S. direct inv = \$2b. (Much less than Marcos personal hoard of gold. There must be more, somewhere!) 283, Phil banana indy dominated by Del Monte, Castle & Cooke.

277 Marcos passes law limiting Am holdings; restricting retail trade to Phils; etc. Then for a price he withholds enforcement.

278 McNamara supports Marcos in imposing martial law. 280, Marcos's have McNamara fire Gregorio Votaw who tried to direct funds to slum improvement.

280 Tondo area, Manila's slum.

280-81 Pvt banks also loaned to Phils, w no collateral except govt guarantees by Marcos.

284 Marcos owned the Calif Overseas Bank of Beverly Hills, along w Roberto Benedicto, heir of sugar warlord of Negros, 11,200 ha.

285 Imelda bought 2 U.S. refineries, Sucrest and Revere.

284-ff Marcos took over or bled many big U.S. firms. I surmise that is what caused his downfall -- too greedy, lost his basic support.

293-94 Wm Ascher, a specialist in "political risk" at Johns Hopkins, directed a World Bank team writing a memo, advising WB to prepare to bail out. Also laid down a rule: OK to support brutal regime so long as Bank gets out from under before it goes. Memo was leaked, early in Reagan Admin, by some insider who wanted to warn Reagan not to commit to a dying regime.

294 et passim. Ongpin family, wealthy businessmen who "cohabited" with Marcos. 342, Jaime Ongpin was head of Benguet. Helped Marcos dispose of his gold, by warehousing but leasing it. Ongpin bros. did many things for Marcos, gained control of Benguet mines -- only to forfeit it to Imelda.

405 Roberto Ongpin, Minister of Trade & Industry for Marcos, led negotiations for him.

409 But Roberto joined the Enrile-Ramos plot against Marcos at the end. Ongpins, Roberto & Jaime, were leaders of Chinese banking community in Manila. Ver tried and failed to intimidate them. I surmise they shift sides often, to survive.

425 Jaime Ongpin dealt with Singlaub, gave permission to search for Kodama's gold. 426, Singlaub was glad to see Marcos go, made arrangements with new admin (with Ongpin still there!) The Cojuancos are in on it, too.

310 Japan's criminal mastermind, Rear Adm Kodama Yoshio, in charge of looting Asia, who ordered burying the treasure. Yamashita's Gold was really Kodama's Gold.

315 Marcos worked with Kodama, who got out of jail alive, to recover some treasure. Kodama used it to finance rightwing forces in Japan.

315 After W.W. II it seems the rich quickly drew together to regain power in e Asia. U.S. counter-intelligence worked with them.

325 Part of Chiang's army under Gen Li Mi escaped into Burma and seized poppy fields in the Golden Triangle. CIA supplied and supported them there for 30 years.

328 Gambling etc in Manila protected by wealthy patrons and mayors. (What about Jun Simon?)

340 Ayala-Hawaii was (is?) a joint venture of CIA and its asset Enrique Zobel, to receive and store cash for Marcos types, for emergencies. Zobel also friend of Sultan of Brunei. CIA could use Sultan to get unvouchered funds. May well have used Marcos same way, this may explain Reagan's obstinate support.

341 World gold production is set by a London cartel of 5 firms.

344 New gold processing plant built in Quezon City, by Johnson Matthey, one of big five of London, 1978.

346 Marcos-CIA deal, CIA presumably got a cut of gold for helping Marcos export it. Some went to Australia in military craft, moved to Nugan-Hand Bank, was used to finance rightwing pols, bring down Gough Whitlam Labor govt.

362 CIA modus. "First get the rich people on your side, including rich gangsters, then set up channels for black money to fund people to get the job done."

363 Moonies got CIA help, also Kodama help. Part of worldwide rightwing network.

375 Fabian Ver escaped to his villa in the U.S.A.

391 Irene Marcos m. Gregorio Araneta, stepson of Napoleon Valeriano (a killer). (I surmise the Aranetas still hold much land in Quezon City. Who backs Jun Simon?)

402 Marcos' last running mate: Senator Arturo "Jukebox" Tolentino. Marcos sick, Tolentino did the campaigning.

409 IMF and WB pressured Marcos to appoint Cesar Virata Prime Minister. Virata is an economist.

423 Moonies acknowledge CIA funding; help Contras.

446 Dovie Beams ended up with much r.e. in Bev Hills & Pasadena, using progressively larger prop. loans from Calif banks. 1987 indicted for fraud, with new husband Sergio Villagran.

450 Eduardo Cojuangco's Phil holdings were sequestered by Cory; but his U.S. holdings are many billions. Include breweries.

Robert Hardie

Spring, '60

Fidel Castro, also big
landowner, like Luis Taruc

Any progress since '53.

— Since Maguaysay?

80% revenues from
sales taxes, '50.

Opinion of sales tax
movement U.S.?

Efficiency of large-
scale farms.

Over half have < 2 ha.

Rice ~~problem~~ areas,
hi tney,

Harvest cost. 10% gross.
Int pays 70% gross, up to.

l.v. of 80% - 400%.

Flexibility of system
w. fixed rents.

Low prices right
after harvest.

Cavan = 2.13 ha.

~~2~~

Tut on 3 ha. grass
\$200/yr.

Work outside agr., nil.

✓ Land held by govt?

Rapid Δ popn.

35-50% unemployment.

? gorats

7.6m ha public land
not settled, some by
squatters.

But there are 7m families
needing settlement.

(but need roads etc.,
creates employment).

Cap. fmtn is needed.
Concn of land stops it.

Wt rights.

Tnt gets 50% gwr.

What did rpt recommend?

~~How~~ how pay?

All prt. land/surplus, be
bought by govt. & sold to tnts.

Tnts get written lease.

Ag. labor under min. wage
law, to close loophole under

Casama system, tnt
- landlord relationship is
master-servant, & cd. call
all tnts "laborers".

Farm credit program.
Japan, coops for this, but
Japanese are used to coops.

Any fragmentation?

For landownership?

Philippine Defense Chief Quits

Continued from Page 1

mediate concern to me now
the external security."

saysay was appointed De-
Secretary Aug. 31, 1950. By
ne he was saying that the

f Huks—Red guerrillas who
een fighting the government

ne end of World War II—
en broken. He said 9000 had

ered in two years, and
this to the Army program

g 30-acre plots and other
y to those who surrendered

ISTRATION BLAMED
s statement of resignation,

say said "peace and prog-
not be achieved under the

administration."

Wednesday President Qui-
eed at a Liberal party ses-

seek re-election. The party
rejected Magsaysay as the

nominee.

ormed source's report that
ay would quit the Liberal

d in with the promise by
ta Senate President Eulo-

riguez of a "sensational
ent" in his party's efforts

Magsaysay as their candi-
gsaysay himself had noth-

y about his political fu-

Philippine Defense Chief Quits

By the Associated Press

MANILA, March 1—Ra-
mon Magsaysay last night
(Saturday) resigned his job
as National Defense Secre-
tary in a rift with President
Elpidio Quirino over the
Philippines' internal fight against
Communism.

There were strong indications
that Magsaysay would quit Qui-

rinno's Liberal
party and pos-

sibly run as the
opposition Na-

tionalista party
nominee against

Quirino next No-
vember for pres-

ident.

The husky, 45-
year-old govern-

ment strong man
said in resign-

ing his post:

"It would be useless for me to
continue as Secretary of National

Defense with the specific duty of
killing (Communist) Huks as long

as the administration continues to
foster and tolerate conditions

which offer a fertile soil for Com-
munism."

United Press reported that
Magsaysay said in his letter of
resignation that "merely killing

dissidents will not solve the Com-
munist problem."

"Its solution lies in the cor-
rection of social evils and injustice

and in giving the people a decent
government free from dishonesty

and graft," he said.)

HUKS REDUCED
Magsaysay's tough efforts have

greatly reduced the strength of
the Communist-held Hukbalahap

rebels and driven most of their
colonists to the hills.

Last month President Quirino's
brother, Antonio, charged that the

Army had bungled the campaign
against the Huks and suggested

that instead all Huks be granted
total amnesty.

Replying, Magsaysay said:

"It's a fight to the finish—either
the Huks surrender or the govern-

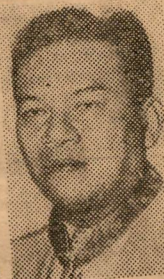
ment."

Friday night President Quirino
told a group of Philippine war vet-

erans they might have to be mobil-
ized to fight Communist subver-

sives within the country, adding:
"Our internal security is more

Continued on Page 12, Col. 7



Ramon Magsaysay

U.S. Filipinos Unite to Seek Political Clout

By DAVE LESHER,
Times Staff Writer

The Filipino-American commu-
nity in United States, long divided
over conflicting loyalties to the
government in Manila, held "a

More than 800 Filipino-Ameri-
cans, representing 18 states, at-

tended the weekend convention
and adopted the first constitution of

the National Filipino-American
Council. The organization is aimed

at making Filipino-Americans
more influential nationally and

creating more support in the Unit-
ed States for the Philippines.

"Never before in the history of
the Filipino-American community

has such an assemblage been held,"
said Alex A. Esclamado, founder of

the organization and publisher of
the Philippine News in San Fran-

cisco. "If we are to have political
power, what we do today is a

must."

Speakers at the convention at
the Anaheim Hilton included Rep.

Stephen J. Solarz (D-N.Y.), chair-
man of the House subcommittee on

Asian and Pacific affairs, Mayors
Tom Bradley of Los Angeles and

Dianne Feinstein of San Francisco
and Lt. Gov. Leo T. McCarthy.

Several speakers called the
gathering historic because it sig-

naled unity between those who had
backed ousted President Ferdinand

E. Marcos and supporters of Presi-
dent Corazon Aquino's "People

Power" revolution last year.

Esclamado estimated the Filipi-
no-American popula"on at almost

2 million, nearly h of them in
California.

California rice to the Philippines: The Rice Growers
Association of California has clinched a \$13.2 million deal to
supply rice to the Philippines as part of the federal government's
"Food for Peace" program. RGA will supply 41,300 metric tons of
rice, or about 45 percent of the total sale of 90,000 metric tons.

Markets 10 May 88 C-1

This may say something about the
productivity & yields of Philippine
growers!

Mam

No one g
grams lik
That's be

Anah
(714) 25

LAX Can
(213) 298

Van N
(818) 786

Acc
Na
on the

Idle:

Philippines, 5166.

of 6.7 m. ha. "farm area",

1.1 m ha is "idle land". p. 48

1939

Besides that, vast areas held by
govt, "Bureau of Forestry", not
yet available. 19.7 m ha. remain

to be classified, B.F. est. 47.2 m

will be suitable for agr. Besides,

.4 m already so classified

7.6 m in all --- (more than present

land in fms.) p. 11.

From the New York Times
April 2, 1955

SPRUANCE URGES FILIPINO REFORMS

Departing U.S. Envoy Advises
Land Tax Shift as Essential
to Nation's Progress

Special to The New York Times.

MANILA, April 1—After three years as United States Ambassador, Admiral Raymond A. Spruance left Manila today for home. He gave a piece of parting advice to the Filipinos on land reform, which he considers essential to the progress and orderly development of the nation.

The Philippines, he said, in an interview, has a great deal of unproductive land whose owners are content to let it remain idle while the pressures of an increasing population increase its value.

"Remember that in the Philippines the assessed value of land property is sometimes as low as 10 per cent of its selling value, he said. "Land taxes are rarely more than 1½ to 2 per cent of assessed value. On top of that the percentage of people who pay no taxes at all is large."

Sees Benefit From Taxes

Admiral Spruance believes that sensibly increased assessment and taxation would induce landowners to sell their relatively unproductive property to those who would work it more productively. The Government, he holds, would benefit from the increased taxes and the nation would benefit from the increased production and employment.

Ambassador Spruance fully realizes that strong opposition to effective land reform measures would be encountered. The present system of land tenure is an inheritance from Spanish practices. The nobles and favorites acquired tax-free lands from the

Spanish Crown. They allowed the peasants to work it under the old feudal system while they gathered the profits of production. When the feudal system went out, parts of its structure remained.

But Admiral Spruance believes that President Ramon Magsaysay, with his great popularity, could get a land-reform program passed by Congress despite opposition.

Mr. Magsaysay agrees with Admiral Spruance, but so far has confined his attacks to opening new public lands, encouraging resettlement and getting a larger part of the produce for sharecroppers. No land-tax measure is at present before Congress.

A Great Naval Career

Admiral and Mrs. Spruance flew to Hong Kong where they are to board a steamer for a leisurely trip across the Pacific to their home in Monterey, California, where his retirement was interrupted in 1952 at the request of President Truman.

Admiral Spruance has a great naval career behind him. As commander of the task force at the Battle of Midway he is credited by many naval historians as being chiefly instrumental in turning the tide of the war in the Pacific. He later became Commander in Chief of the Pacific Fleet and was retired in 1948 as president of the Naval War College.

In the Philippine he has become known as a "quiet Ambassador," and for his extremely rare public pronouncements and appearances. A Manila newspaper paid this tribute to him: "Rarely in the public eye, never in the limelight, his successful discharge of duties as Ambassador is reflected in the present state of cordial relations between the two countries. They never were better."

Admiral Spruance's successor, former Senator Homer Ferguson of Michigan, is expected to assume his post here about April 10.

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Henry George School of Social Science
50 East 69th Street, New York 21, N.Y.

Filipino Reds Change Strategy as Huks Feud

By SEYMOUR TOPPING

© New York Times News Service

Manila, Philippines— Besides the tall roadside reeds, where the ambush band had waited, the constabulary found seven dead Filipinos sprawled about their bullet punctured Jeep.

This was not the ordinary violence of northern Luzon. It was the latest clash this month in a vendetta that has exploded among Communist Huk bands.

The Huks, as they are known to Filipino peasants, are designated by the Communist party as the peoples liberation army (HMB).

The armed men who died in the ambush were members of a "liquidation squad" loyal to Alibasbas, one of the two top HMB guerrilla leaders. It was carried out by a unit loyal to Sumulong, one of the most dedicated of Communist commanders and rival of Alibasbas for leadership of the HMB.

Ambush Each Other

The battlefield where HMB bands ambush each other and in turn are pursued by the Philippine constabulary and army includes the roads, villages, sugar cane fields and the hills of northern Pampanga and southern Tarlac. It is an expanse that encloses the giant United States air force base at Clark field. It is also the last of the HMB strongholds, which once were implanted all over the Philippines.

Dismemberment of the HMB guerrilla movement is one of the chief factors that has led the Communist party of the Philippines to revise its strate-

gy for taking power in the country.

The party has operated underground since it was outlawed in 1957. It is being rebuilt, and its policies are being reoriented.

It is trying to exploit discontent, particularly in intellectuals and young people, caused by deteriorating economic conditions and prevalence of corruption in the government.

Legal Phase Next

In an interview, one of the top leaders of the party (who cannot be named, under the terms of the meeting) said the strategy of the Communist movement had shifted from an attempt to seize power by armed force to a "phase of legal struggle."

He said the Communist leadership had accepted the possibility that the party might accomplish a "peaceful transition" to power.

The Communist party official said the movement was relying on a new intellectual leadership, with some of its members being drawn from universities and other sectors of public life.

Secrecy is maintained on membership in the new politbureau and central committee of the party. The leadership apparatus was wrecked by a single government raid in Manila on Oct. 18, 1950, which resulted in the arrest and imprisonment of virtually the entire politburo of that time.

Five Year Program

The Communist party official estimated that it would take five years to complete reorganization of the movement, rally

rural masses under the new party leadership and make a bid for national power.

He said the repression of the Communist party in Indonesia had been a severe blow to the hopes of the party in the Philippines. The Philippine Communists had looked to the Indonesians for ideological inspiration and material support rather than to Peking or Moscow.

According to government security officials, the Indonesian embassy in Manila supplied funds and agitators in support of left wing causes and an anti-American campaign.

No Ties With China

The Philippines has no diplomatic or trade relations with Communist China, mainly because of fear that such contacts would provide opportunities for subversion of the 200,000 overseas Chinese who live in the islands.

The government also has avoided ties with the Soviet Union. However, officials have indicated that no objections would be raised to the presence of a Soviet delegation to the proposed Asian development

bank, which the government hopes will have headquarters in Manila.

Communist sources said the party expected that the administration of Ferdinand E. Marcos, who becomes president Dec. 30, would develop rightist policies and fail to solve the country's problems. The political stage then would be set for a left wing party backed by the underground Communist movement. This might be built around the Labor party, founded two years ago.

Filipino security officials believe the HMB movement in the countryside could expand rapidly again. The land reform code adopted in 1963 has not yet been put into effect on any broad basis, and the HMB is still able to appeal successfully to many of the sharecroppers who live on a subsistence level.

Chromium to Be Sold

Washington, D. C.—The general services administration will take bids until Dec. 6 on 33,552 pounds of chromium metal and 20,000 tons of chemical grade chromite.

A-1 CROW

510 N. 27th St.

Headquarters for

Adm

QUALITY
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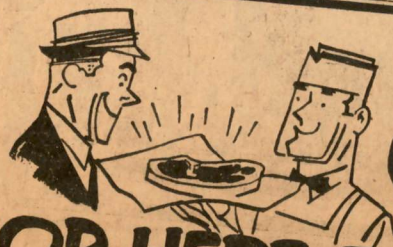
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"Silvestri" ITALIAN

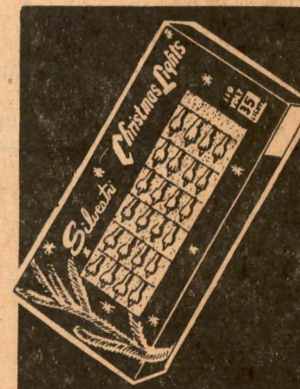
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they'll twinkle
very prettily!

3⁷⁵

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San Francisco Examiner



SUNDAY, JUNE 14, 1987

★★★★★

World Bank's warning on Philippine land reform

By Phil Bronstein
OF THE EXAMINER STAFF

A new "strictly confidential" World Bank report warns that key provisions of the Philippine government's proposed land-reform program could "preclude any genuine and orderly land reform in the Philippines in the foreseeable future."

Other aspects of the proposed program, the report said, could raise government costs, involve long legal battles and ultimately profit landlords while making life

even harder for the rural poor.

Land reform is considered the single most pressing issue in the Philippines, where 70 percent of the population — the majority rural peasants — live below the poverty level.

Successful land reform is widely believed to be an essential ingredient in combating a growing communist insurgency and restoring economic stability.

Philippine President Corazon Aquino has promised to sign some kind of land-reform decree before the newly elected congress con-

venes in July.

A copy of the May 12 World Bank report was obtained by Joseph Collins and Walden Bello of the San Francisco-based Institute for Food and Development Policy and made available to The Examiner. The institute is an independent research organization.

The new Philippine constitution, approved by voters last February, mandates land reform "to promote equity and social justice."

"The World Bank report indicates that the proposed land-reform program will not achieve

those goals," Collins said Friday.

Overall, the report does laud the original Philippine government proposal, drafted in March, as "a quantum jump" compared with similar efforts undertaken during the regime of former President Ferdinand Marcos.

Under the proposed plan, 2 million agricultural workers and tenant farmers would be eligible to divide more than 9 million acres of land over the next six years. The final stage of the four-phase program, set to be enacted in 1992,

— See BANK, A-16

BANK

—From A-1

would allow no individual land holdings over 17 acres.

But the normally conservative World Bank suggested that the program was not quick or comprehensive enough and strongly recommended a radical change in three of its basic cornerstones.

A team from the Bank's East Asia and Pacific office that visited the Philippines in March at the request of the Aquino government, urged:

- That the 17-acre limit be implemented immediately, instead of over six years, and cover all "private agricultural holdings." Only rice and corn would be affected in the first two phases of the proposed plan.

The "leisurely pace" of reform under Marcos "cannot be allowed to recur," the report states. Successive steps, which would include ever-increasing limits on farmland, "would encourage evasion, leave out a high proportion of tenants and landless and add to the administrative burden."

Transfer or sale of land not administered by the program should also be banned or landlords would simply "sell off parts of their estates" to family or friends in a kind of shell-game ruse, placing "that land permanently beyond the reach" of the rural poor.

The progressive ceilings on land holdings allowed in each of the four phases might also tempt the government to change the original plan along the way, introducing "an element of uncertainty" and "adversely affect agricultural investment and production."

- That peasants receiving land pay a one-time \$30 fee for title transfer costs instead of being burdened with an annual mortgage bill.

Under the Marcos plan, which distributed only rice and corn land to 200,000 rural poor, 90 percent of the recipients defaulted on their payments for the land. The 30-year mortgage arrangement envisioned in the Aquino reform package would likely suffer the same fate, the report says, with payments eating up more income than the land would produce.

Even those who could make their payments would contribute very little money over a 30-year mortgage, and the Land Bank of the Philippines, which is charged with collecting on the mortgages, is "ill-prepared" for its task. Administrative costs of collection, low payments and forfeitures, the report suggests, would outweigh any income the government could get from mortgage payments.

- That landlords do not "subjectively" decide themselves how much they should be paid for the land they are giving up or who is qualified to receive that land.

Peasants who receive land should be chosen by the government, the report says, with the "active involvement of local communities." And landowners ought to be compensated based on the government-assessed value of their land, rather than the nonspecific and undefined "just compensation" called for in the current land reform program.

The report also accuses the reform plan of being "very sensitive to the compensation provisions for landowners but relatively insensitive" to the conditions being offered the peasants.

Much of the \$30 billion cost of the program estimated by the Philippine government is "substantially overstated," the report says, and the changes recommended by the World Bank would reduce the overall price tag by 16 percent.

Philippine officials have said that much of the expense will be defrayed by sale of government-held property and alleged holdings of Marcos and his associates sequestered by Aquino.

But such estimates are "on the optimistic side," the report warns, and higher taxes, a higher budget deficit and a reallocation of funds from other programs will also be necessary to fund land reform.

Still, the report believes "the sums involved appear affordable" provided the government gives the program a "sufficiently high priority."

But, in perhaps its most ominous sentence, the report states matter-of-factly that "the World Bank itself would not be able to finance compensation payments for the transfer of land."

Philippine Finance Secretary Jaime Ongpin had been hoping that the World Bank, a conglomeration of 151 nations that gives loans and sponsors projects in developing countries, would assist in underwriting land reform. Ongpin said last month he would meet with World Bank and other international aid officials to push for a \$500 million "seed money" loan.

"We do not want the program to get bogged down because we don't have the cash up front," Ongpin said.

Lack of funds is believed to be one reason why Aquino favors reform on rice and corn lands but is reluctant to include the much larger sugar and coconut holdings in a program.

But money may be the least of the government's problems in implementing land reform.

On Friday, demonstrators interrupted an Independence Day celebration attended by Aquino, shouting their demands for the president to sign a land-reform decree.

Although one altered draft written a few weeks ago by Agriculture Secretary Carlos Dominguez would have incorporated some of the more radical proposals of the World Bank report, Manila newspapers have provided an almost daily account of ongoing attempts — apparently successful — to dilute the final version.

One high-ranking government official told *The Examiner* last week that Aquino is now ready to sign a decree that would merely express her desire for reform and leave the implementation and details to the new Congress.

Peasant organizations are skeptical that the Congress, composed largely of landowners and wealthy Filipinos, is likely to enact any sweeping program.

The program's latest incarnation also reportedly puts off the implementation of the last and most drastic phase for an additional five years, until 1997.

"When Cory (Aquino) started out, she was considering something major," the official said. "But she's just been bombarded by vested interests."

The governor of Negros Occidental, a prime sugar-growing province, warned Aquino recently that landowners were training paramilitary units to fight a war if there was an attempt to divide their land.

"Whatever I do," Aquino said last week, "there will be those who will be angry with me."

But the importance of land reform to her presidency apparently does not escape her.

The World Bank report echoed a Filipino government statement that a successful program "presents a once-in-a-lifetime opportunity to effect a dramatic, positive and permanent change in the course of Philippine history."

The people of the Philippines celebrated on February 25, the first anniversary of President Corazon C. Aquino's arrival in power following the "February revolution" which toppled Ferdinand Marcos's regime and forced him into exile in Hawaii. The mood of jubilation sustained by the authorities with the help of various ceremonies has been somewhat dampened by the fact that the army has been put on the highest alert for fear that disturbances might disrupt the celebrations. The Philippine press has lately been carrying reports of renewed agitation among far-right elements in the

military, and several newspapers are forecasting a recrudescence of communist guerrilla activity.

The Philippine government announced on Monday last week that it had asked 11 Catholic bishops to conduct negotiations with local communist guerrillas so as to pick up the talks that were suspended when discussions were broken off and the 60-day truce declared at the end of last year expired on February 8.

Over 50 people, at least 17 of them civilians, have been

killed since the resumption of hostilities between the insurgents and the government forces. Meanwhile, the authorities have set in motion the first phase of a land reform programme designed to mollify popular discontent in poverty-ridden regions where the communist insurrection has gained a stronger hold in recent years. The government has formally taken possession of a first segment of land holdings once owned by Ferdinand Marcos and his wife Imelda, which were confiscated a year ago, for redistributing among poor peasants.

Land reform the make-or-break issue for Aquino

MANILA — Racing against the clock in an attempt to make up for lost time, Cory Aquino is finally coming to grips with a problem which will test both her political will to effect change and of her own authority — land reform. Heron Alvarez, the minister responsible, makes no secret of its "tricky political implications".

The power of the Philippine elite flows basically from land ownership and the system of semi-feudal social control it permits exercising over the peasants who make up two-thirds of the population. "Before the February 2 constitutional referendum," Alvarez told me, "the President risked alienating the political power that the big landowners wield if she threatened their interests too directly. We realise now that if we don't lay the groundwork for land reform before the next parliamentary elections (set for May 11), that reform will become enmeshed in parliamentary discussions."

Land reform is indeed a question that Cory Aquino has to a large extent neglected despite her pre-election promises. Yet it is a priority in a country where 60 per cent of the inhabitants live below the poverty line, where half the 10 million peasants are farm labourers, 2 million are tenant farmers and only 1.5 million are smallholders; a country where 10 per cent of the population cream

off 40 per cent of the national income and own 90 per cent of the arable land.

Aquino's government has not only written the reform into the Constitution, it has made it the cornerstone of its social justice programme. Moreover, in January, Cardinal Sin declared in a strongly worded pastoral letter that the Aquino government's credibility depended on its ability to bring about land reform.

This has been needed since the end of the Spanish colonisation in 1898. In the 1950s President Magasaysay managed to put down the (pro-communist peasant) Huk insurrection by promising to redistribute land, but he died before he could keep his promise. In October 1972, Marcos who had just proclaimed martial law, also launched a programme of land redistribution, but it soon came to nothing in the face of resistance from big landowners.

The incident at Mendiola Bridge on January 22, when the army fired on demonstrators (rural people) heading towards the presidential palace, killing 16 of them, showed President Aquino how urgent the problem was. The inside story of the Mendiola Bridge incident has yet to be told, but the message was clear enough: land reform was urgently needed by the Philippines' rural inhabitants and it was being turned to good ac-

count by the communist insurgents who are mostly peasants themselves.

During the past year, Aquino's government was content to pursue the meagre programme of land reform introduced under Marcos. It is applicable only to rice- and maize-growing areas and amounts to a total of 6 millions hectares (about 14,620,000 acres). Between last March and November, says Alvarez, his ministry completed 8,000 land transfers, which was

By Philippe Pons

more than half the total achieved by Marcos in 14 years.

The minister recently announced the "immediate" application of a "minimal" land reform programme aimed at distributing 1.5 million hectares of land over the next three years, and a second tranche of almost 4 million hectares before President Aquino's mandate ends in 1992. The programme also provides for setting up supervisory and supportive structures (such as credit and cooperative systems for buying fertilisers and marketing the produce) to help peasants who have become landholders, on whom hinges the success of the reform.

The government programme is in four phases. It involves completing before 1989 the reform begun

by Marcos (almost 600,000 hectares have still to be distributed); requisitioning land that has been abandoned, impounded or mortgaged (939,000 hectares, including 300,000 hectares belonging to the government and 60,000 hectares owned by the Marcos regime's "grandees", are earmarked for distribution over the next three years); reforming the operation of the bigger haciendas (3.5 million hectares) under sugar cane, coconut and fruit trees (this part of the programme will begin only in 1989 — it is the most ticklish part of the venture in view of the problems posed by crops which are not suitable for small-scale farming); and redistributing the arable land belonging to the state.

Such a programme raises several problems. For one, as Alvarez points out, the Philippines does not have a real land register. "Our first job," he says, "is therefore to make an inventory of the holdings." Then come financial problems. The cost of the first part of the government programme amounts to almost \$2 billion for buying up the land and setting up the structures for helping the new owners.

The Philippines has sought a foreign loan of \$500 million, which is half the amount that will have to be spent on acquiring the land. The request is due to be examined at a World Bank meeting in Tokyo

in April. But Finance Minister Ongpin has already announced that if the government did not obtain the money, the programme would be financed out of increased income taxes.

The big unknown quantity in the land reform programme is the fate reserved for coconut and sugar-cane plantations. At Tarlac, some 70 kilometres from Manila, Cory Aquino's own family owns a 6,000-hectare hacienda. Before her election, Aquino had committed herself to making the Luisita hacienda a model of land reform. Since then, however, the question no longer seems to be on the cards.

In Negros, the island of sugar-cane growers, the government is trying to set up a programme known as the "60-30-10" programme (60 per cent of the land left in the owners' hands, 30 per cent requisitioned and worked by the government and cooperatives, and 10 per cent ceded to farm labourers for food-growing. The minister in charge of land reform is thinking of beginning by confiscating lands mortgaged to banks by owners in difficulty.

If the programme is properly conducted it could go some way towards defusing the communist insurgency which is drawing its sustenance from the peasant discontent.

(February 25)

OPINION

Land reform – the rallying cry for the world's poor

By William C. Thiesenhusen

UNTIL some third-world countries ameliorate the harsh conditions under which their peasantry lives, their hardest-fought development efforts will come to naught.

In the first place, the rural poor constitute a majority of the population and the largest poverty group in many countries. Its virtual exclusion from the domestic marketplace forces many countries to become overly dependent on fickle international markets for economic growth.

Second, rural poverty is usually associated with the landlessness that leads to underemployment. Lack of farm jobs gives impetus to migration to cities. Urban areas are already rife with unemployment and short on social services. At the same time, international jobs that once were safety valves for certain third-world countries are drying up. The new US Immigration Reform and Control Act may force countries such as Mexico to face its rural poverty problem more squarely than ever before; if the law works and more undocumented aliens are sent back home, enormous pressure will be placed on already overcrowded rural communities. For that reason, President José Napoleón Duarte of El Salvador, whose economy registers 50 percent of the work force as jobless or underemployed, appealed to President Reagan in April to give temporary immunity from the law to Salvadoreans living illegally in the United States.

Third, peasants are organizing to pressure governments for better conditions. This has much more to do with the demonstration effect coming from the developed countries and the awareness that the mass media provide than with falling dominoes set tumbling by the East bloc.

What peasants invariably demand is land reform, that is, breaking the land "monopoly" that historically placed property in the hands of a small, elite class which came to dominate the political and economic life. Often the US public forgets that it is this issue, and not left-wing extremism, that is the root of the wars in countries such as Nicaragua and El Salvador.

While politically difficult, land reform is consistent with a predominantly rural country's demands for economic growth. A thorough and complete land reform can expand the domestic market (poor farmers will have more income to add to savings and buy local products), boost employment, slow rural-urban migration until manufacturing can catch up, ameliorate an unstable climate so investors are stimulated to start business ventures, and respond to legitimate demands of a society's rural poor.

Recent reports from the Philippines on land reform are alternately pessimistic and upbeat on reform prospects. Business Day, an authoritative Manila daily, noted in early May that "the agrarian reform program, scaled down and approved in principle by the Aquino cabinet ... has dim prospects of being accelerated." The Associated Press reported on May 28 that "President Corazon

Aquino is determined to issue a land reform decree before Congress convenes. ..."

While her actions indicate that she is ambivalent on rural reforms, when she is quoted President Aquino declares land reform to be so important that it cannot await the seating of Congress on July 27. She knows there will be recalcitrance from the new body, with its preponderance of landowners. Her original reform plan, issued in March, called for turning over about half of the farmland in the country to peasants over the next six years. That country's new Constitution promises to "reduce social, economic, and political inequalities." Mrs. Aquino called land reform "a long overdue measure of social justice that must be met head on." While her public statements are favorable to reform, she is wary of its technical difficulties; she also knows that some of her most powerful supporters are landlords and that the right wing of the military stands ready to back them up.

In the Philippines, land reform will be no mean feat; 70 percent of the 60 million Filipinos live in the countryside, and 35 percent are landless. The landed have traditionally run the country; Aquino's own family has a 15,000-acre sugar farm in Tarlac.

The Guatemalan Christian Democratic President, Vinicio Cerezo, who took power a year ago, is in a position similar to that of Mrs. Aquino. The peasantry, making up two-thirds of his country's population, much of it landless, wants land reform. While his country is smaller than the Philippines, most think the military he faces (and who permitted him to run for the presidency) is even more conservative. Consequently, Mr. Cerezo had to take office promising what one of his Cabinet members had to repledge recently: "Categorically, there will be no agrarian reform." This brings the government to a standoff with the left-wing church. The Rev. Andrés Girón's 75,000 followers have begun to occupy fallow tracts in the southern part of the country. The comment of Fr. Girón during a march of 15,000 peasants on the capital was striking: "It is no longer possible to live in feudal times. ... It is time for the *campesinos* to become owners."

In Brazil, the liberal church is also actively organizing for land reform. Originally, President José Sarney, who has had to worry more about the short-run economic health of the country and its international debt than about land reform, planned to settle 1.4 million landless families on 100 million acres by 1989. Only a paltry 15,000 families have received land to date; while pressure builds, prospects are that the country won't come close to its plan.

The litany of demands for solution to land problems in the third world seems endless, and this is hardly surprising. In the absence of entitlement programs and enough manufacturing jobs, peasants see land as their only access to resources and, hence, to better income and enhanced security. Years ago, a higher percentage had some access to land and could live, in subsistence fashion, relatively insulated from economic pressure. In these times, they are more buffeted by the same forces of the market economy that affect the middle class: inflation, austerity, joblessness, international prices, debt, and the exigencies of the business cycle. While their means have not increased much, their numbers and their voices have.

The new US Immigration Reform and Control Act may force countries such as Mexico to face its rural poverty problem more squarely than ever before.

William C. Thiesenhusen is professor of agricultural economics in the Land Tenure Center, University of Wisconsin, Madison.

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July 2, 1987

TO SENATE STAFF, Foreign Relations Committee

RE: Nomination of Nicholas Platt Ambassador to Philippines

The Henry George School of Social Science and Common Ground, USA fear that land reform in the Philippines may be aborted without strong support from the US government and the new ambassador to the Philippines. The groups feel that the Ambassador designate must be clear that land reform is crucial to the success of the new Filipino democracy.

Common Ground, USA and the Henry George School urge that the new ambassador to the Philippines be questioned about:

- (1) his sense that land reform is a priority in the Philippines,
- (2) his commitment to land reform as crucial to the success of the new Philippine democracy,
- (3) his understanding of various models of land reform including the use of a land value tax to encourage land access and economic equity without costly confiscations.
- (4) the role of A.I.D, the World Bank, and non-governmental agencies such as the Lincoln Institute for Land Policy which sponsors the Land Reform Training Institute on Taiwan,
- (5) his willingness to bring to the Aquino government the concern of the U.S. government and people that land reform be made a central agenda.

Background:

Spokesman Wendell Fitzgerald says "We are concerned that land reform in the Philippines will be aborted. As the World Bank is warning key provisions of the proposed Philippine land reform could preclude any genuine and orderly land reform in the Philippines in the foreseeable future."

Fitzgerald cited "two fallacies" that concern the groups. "The first is that land reform means you must distribute all of the land. On President Aquino's Hacienda Luisita this would mean 2.5 acres to the 6000 families working there. It's unlikely that a family could survive on 2.5 acres."

"The other fallacy is that we must buy off the landholders with billions of dollars. The Philippines is looking to the West for this but the World Bank warns, "it would not be able to finance such payments."

The California groups suggest that ideas used in California in the 1880s and in Republic of China (Taiwan) in the 1950s would help not only save billions but would achieve the goals set forth by President Aquino and ratified by the people in the new Constitution.

The Philippines are talking about billions of dollars to get land reform moving in their country. In California the substantial annual tax on the market value of land under the Wright Act, raised revenue instead of expending it. The Wright Act transferred land from the few to the many.

The Taiwan land reform is considered to be one of the most effective by development leaders and transformed Taiwan, an island the size of Connecticut, into one of the "trading tigers of Asia."

The California Wright Act in 1887 bonded land for irrigation districts in California and transformed the arid valleys from giant latifundia to an area of small farms.

The use of the land tax to prod land into production, Fitzgerald said, helped get rid of the large unproductive ranchers and speculators, like cattleman Henry Miller who owned 1,000,000 acres and the rights to the Kern River. ."

The Eisenhower Ambassador to the Philippines Raymond Spruance recommended the land tax as an instrument of reform to Ramon Macsaysay, Aquino's predecessor. "Sensible assessments and a tax on land values would induce landholders to sell their relatively unproductive holdings to those who work them productively. The government benefits from increased taxation and the nation with increased productivity and employment," he said.

The World Bank itself in 1976 urged a similar program. "a more effective system of agricultural land taxation would offer one means of obtaining a reasonable contribution from the richer members of the rural community without destroying incentives related to agricultural output."

Ideas drawn from the California and Taiwan experiences include:

1. Reduction of the rent to 37.5%. (The Communists are already implementing this program in areas they control in the Philippines.)
2. Tenants given security of tenure for 6 years. Agreements in writing.
3. The government provides credit, seed, agricultural, health and other assistance in rural agricultural areas.
4. Sale of public lands already held by government of Philippines to be sold at a set percent of the main crop. (Taiwan used 2 1/2 times the rice crop)
5. Annual tax on land values high enough to encourage production and to discourage absentee ownership and speculation.
6. Limit holdings to a set amount (the Philippines currently discussing 17 acres) The price would be set at the same level as the government lands sold to the peasants.
7. Land reform in the urban areas - (Taiwan used an Act of Equalization of Land Rights to "gain for the public, income from rising land values.)
8. Vacant lands tax in urban areas set higher than other taxes to encourage the productive use of lands in the urban center and to help pay for needed infrastructure.
9. Land Consolidation - where land is urbanized, the government charges each landowner a percentage for the development of the infrastructure. This is similar to the program under the irrigation districts' Wright Act in California.

Mannila	1.5 m pop.
Quezon City	.95 m "
	<hr/>
	2.5 m pop.

Taipei	1.7 m pop
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Luzon	16.7 m pop.
Zambo	.18 m pop.
Tarlac	.12 m pop
Baguio	.07 m

Conclusion: urban Phils.
is underdeveloped.

AQUINO'S MANDATE WON'T MAKE THE TIGHTROPE ANY LESS SHAKY

By voting "yes" in overwhelming numbers for their new constitution on Feb. 2, Filipinos showed that Corazon C. Aquino is tremendously popular and has an unquestioned claim to be President. Their approval strengthens the fragile underpinnings of Philippine democracy by fulfilling Aquino's promise to restore constitutional rule. She won the victory by telling Filipinos that a vote for the nation's new charter would also be an endorsement for her.

The constitution may crimp her ability to act decisively on the Philippines' deep-rooted problems, however, because it is likely to produce a badly splintered national congress. During her first year as President, Aquino at times disappointed even her strongest supporters by seeming unable to make decisions. Now the prospect of a fractious congress may offset the boost that the constitution gives to Aquino's authority by removing doubts about her mandate to govern for a full six-year term. Aquino will try to strengthen her legislative support by endorsing independent candidates for congressional elections on May 11. She may be able to elect a strong bloc of supporters in the 24-member senate. But without a national political party of her own, Aquino will be handicapped in trying to influence congressional races that will be decided largely on local issues and rivalries. Right-wingers, led by former Defense Minister Juan Ponce Enrile, will try for a comeback in the May elections after failing miserably in their campaign for a "no" vote on the constitution. Enrile's Nationalist Party has formed a coalition with others, including followers of former dictator Ferdinand E. Marcos.

DISSENTERS. Right now the biggest decision facing Aquino is how to deal with Communist guerrillas after the current ceasefire expires on Feb. 8. She is unlikely to extend it, despite her commitment to a peaceful solution. Nor is she expected to give the army the go-ahead for a broad offensive against the reb-

els. Instead, she will probably continue to try for regional settlements while allowing the army to step up attacks against the guerrillas in areas where they refuse to talk peace.

Solutions to the underlying problems that have radicalized the left are also elusive, however. Farmers' demands for faster action on land reform were dramatized by a confrontation near the presidential palace on Jan. 22 in which troops fired into a crowd of protesters, killing 13. To speed land distribution, Finance Minister Jaime V. Ongpin recently asked for an

additional \$500 million from the U.S., Japan, and other aid-givers. But Aquino's own family is one of the country's biggest landholders. She will probably leave more far-reaching programs to the new congress, which convenes next July.

Despite her triumph in the referendum, Aquino's strained relations with the military may get worse instead of better. If she gives the army a freer hand against insurgents, she could ease one source of tension. She shored up her authority by facing down a recent attempted coup. Now her constitutional mandate should make it harder for army malcontents to rally support for any move against her. Nevertheless, Army Chief of Staff General Fidel V. Ramos, although he is loyal and

respected, seems unable to quell dissent within the ranks. That means the plotting against her may continue.

The new constitution will also cause more strains with the U.S. over defense commitments. One clause bans nuclear weapons from Philippine territory and waters, although its wording will probably allow Aquino to sidestep the issue by invoking the "national interest." But leftists in the new congress are expected to raise an outcry over nuclear weapons in negotiations to renew the agreement on U.S. military bases, which expires in 1991. That could make the talks, which start next year, a cliffhanger for both Aquino and the U.S.

By Dori Jones Yang in Manila



GLOBAL WRAPUP

SOUTHERN AFRICA

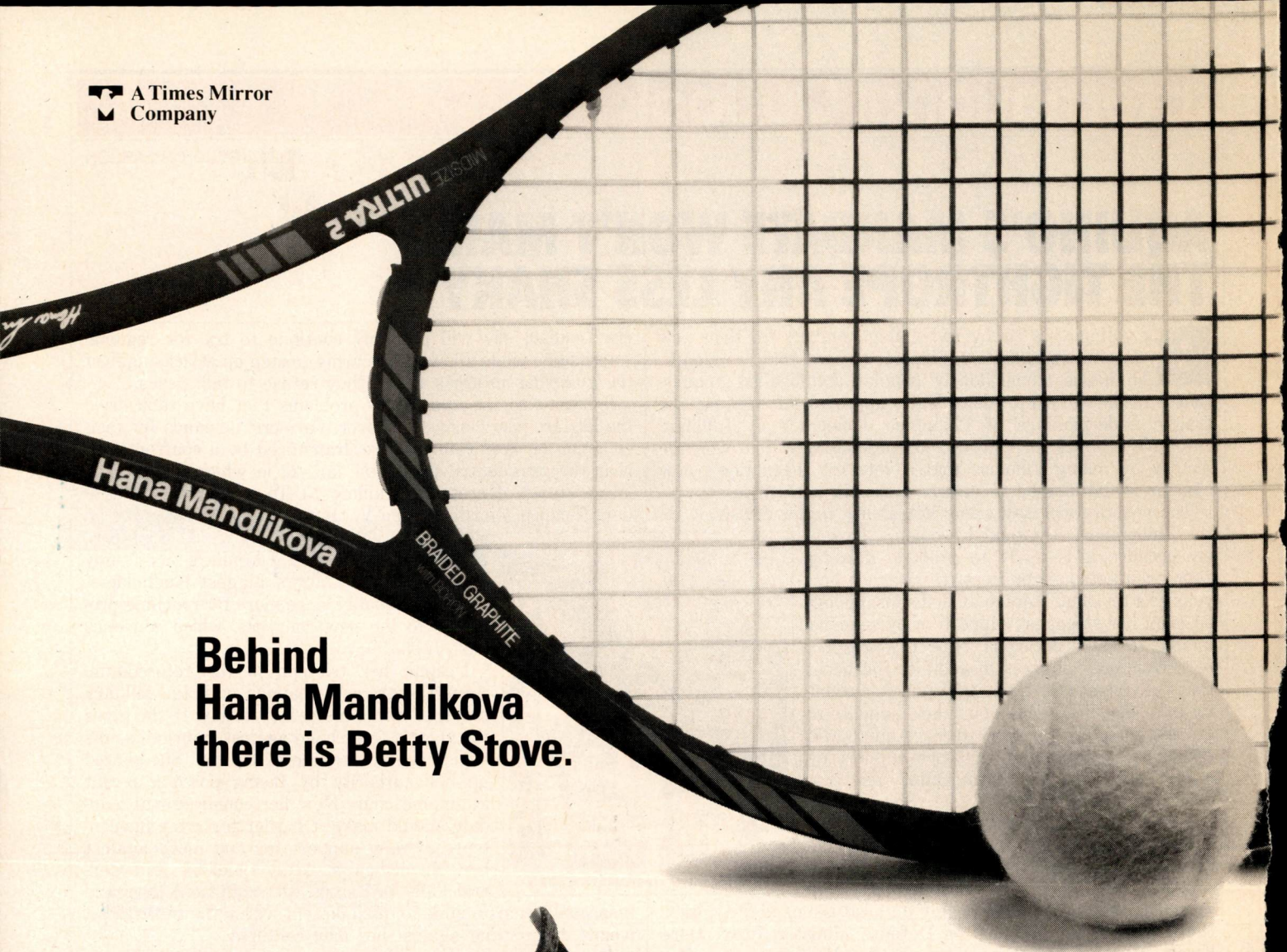
Landlocked neighbors fear that Pretoria could put pressure on them by cutting off their trade routes through South Africa. As an alternative, they are rushing to rebuild Mozambique's war-damaged rail and port facilities with help from the West. The effort, led by Zimbabwe, doubled traffic through Mozambique's port of Beira in the last quarter of 1986 and could double it again by mid-1987. Up to 10,000 Zimbabwean troops are guarding rail, road, and oil-pipeline links in the 190-mi. "Beira corridor" against sabotage by guerrillas of the South African-backed Mozambique National Resis-

tance (Renamo). And on Mar. 1, the Amsterdam Port Authority will take over operation of Beira's port as part of a \$196 million aid package from European governments.

Since 1980, raids against transport by Renamo and by South African-backed UNITA guerrillas in Angola have forced Zimbabwe, Zambia, and other countries to rely heavily on trade through South Africa. For the West, the Beira corridor could ease dependence on South Africa's minerals by providing an outlet for Zaire's manganese and Zimbabwe's chrome. But despite the increased traffic through Beira, South Africa still carried 75% of nearby countries' trade last year.

EUROPE

Political pressure to impose European Community curbs on Japanese autos is building fast. European car-makers want the EC Commission to limit imports from Japan to 1 million cars a year. Last year's total was more than 1.1 million, absorbed mostly by West Germany and the Benelux nations. EC-wide curbs would shelter these markets as well as those of France, Britain, and Italy, which already restrict Japanese imports. Auto makers want quick action because, they say, the Japanese are stepping up sales to establish a high base for negotiating any limits with the EC.



**Behind
Hana Mandlikova
there is Betty Stove.**



**Behind the
New York Mets
there is
Davey Johnson.**

"I AM wanted in my country," admits CHARLES AVILA, who spent 15 years actively organising peasant movements and cooperatives in the Philippines. He was president of the Democratic Socialist Party before martial law was introduced by Ferdinand Marcos.

He also served as vice-president of the Federation of Free Farmers. "I was avid in proposing a Henry George solution. We were proposing a land tax." The Federation, which was eventually suppressed by Marcos, received research assistance from the Boston-based Lincoln Institute.

Avila escaped into exile, and now spends most of his time in North America, where he writes for Philippine News, a San Francisco-based weekly newspaper, and the London-based South, a Third World orientated magazine. He makes occasional clandestine journeys back to his country. "I sometimes fear for my life," he says. "There is a lot of evidence of persecution. But what can we do, it's part of the job."

He admits that he has helped to organise Filipino solidarity groups, "and doing errands for opposition political parties."



● Charles Avila

● The struggle for political power in the Philippines reached a turning point on February 7. President Ferdinand Marcos staged a dirty tricks election which he claimed he won, but which left a lot of questions unanswered.

● Guerrilla warfare has disrupted the economy, and opposition parties have raised questions about the future of the two American bases there. The assassination of Benigno Aquino as he stepped onto the tarmac

at Manila airport focused the deep-seated anger of millions of peasants who, through landlessness, were forced to migrate to the cities.

● Aquino's widow, Corazon, decided to challenge Marcos for the presidency. As soon as she formally announced her intention, she received a court order that threatened to seize the family's plantation on the grounds that the estate had "failed to submit to land reforms."

● Mrs. Aquino claims that, because

sugar is grown on the plantation, it is exempt from the Marcos land reform laws which were originally designed to redistribute land to the tiller. And she claims that the court order was part of a plot to intimidate her – and the millions who are expected to vote for her. Ironically, the legal action served to highlight the single most important issue facing the Filipino population: the right of access to land.



● Ferdinand Marcos

Marcos: the way to clean up 20 years of despotic blundering

By FRED HARRISON

OFFICIALLY, there are 12,500 guerrillas fighting in the Philippines. But according to David Durenberger, chairman of the U.S. Senate's Intelligence Committee, there are more than 30,000 armed fighters who want to overthrow Marcos from his palace in Manila.

These men are labelled as communists, and their ideological slogans certainly seem to classify them on the extreme left of the political spectrum. In fact, however – as is the case throughout the Third World where hungry, property-less people are transformed into outcasts by society – they are merely demanding a fair share of the wealth of their community. Marxist concepts have become the simplest instruments for publicising their grievances and mobilising people and munitions behind their cause.

Guerrilla movements are violent expressions of the failure of society to incorporate all of its citizens into a system that allows for the peaceful resolution of primary needs – the need of every man to feed his family and provide a decent home and education for his children. At heart, the peasants who resort to warfare to recapture the right to work without fear of repression are deeply-conservative in their attitudes. Provide them with enough land on which to work, and they become right-wing in their ideological preferences!

Ferdinand Marcos recognised this fact, and – in fairness to him – he attempted to do something about the maldistribution of land when he came

to power two decades ago. His solution was bound to fail, however. For his land reform took the form of redistributing land from some of the big estates, to those who wished to till the soil. There are two classic disadvantages with this approach.

First, the enforced dismantling of working estates leads to a reduction in productivity. This does not happen in cases where the estates are composed of vast tracts of vacant land, of course, as with the *latifundia* of South America. Second, no matter how hard the authorities work to redistribute land, there is never enough to go round: the population usually grows at a faster rate than the supply of new land. The perfect example of this is Mexico, where the revolutionary government is dedicated to allocating virgin and under-used land to the tenant tillers: even so, poverty and rural discontent are widespread, because there is just not enough land for everyone who needs it.

The solution to this problem is the combination of ancient Christian beliefs with classical economic theory, according to one Filipino rebel, Charles Avila. Avila, a lay Catholic priest, is difficult to trace – because he is on the Manila government's hit list of troublemakers. So I had to follow a trail of telephone numbers that began in San Francisco, through Canada, to New York, where I was

eventually able to interview him.

Avila's book on property rights (*Ownership: Early Christian Teaching*, published by Orbis Books in 1983) effectively reveals that the priests who provided the philosophical foundations of the Christian church were powerful opponents of private property rights in land – rights which were used to exclude people from the means to make a decent living for themselves and their families.

Twenty years ago, as he worked to improve the rights of tenant farmers in the Philippines, Avila came across the modern solution to the problem that originated in classical civilisation. He describes his findings in these terms:

"The injustice of individual ownership of land seems to have been recognised quite instinctively by the earliest human beings, both at the food-gathering stage, and when they first graduated to the production of their means of subsistence. The appropriation by some individuals of the land on which and from which all must live was seen as a condemnation of the producers of wealth to deprivation, while non-producing owners would be pampered in luxury at their expense.

"The producers would be denied the right to either a part or the whole of their own produce. Some persons would be able to appropriate the produce of other persons' labor as the price of permission to work the land – which no one had made but was simply 'there', a free gift of nature. In the end, it was feared, ownership of the land would give the landlords ownership of the labor power on the land. And of course, ownership of that on which and from which all people must live would be little different from owning the people themselves."

Having analysed the source of inequality in society, Avila needed a solution that fitted the needs of the 20th century. This, he stumbled across in the writings of a 19th century American social reformer and economist, Henry George, who had drawn the conclusion that private property in land led directly to the enslavement of people – enslavement, that is, through the appropriation of all the income that was surplus to the basic need to physically reproduce the population. "Patristic thought," wrote Avila, "the thought of the fathers of the Church, the early Christian philosophers, concurs."

I ASKED Avila if he really thought that the patristic strictures against ancient injustices – based on the unequal distribution of land – were still relevant today. He replied:

"The basic criticism of the early Christian philosophers of society in the late Roman Empire would be substantially true today, because in many Third World countries you will find literally the same conditions prevailing, with superficial differences like the advance in technology. But the ownership arrangements that prevailed then, still prevail now; more significantly, the justification for society as it was then is still prevalent now. So the criticism should be equally relevant.

"The very concept of ownership of property was understood in an absolutist and exclusivist sense, and not in the context of being a means to the ends of society, of community and self-reliance. It was practically an end in itself, and with some modifications that substantial concept exists today in law and fact."

Henry George's solution was a fiscal one. People should be free to

own as much land as they wanted, provided they paid the full economic rental value of their acres to the community. The free market would determine rental levels. The end result would be a break-up of the estates which were too large to be run efficiently – and the immediate redistribution of land away from hoarders who, in the past, acquired land merely to speculate on its future value. How relevant was this critique to modern conditions?

"More relevant than ever," replied Avila, "because the concentration of land ownership has progressed in the past 100 years in many countries. People should be invited to look at land as a free gift for everyone to use... not to transform it into a commodity."

Avila believes that the Marxist critique has some useful contributions to make to contemporary problems – but not, it seems, in the realm of land reform. "Too many Marxists opt for the statist solution, rather than the communitarian solution."

Catholic priests, particularly in Latin America, have become active in advocating land rights for peasants. The Pope, however, has expressed opposition to this "liberation theology". The Vatican's hostility can be traced back to the land question, according to Avila.

"In how many dioceses is the church a big landowner? In too many," says Avila.

Does this affect the Vatican's attitudes? "It does. The biblical thing is that where your treasure is, there your heart is also. The pressures of

the pocket book tug at the brain, and the Vatican's brain makes all kinds of distinctions when it comes to liberation theology. For example, liberation theology is OK in Poland, but not in Nicaragua."

The Vatican, in Avila's view, operates within an authoritarian tradition. And liberation theologians advocate reforms that would lead to self-reliant communities – which might not fall so easily under the sway of the Pope.

At the end of the interview, I felt that Avila had spotlighted one of the major difficulties for well-meaning despots like Ferdinand Marcos. They may wish to improve conditions for the citizens, but the mechanisms for doing so must not simultaneously undermine the existing power structure!

Land reform is vigorously advocated by the United Nations, but no government has yet succeeded in constructing a system that was consistent with both economic efficiency and social justice. Early Christian teachings, combined with Henry George's tax policies, appear to provide the perfect solution. Unfortunately, this programme would lead to individual liberty and social harmony. And that leaves little scope for mass manipulation of people.

Can we really expect the powerless peasants to believe that the transition to social and economic harmony can be achieved without the use of some measure of violence on their behalf? I wonder what answer Benigno Aquino would have given to that question.

★★★ LOST ROOTS OF How Americans principles

By Fred Foldvary

THANKSGIVING DAY is an annual holiday in the United States, celebrated on the fourth Thursday in November. (There is a similar Canadian holiday in October.) Typically, it is a family-orientated festival whose centerpiece is a tremendous roast turkey with cranberry sauce.

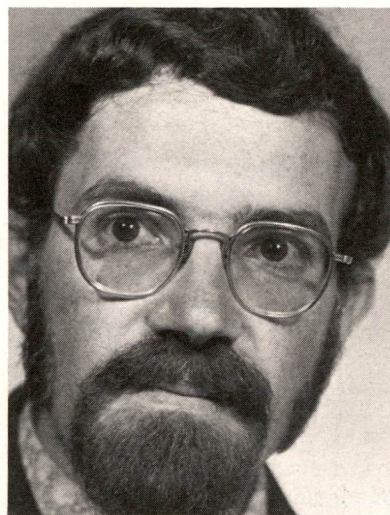
According to American folklore, the custom dates from the thanksgiving day set aside by the *Mayflower* Pilgrims after their first harvest in 1621. After the harsh first winter, when the colonists nearly starved, they were saved by an abundant harvest and had a festival to give thanks to God for their deliverance, and they invited some Indians to share their bounty.

The devotional observance has largely given way to family reunions, sports, and feasting. But the quaint story is still told that the celebration's origin is religious, and in fact Thanksgiving Day remains the least commercialised American holiday.

SUCH IS the legend. But what really happened back in the 1620s? Would a simple accident of fortune leave such a great impression that Americans have remembered and re-enacted the thanksgiving ever since? The social significance of the historical incident has been buried in history and forgotten. But for the facts one needs only to read the chronicle left by the colonists' governor.

The history of the Pilgrims was written by William Bradford, governor of Plymouth for much of its early history. Most of our knowledge of the Pilgrims is based on his book, *Of Plymouth Plantation*, also known as *History of Plymouth Plantation*.

The Pilgrims were religious refugees who had left England, settled in Holland for a time, and then sailed to America from Plymouth, England on the *Mayflower* on September 6, 1620. On arrival in what is now Massa-



● Fred Foldvary

chusetts, they founded the new Plymouth. There were 102 settlers.

Their landing at Plymouth was an accident; they were supposed to have landed much further south, but a storm diverted the ship. The area where they landed was beyond the bounds of their sponsoring company in England, and so they drew up a provisional instrument of government. In the cabin of the *Mayflower* the evening before landing, the heads of families adopted the *Compact of the Pilgrims*, also known as the "Mayflower Compact".

The first winter was one of hardship, most probably from disease. Half the colonists died, including the first governor. Bradford succeeded him. They were joined by 50 more Separatists from Holland in the Spring of 1621.

The sponsors ("adventurers") in England had made an agreement with the Pilgrims for seven years, "during which time," as reported by Bradford, "all profits and benefits that are got by trade, traffic, trucking, work,

fishing, or any other means of any person or persons, remain still in the common stock."

The economic system of the Pilgrims, under terms of their sponsors, was communism. All crops and other "profits" were to be shared with the colony. The colony was to be a literal "commonwealth".

By early 1623, two and a half years after landing, the Pilgrims faced a famine. They were desperate and argued about how they could raise more food. Bradford writes that after much debate, they decided to make a drastic change in their economic system. Bradford writes that in the new system:

"They should set corn every man for his own particular, and in that regard trust to themselves." They "assigned to every family a parcel of land, according to the proportion of their number, for that end, only for present use (but made no division for inheritance)."

Now the corn which a family raised

'Prayers ... the drought broke ... and the Pilgrims were celebrating their conversion from communism which had failed, to private enterprise, which had succeeded'

would no longer go into the common stock. But the land itself remained the property of the community.

Of their experiment with communism, Bradford writes:

"The experience ... amongst godly and sober men may well evince the vanity of that conceit of Plato's and other ancients, applauded by some of later times, that the taking away of

policy that Labour needs

case for public ownership is debatable while doing nothing effective to take back for the people that which unarguably belongs to them—the natural resources of their country.

Not that the voices of sanity in the post-war Labour Party were silent. Many Labour men and women at Westminster saw clearly the tragic impotence of their Party's legislation on the land front.

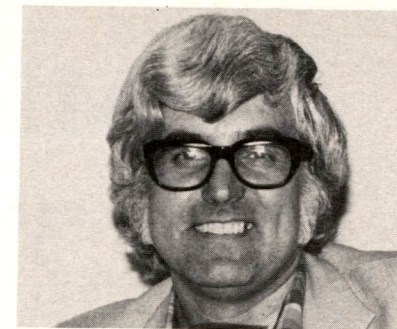
There were Herbert Morrison, Hartley Shawcross, Richard Stokes—all ministers under Attlee—besides MPs such as H. G. McGhee, J. H. Hudson, C. R. Hobson and A. G. Bottomley. And such people must have had behind them many local councillors and Party workers watching with deep concern as their Party veered off course.

Now, however, there is better news. It seems that some of those Party workers are getting organised to ensure that, when Labour again has a chance to end the injustice of private land ownership, it will not be found wanting.

Heather and Dave Wetzel—the latter a prominent GLC councillor—have recently launched the Labour Land Campaign with a 28-page pamphlet entitled "Wanted—A Socialist Land Policy".

This sets out the case for Labour to put its full weight behind land-value taxation (or site-value rating) instead of, as in the past, "taxing development values ... (which) ... forced up land prices and played into the hands of speculators."

The campaign has the support of a number of Labour MPs, Labour European MPs, at least one trade



● Dave Wetzel

union and a number of local Labour Party organisations.

The pamphlet is comprehensive and convincing, the latter virtue enhanced by its terse and punchy style and the simple and direct way in which it makes its case.

In very few words it explains that land is a product of Nature to which no individual can validly lay claim; that land is essential for all human activities—eating, working, building homes etc.—and that where it is commandeered into private ownership it commonly brings "starvation, homelessness and unemployment for millions while a tiny minority of very rich and powerful landowners enjoy luxury beyond the imaginations of most people."

THE WETZELS emphasise that the justice they seek in the tenure of land is not justice for the sake of

being just. The economic stakes are high. As population and economic activity increase, so the value of land rises, making it a profitable subject for investment and speculation rather than for productive use.

Land held out of use for speculation forces up the price of available land, with inevitable adverse results for economic activity and employment.

It is quite obvious, says the pamphlet, "that the economic rent paid to landowners is an unearned income." So society has not only to pay a "ransom" to a landowner before a school, hospital or factory can be built, but that ransom will be all the higher "because of community activity which requires no effort by individual landowners."

The Wetzels acknowledge the part played by David Ricardo and Henry George in making known the true nature of economic rent. But they also show that the same truth was seen by Karl Marx, who wrote:

"Wherever natural forces can be monopolised and guarantee a surplus profit to the industrial capitalist using them, be it waterfalls, rich mines, waters teeming with fish or a favourably located building site, there the person who by virtue of title to a portion of the globe has become the proprietor of these natural objects will wrest this surplus profit from functioning capital in the form of rent;"

The pamphlet, despite its economy in size, goes into many other facets of the case for taxing land values: the origin of land titles, the crime of the enclosure of common land in Britain, how land got its value, the derelict land in cities, government subsidies and handouts to rich landowners, experience overseas, how a land-value tax would operate—and many more.

The Labour Party, so we read in the Press, devotes much time and effort to the re-selection of its MPs. It would pay the Party to give some attention to the re-selection of an effective land policy. The policy advocated in this pamphlet could be a vote-winner at the next election.

LUCK OF THE SPANISH!

SPAIN—along with Portugal—has just become the newest member of the European Economic Community.

That means the landowners of the Iberian peninsula will soon be pocketing large increases in rental income, thanks to the largesse of the Common Agricultural Policy.

But some owners in socialist Spain cannot believe their luck. They own poor quality land in Andalusia, which they have

chosen to keep uncultivated despite the extensive rural poverty.

To try and alleviate the poverty, the regional government has taken over 12 unproductive estates near Malaga. The owners will receive rent for 12 years, while workers—formed into cooperatives—develop the soil's fertility.

After 12 years, the owners will be given back their land and all they will have to pay for is the capital improvements upon

the land!

Left-wing critics argue that this is a stupid way to improve the condition of the landless peasants. Said one of them: "Tenants will turn a wasted asset into a going concern and then hand it over in favour of the owners who originally kept the land idle!"

So the owners will have their estates brought into productive use by others, and reap the artificially high rents of Europe's agricultural policy.

NOTES:

1. Henry George in *The British Isles* by Elwood P. Lawrence, Michigan State University Press, 1957 (Ch. 13).
2. Town and Country Planning Act 1947.
3. Land Commission Act 1967 and Development Land Tax Act 1976.
4. Paper tabled at "The Future of Planning" GLC Conference June 21, 1985.
5. *Capital Vol. III* by Karl Marx.

Aquino Puts Controversial Land Reform Into Effect

From Times Wire Services

23 July 81 p. 1

MANILA—Philippine President Corazon Aquino on Wednesday signed a sweeping and controversial land reform program aimed at redistributing large tracts of farm acreage—virtually all private agricultural holdings in the nation—to millions of landless peasants.

Presidential spokesman Teodoro Benigno said the decree covers all public and private agricultural land except that held by “cultural minorities.” He said Aquino has told members of her Cabinet to support the program or resign.

However, the decree failed to address the critical question of just how much land a single individual can own, leading opposition politicians to charge that the president—herself from a wealthy Philippine family—is succumbing to pressure from rich landholders.

The decree, which Aquino signed

in the last days before her sweeping powers are to be curtailed by a new Congress, will distribute at least 13 million acres to more than 2½ million peasants. It represents a compromise between those who pressed for a detailed presidential decree limiting private holdings and those who maintained that the new Congress should implement such a program. The Congress will convene Monday.

Philippine landlord associations opposed the plan as confiscatory, and some threatened to organize armed groups to prevent the takeover of estates. These landowners—and even some members of Aquino’s Cabinet—had opposed a 17-acre limit proposed in earlier drafts of the decree, saying such a limit would hurt farm productivity and scare off agribusiness inves-

Please see PHILIPPINE, Page 13

the expanding contra force. He added that the U.S. government has confirmed that the contras have shot down six of Managua's 60 Soviet-supplied combat helicopters

had ceased and Kabul receive guarantees that it would, no sume. He renewed his offer rebels to join a coalition government in Kabul.

The Nation

U.S. Worker Misuse Cited

The White House bolstered its staff in recent years with hundreds of workers from other federal agencies, breaking laws and misleading Congress in the process, a congressional study said. Presidents have long brought government workers from other agencies to work at the White House. But the draft report by the General Accounting Office found that, in recent years, the White House has failed to report many of the transfers to Congress and to reimburse the workers' agencies for their salaries. Many of the workers were hired by government agencies expressly to work in the White House, "an inappropriate use of . . . [hiring] authority," the report said. The White House refused to comment, saying officials have not seen the final report.

The owner of a plumbing supply shop was charged with illegally storing tanks of propane gas that sparked an explosion and fire in Brooklyn, killing four people and injuring 35, officials said. Ben Stalzburg, owner of the 18th Avenue Plumbing Supply Co., was ordered to appear in Criminal Court Sept. 28 on four separate violations of the city building code and zoning resolution. The plumbing supply store, a bakery and a small apartment building collapsed and burned in the blast, touched off when plumbing shop worker dropped one of the propane tanks down a stairwell into the basement.

Former Presidents Richard M. Nixon and Gerald R. Ford paid tribute to the late Arthur F. Burr, the former Federal Reserve Board chairman, remembering him for his

PHILIPPINE: Land Reform Is Now Law

Continued from Page 1.

tors. The decree leaves the acreage limit up to Congress.

Deogracias Vistan, president of the Land Bank of the Philippines, one of the main agencies that is to implement the measure, said last month that much of the controversy centered on 3.2 million acres of privately owned sugar, coconut and banana plantations.

He urged then that Aquino carefully study the effects that a low limit on land ownership would have on farm productivity and cautioned that entrepreneurs planning to invest large sums of money to convert increasingly unprofitable sugar land into prawn farms might be scared away.

Will Distribute Own Land

On Wednesday, at a news conference, Aquino seemed to disregard this. And she repeated a pledge she made in March—to place her family's 14,820-acre sugar estate under the decree.

Aquino said the plantation, named the Hacienda Luisita, will be included. "This is a comprehensive land reform program, so definitely Hacienda Luisita will be affected by this program," she said.

Spokesman Benigno told reporters that Aquino had warned her ministers that she expects them to support the program.

"Whatever differences there are, we have to lay [them] aside," he quoted the president as saying. "If anyone here cannot live with it, either he keeps quiet or resigns.

We can't afford any dissensions at this point."

The final decree, which provides support services but no limit on the size of landholdings, was condemned by the left-wing opposition, as well.

"We are against the decree," Felicisimo Patayan, vice chairman of the Philippine Peasants Movement, said. "We believe many provisions of the decree are anti-peasant."

Opposition from many landholders was so vehement that some sugar planters on Negros Island have threatened to organize private armies.

Land reform has traditionally been among the most controversial issues in the Philippines, where 70% of the population lives in rural areas. More than a dozen land reform programs enacted this century have failed because of lack of money or political will, or opposition from powerful families.

Communist rebels have made land reform one of the main goals of their 18-year insurgency.

Aquino told her news conference that Congress must decide on acreage limits on private holdings within 90 days. If it fails to do so, she said, the administration will mandate its own limits.

Previous land reform drafts prepared by the government would have restricted private holdings to about 17 acres by 1997. Critics said 17 acres was too small for commercial farming, but proponents said farmers could form cooperatives or enter into lease agreements with

agricultural companies.

Manila newspapers said Wednesday that Aquino had been presented with nearly 30 land reform drafts in the last few days as she raced to preempt congressional action. She pledged to address the issue of land reform when she took power last year.

In Washington on Wednesday, Sen. Jesse Helms (R-N.C.), ranking Republican on the Foreign Relations Committee, criticized Aquino's land reform measure, saying she is ignoring the Philippine constitution.

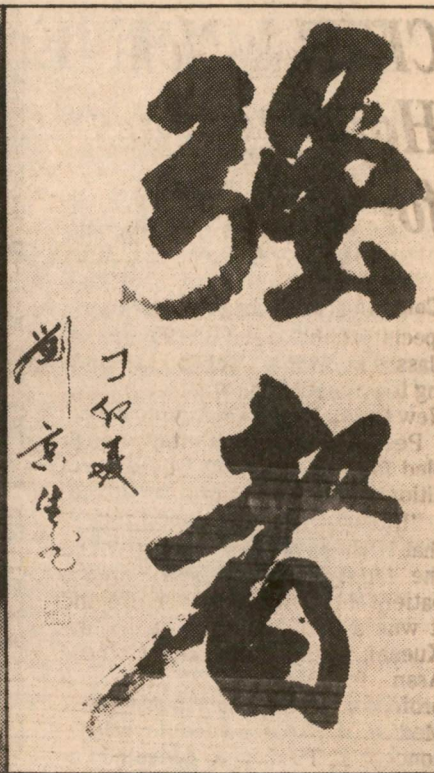
'No Authority'

"She had no authority to do so, not even in the cause of reform," said Helms, an archconservative who under present arrangements would become chairman of the Foreign Relations Committee if his party regained control of the Senate.

"There is nothing in the Aquino track record to suggest that she is enamored with the democratic process," Helms added.

Speaking to a conference on the Philippines sponsored by a private group called the U.S. Global Strategy Council, the senator rebuked the State Department and the CIA for "in effect, mounting a coup against an ally" by urging the departure of former Philippine President Ferdinand E. Marcos 1½ years ago.

He called Marcos, who is under "island arrest" on the Hawaiian island of Oahu, an ally and friend of the United States.



DAVID HOLLEY / Los Angeles Times

Liu Jingsheng, who lost both arms in a factory accident, now does calligraphy with a brush

strapped to the stump of his right arm. At right, his view of the handicapped: "Strong ones."

sections and ramps leading into major stores and theaters.

"Wangfujing is the starting point, and it will be followed by other cities and other parts of Beijing city," Li said.

For those affected by the improvements, every little bit helps.

Yan Dekui, a 67-year-old retired worker with a bad hip, knew all about the changes along Wangfujing when approached by a reporter who saw him riding down a nearby street in a hand-driven three-

schools for the blind and deaf, an increase of about 30% during the past six years, Liu Gangqi said. Neighborhood rehabilitation services are being expanded with the help of the United Nations and the World Health Organization.

During a visit to China in late June, former President Jimmy Carter signed a letter of intent for Global 2000 Inc., a private organization he founded, to support edu-

cation of handicapped children and help provide artificial limbs for amputees.

The city of Beijing began providing education for the mentally handicapped in 1981 and now has 1,100 students enrolled at four

Please see CHINA, Page 15

REAL ESTATE LICENSE

READY TO BUY
A NEW CAR
AND

Aquino land reform plan rapped as too modest



The Associated Press

Philippines President Corazon Aquino reads from her land reform decree yesterday.

By SETH MYDANS
New York Times News Service

MANILA, Philippines — President Corazon C. Aquino issued a compromise decree on land redistribution yesterday that left open a number of crucial questions and drew immediate criticism from both landowners and farmers' groups.

In addressing what many Filipinos contend is the nation's most urgent issue — social and economic imbalances that have fueled a Communist insurgency — the president appeared to have taken a modest approach.

The decree set forth broad guidelines, many of them already mandated by a new Constitution, calling for an equitable redistribution of all farmlands.

But it left in the hands of a newly elected legislature the questions of a timetable, of maximum legal landholdings and of priorities for the redistribution of different types of croplands.

Advocates of land redistribution voiced disappointment and anger yesterday. They had pressed for a presidential decree before the convening of Congress next Monday, arguing that the largely conservative legislature will be unlikely to mandate significant changes. Legislators have lobbied in recent weeks against a land decree.

In addressing the issue, Aquino appeared to have been most sensitive to the pressures of large landowners. She shied away from calls for stronger action from groups including the powerful Roman Cath-

olic Church, which has been politically close to her.

As the opening of Congress neared, and with it the curtailing of the president's decree-making powers, pressure on her increased to fulfill her campaign promise of land redistribution.

But as debate progressed, successive drafts considered by the president became weaker. As with other decisions, she appeared to seek a compromise rather than to set her own agenda.

The decree broadens the current law, promulgated by Marcos in 1972, to cover the vast sugar and coconut plantations. These make up some 3.2 million acres of the 13.3 million acres of cultivated land.

At a news conference announcing the action, Aquino said her program also dif-

fered from that of her predecessor in that it provided for credit and technical assistance to farmers.

She said her family's 15,000-acre sugar plantation would be covered by the law.

Landowners are to receive 10 percent of the fair market value of their land — a value still to be determined — with additional 10 percent payments over the next nine years. Recipients will pay for their land over 30 years at 6 percent interest.

The decree earmarks 50 billion pesos, or \$2.4 billion, for the program over five years, with the money to come from the sale of government property and from assets to be seized from associates of Marcos.

RIVERSIDE FINAL EDITION

Slim cook

Riversider urges
'Steam Cuisine'

FOOD, D-1



Mother of slain baby faints on witness stand LOCAL, B-1

Cemetery board appalled at filming of horror movie LOCAL, B-1

Grand swap to make GE a medical equipment giant BUSINESS, C-1

The Press-Enterprise

THURSDAY, July 23, 1987

RIVERSIDE COUNTY, CALIFORNIA

Circulation: Daily, 140,941; Sunday, 147,178

25¢

LAND from preceding page

is allowed to act on other land reform measures. Under Marcos's meager land reform program, the limit was 7 hectares (16.8 acres). Aquino says Congress has only three months to set the limit or else she will issue "implementation guidelines." House Speaker Ramon Mitra says he plans to finish a land-reform law by the end of August.

Aquino's order mainly deals with how to compensate landowners for selling their land to the government and how to collect payments from land recipients.

By early February, owners of all private agricultural lands will be required to tell the government their estimates on the "current fair market value" of their lands

as well as the "latest fair market value" estimated by local assessors. The final price tag on the land, however, will be determined by a Presidential Agrarian Reform Council, a group to be made up mainly of Cabinet members.

Landowners will be paid over a 10-year period, first with an initial cash payment equal to 10 percent of the land value, and then with bonds bearing market rates of interest and redeemable year by year until the full compensation is made. Aquino decided that the bonds can be sold or used to buy into government-controlled companies that are to be privatized in coming years. Under Marcos, a similar bond compensation was widely criticized because the bonds could not be used to obtain loans and eventually lost their value during inflation.

Land recipients will be required to pay for their land over a 30-year period at 6 percent interest. But the payback will be reduced if it exceeds 10 percent of the farmer's annual production. If the new landowner misses repayment for three consecutive years, the government will take the land back.

A number of land reform experts see

numerous legal loopholes in the Aquino plan and administrative problems in implementing it. But the most worrisome problem is the cost of the program.

The President set a five-year target to carry out the program, to coincide with the end of her term of office in 1992. Her aides say the government will need \$2.5 billion, with most of that to come from the recovery of the "ill-gotten" wealth of Marcos and his associates and the sale of Marcos-era government assets and companies. For the first year, the government says it has \$135 million to spend on the program.

A few months ago, the government was asking foreign creditors if they would help fund the program, but the idea was shelved by some of Aquino's more nationalistic aides who prefer a self-

reliant approach. Foreign participation could also be used as a propaganda weapon by the outlawed Communist Party of the Philippines. Still, some foreign creditors, such as the Asian Development Bank, have left the door open for talks on land-reform financing in the future.

The Aquino order has other problems to face. It is unclear how the government will exactly determine who are the landless farm workers or tenants who are qualified to own the land they now till.

Aquino also did not backdate the order to catch all the land transfers that have been taking place in anticipation of the order. Many landowners have distributed their holdings to relatives, hoping to stay under the expected retention limit.

Aquino also has offered the option of a "voluntary" sale for landowners. These would be private deals with tenants but regulated by the government. This would help landowners avoid the legal route of selling to the government.

For corporations that own large estates, Aquino has ordered that workers be given the right to purchase capital stock "in relation to the corporation's total assets."

Landowners have parceled out their holdings to relatives, hoping to keep their land.

THURSDAY, JULY 23, 1987

THE CHRISTIAN SCIENCE MONITOR

INTERNATIONAL

Aquino plan for land reform faces uphill struggle

By Clayton Jones

Staff writer of The Christian Science Monitor

Manila

Five days before losing near-dictatorial powers, President Corazon Aquino ordered swift land reform in the Philippines – minus a few key points.

Those points, such as how much agricultural land can be retained by present landowners, will be tackled by a restored Congress, which opens Monday after a 15-year absence under former ruler Ferdinand Marcos.

Mrs. Aquino signed her executive order yesterday – 17 months after taking power – to prevent the newly elected Congress from potentially delaying, diluting, or even defeating pro-

posals to redistribute the nation's agricultural lands to the landless.

If implemented, Aquino's order will have wide-ranging but still unseen implications for the Philippines – its economy, its political patterns, and an 18-year-old communist insurgency.

In Asia, a successful Philippines land reform program would rank in impact with land redistribution in China, Vietnam, Japan, South Korea, and Taiwan in recent decades.

A rigorous national debate on land reform began in earnest last Jan. 22, when a dozen or more Filipinos were killed near Aquino's office in a pro-land reform protest. The emotional

aftermath of the incident added to the already charged atmosphere surrounding the issue of reducing the nation's wide landownership disparity.

Officials say the Philippines is in a rare historic moment when the country can face the challenge of land reform. They cite the unusual circumstances of last year's revolt against Mr. Marcos, Aquino's high popularity, and a perception by much of the landed class that they are threatened by the growing communist insurgency.

But they admit that land reform requires equal emphasis on a total revamping of government agricultural services to newly-landed farmers. Without greater

productivity, farmland will not produce the excess wealth to generate new industries that can provide jobs for a fast-growing rural population.

The greatest threat to land reform – and perhaps Aquino's popularity – lies in the reaction of landowners, some of whom have begun to arm themselves to defend their land. Pressure on Congress from organized landowning groups is expected to determine the so-called retention limit on size of landholdings to be included in the program.

Under a Constitution approved by voters last February, Congress is given power to set the retention limit, while Aquino

Please see **LAND** next page

The greatest threat to Philippine land reform – and perhaps Aquino's popularity – lies with the landowners, some of whom have begun to arm themselves. In addition, experts see legal loopholes and administrative problems. But most worrisome is the cost.

1. Many Phils. now have finished h.s.
Hi literacy rate. (cf. Ireland)
2. Rural pop. is not dense.
3. Policy is to decentralize indy. from Manila.
4. Bases take up huge areas. (cf. Puerto)

Books

WALTZING WITH A DICTATOR: THE MARCOSES AND THE MAKING OF AMERICAN POLICY

By Raymond Bonner • Times Books • 533pp • \$19.95

HOW U.S. POLICY WENT SO WRONG IN THE PHILIPPINES

“Outsiders do not cause communist revolutions; internal conditions and dictators do.” So argues Raymond Bonner in *Waltzing with a Dictator: The Marcoses and the Making of American Policy*, a harsh critique of the relationship between the U.S. and the Philippines until the downfall of Ferdinand E. Marcos. Washington supported Marcos’ dictatorship as a bulwark against a local communist insurgency. Yet it was during Marcos’ corrupt 20-year reign, says Bonner, that the communists grew from relative insignificance in this poverty-ridden country to become a serious menace.

Ever since Marcos’ overthrow and Corazon C. Aquino’s election to the presidency in 1986, a flood of journalistic analyses have sought to illuminate what’s happening in this island nation of

50 million. None is more compelling than Bonner’s book. A former *New York Times* foreign correspondent, Bonner surveys the history of the U.S. involvement in the Philippines, and against this background analyzes current events. Equally arresting is his portrayal of the Philippines’ bizarre realpolitik.

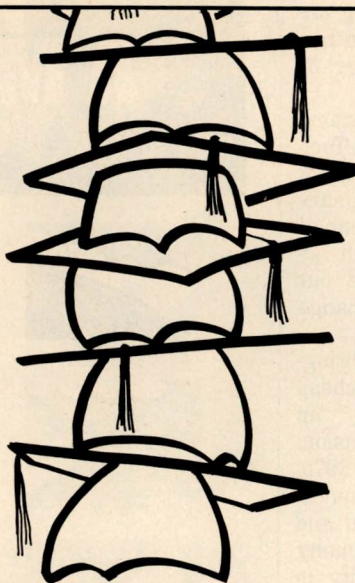
According to Bonner, practically every Philippine president—from the inept Elpidio Quirino and the popular Ramón Magsaysay to Carlos P. Garcia, Diosdado Macapagal, and Marcos—has been shamelessly beholden to Washington. The Philippines is an oddity in Southeast Asia: the only Catholic nation and the only former American colony. It still reflects many of the traditions of Spain, which ruled the islands for 300 years. But when the U.S. assumed control at the turn of the century, it shaped a polit-

ical and educational structure in the Philippines that ensured—until 1986—that the real seat of power was the U.S. Embassy in Manila. Basing his conclusions largely on material obtained under the Freedom of Information Act, Bonner illustrates how this massive American influence led to the postwar failure of democracy in the Philippines.

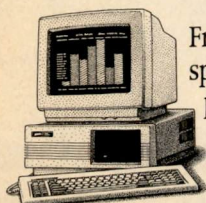
Bonner, a Latin American specialist, acknowledges that he is no expert on the Philippines. But he captures the flavor of the psychological conflicts and political crosscurrents among Filipinos in a way that might have been expected only from a native. Marcos loyalists and their American sympathizers will argue that Bonner’s depiction of the power and greed of Marcos and his wife, Imelda, merely repeats gossip long heard in Manila. But Filipinos who suffered the excesses of the Marcos regime will welcome Bonner’s book, for it accurately chronicles the events of which they were helpless witnesses for so long.

In the end, Marcos was exposed as a puppet of the Central Intelligence Agency and the U.S. Presidency. He wasn’t the first. The CIA handpicked Magsaysay to oust the unpopular Quirino, according to Bonner. The agency, the author

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THE QUALITY GOES IN BEFORE THE NAME GOES ON

who bribed legislators to pass laws granting them government subsidies or other special privileges that allowed them to amass unearned wealth. Others, like James J. Hill, who made a fortune building the Great Northern Railroad without any federal help whatever, were not considered greedy by Hayek. Multi-billionaire John Paul Getty worked 18-hour days right up to his death and earned every dollar he produced, but he was not greedy. Getty, like many other successful industrialists, recognized that productive achievement is man's noblest activity and his wealth was a measure of his success.

Greed does not imply excess. The drive to acquire wealth from a productive enterprise is both healthy and moral no matter how rich one becomes.

William Vandersteel
Alpine, N. J.

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Regarding "Stan Shih wants 'Made in Taiwan' to mean first-rate" (Information Processing, June 8), we are seriously concerned by your article about Stan Shih and his companies, Multitech Electronics Inc. and its Taiwan-based parent, Multitech Industrial Corp. In explaining their name change from Multitech Electronics to Acer Technologies, Shih cited "limited success in selling under the Multitech name," along with a desire to "shake the cheap image of goods made in Taiwan."

The actual reason for their name change is that our company, Multi-Tech Systems Inc., sued them for trademark infringement and obtained a preliminary injunction. As part of the settlement of that lawsuit, the "other" Multitech admitted that its products infringed our trademark rights and agreed to change its name in the U. S.

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Raghu Sharma
President
Multi-Tech Systems Inc.
New Brighton, Minn.

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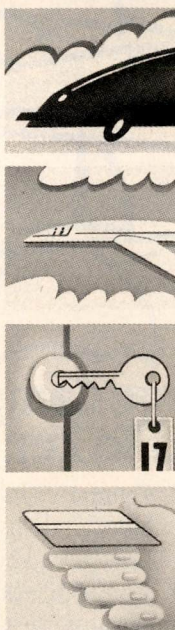
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claims, ran Magsaysay's campaign in 1953 as if it were the Republican or Democratic National Committee and he were its White House candidate. Bonner reveals that the CIA even drugged Quirino's drink before he made a campaign speech so he would appear incoherent.

A CIA agent assigned to Marcos and his wife facilitated everything—including Ferdinand's crass love affairs and Imelda's extravagant shopping sprees in New York. So it isn't difficult to accept Bonner's contention that Washington knew when and how Marcos was to impose martial law long before he put it into effect on Sept. 22, 1972.

There is also proof for Bonner's claim that the U. S. didn't lift a finger to stop Marcos. He might not have declared martial law had then-President Nixon intervened—as he did in other Philippine matters. An unidentified U. S. Embassy officer, who was in Manila when martial law was imposed, told Bonner: "Democracy is not the most important issue for U. S. foreign policy [in the Philippines]." More important, he told Bonner, was the "U. S. national interest, our security interest, and our economic interest."

Similarly, Bonner contends, when Marcos' downfall appeared imminent, U. S. officials were concerned more with helping him stay in power than with pro-



MARCOS AND REAGAN: THE ADMINISTRATION PROTECTED ITS PUPPET TO THE VERY END

tecting Aquino's victory at the polls. Only in Marcos' last few days, as graphically portrayed in the book, did the Reagan Administration reluctantly concede that its puppet had to go.

When Marcos declared martial law in 1972, Philippine foreign debt was about \$2 billion. When he fled, it was \$26 bil-

lion. Despite domestic budget restraints, the U. S. Congress, within six months of Marcos' departure, offered \$200 million of U. S. taxpayers' money to salvage the Philippine economy, Bonner notes.

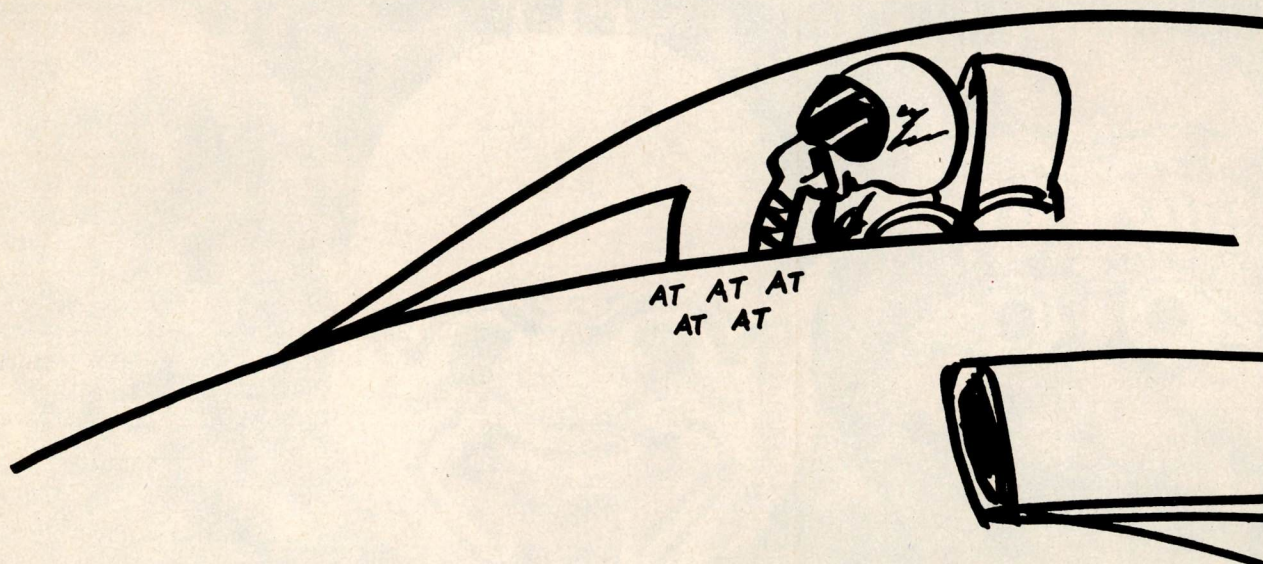
A downtrodden economy is not Marcos' only legacy. There is also the increasing political and military strength of the communists. The New People's Army guerrillas numbered no more than a few hundred in 1972. Bonner estimates that by 1986 some 15,000 well-armed and strongly motivated guerrillas were in the field, backed by many supporters. That, he argues, should be the most important lesson for America.

Will Cory Aquino be a willing tool of the U. S. as past Filipino presidents have been? She certainly will not toe the line so easily. She saw how Washington aided Marcos during his long dictatorship while her husband Benigno was in prison for seven years. Marcos allowed Benigno, his most popular political rival, to seek medical help in the U. S. in 1980. On his return in 1983, he was murdered by a still-unidentified gunman at the Manila airport. Steeled by such experiences, Cory Aquino is likely to play hardball—and act like a president.

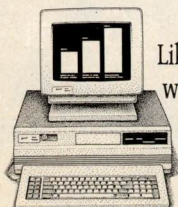
BY GENE G. MARCIAL
Marcial, who writes the Inside Wall Street column, was born in the Philippines

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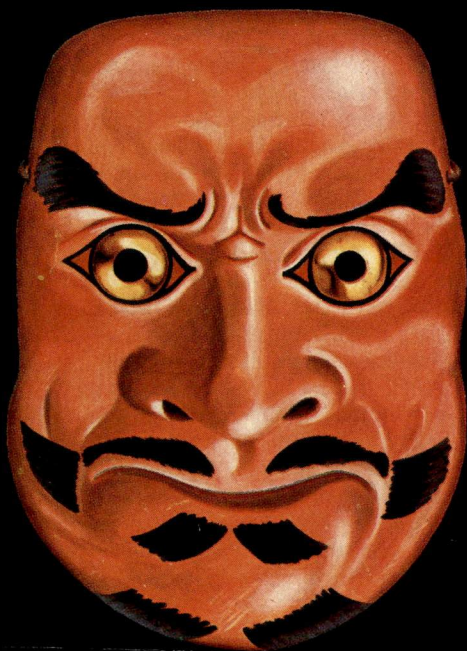


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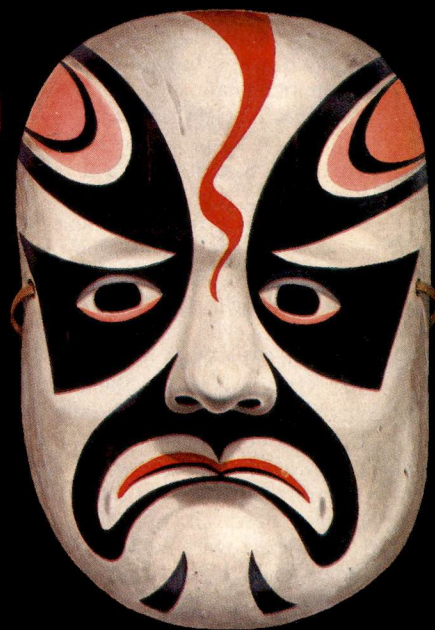
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BEAT THE DEVIL.

The Cory Myth

What is it about Cory Aquino that makes people abdicate their normal mental functions? The level of public debate in this country about what is going on in the Philippines is symbolized in those editorial cartoons that show a little flower labeled "democracy" menaced by two jackboots labeled "New People's Army" and "Right-Wing Military." In the manner of President José Napoleón Duarte of El Salvador, Aquino has been etherealized as a saint of moderation, whose survival of the fifth attempted coup against her a couple of weeks ago was seen as synonymous with the survival of this same "democracy," nurtured into being by American beneficence. In the press the realities of the Philippine crisis are being forgotten, just as they have been forgotten in the cases of El Salvador and Haiti, two other nations supposedly in receipt of a sponsoring kiss of freedom from the United States.

Amid those deceptions it would be hard for the uninitiated to know that the U.S. colonization of the Philippines between 1899 and 1903 involved the death by combat or starvation of about 600,000 Filipinos; that the Chinese-mestizo elite, which defected almost en masse to the Japanese during World War II, was protected in the war's aftermath by Gen. Douglas MacArthur and then by Maj. Gen. Edward Lansdale; and that analysis of every phase of U.S. dealings with the Philippines in the past eighty-eight years demonstrates that democracy in all but the most corrupted usage of that word is the very last thing that either the United States or Aquino and the class from which she comes would ever tolerate in the archipelago.

As Benedict Anderson pointed out in an excellent article in the *London Review of Books* for February 5 of this year, Cory Aquino comes from the Cojuangco family, part of the Chinese-mestizo elite. Her father was a wealthy sugar magnate, and her uncle Eduardo Cojuangco was, in Anderson's words, "one of the most notorious plunderers of the Filipino economy" in the Marcos era. As treasurer of Jose Cojuangco and Sons Inc. for thirteen years, Aquino was intimate with the procedures of such plunder in the era she now pledges to transcend.

Transcendence, as opposed to mere repetition, can be achieved only if the economy is restructured. That, in turn, would depend on land reform, which would entail an onslaught on the very group from which Aquino sprang. As Anderson points out, it was the colonizing Americans back at the start of the century who "put up the vast fertile lands confiscated from the Spanish friars for open auction. In the bidding, the wealthy mestizos had enormous advantages, and the treasure fell chiefly into their hands. Much of the land was turned into vast plantations growing sugar and other export crops for the American market, and a true national-level economic oligarchy now appeared." Prominent in this sugar-exporting oligarchy was Cory Aquino's family.

Aquino's agrarian program has focused on exports, undoubtedly pleasing the World Bank, which has tied certain

loans to export-led crop diversification. She is carrying forward an aggressive privatization program and is subscribing to the latest fad in foreign financing, debt-equity swaps. Her industrial policy calls for greater investment by the multinationals and less government interference. Labor costs have been kept low, with the minimum wage still at \$2.35 a day, though the government's own figures put the cost of living at \$5.73 a day. Aquino did raise the pay of the police and military, by 15 percent. This antilabor campaign also included the dismissal of one of Aquino's few progressive advisers, Labor Minister Augusto Sanchez.

Everything hinges on land reform. No less than 70 percent of the population lives in the countryside, and there are more than 5 million landless farm workers, representing about half of the peasantry, many of them sharecroppers. Aquino's first proposal was the Accelerated Land Reform Program, attacked as timid not only by the Philippine left but also by the World Bank, which confided in a report to Manila that the proposed ceiling of seventeen hectares (about forty-two acres) on land retention was far too high. Supportive of land reform as a means of deflecting the revolutionary upsurge and thereby eliminating the need for "substantial expansion in civil defense expenditures," the bank called for a ceiling of seven hectares, a figure one can set against the ceiling of three hectares in the land reforms of Japan and South Korea. The bank said the reform program's schedule was far too slow and its compensation procedures open to interminable legal sabotage.

Before the legislature assumed its duties under the new Constitution on July 27, Aquino had immense powers and could have used them. She dithered, and the opportunity died. Her new plan, the Comprehensive Agrarian Reform Program, resembles the earlier one and leaves to the legislature the task of refining such important details as the compensation to be received by landowners, the amount of land that can be retained by landowners and the deadline for redistribution. Because the legislature is dominated by landowners, it is patently obvious that the rural masses had better not get their hopes up too high, at least so far as Cory-style democracy is concerned.

What is being carried out, pell-mell, in this new "democratic" era is a coordinated counterinsurgency campaign, propelled by the Philippine Army, the Philippine right and the United States. A key element in this campaign has been the metastasis of death squads—more than fifty groups so far. This, once again, is reminiscent of El Salvador in the early 1980s, after the overthrow of the old junta and the resignation of the reforming members of the new one.

Not one soldier, officer or official has been indicted for human rights abuses committed under Marcos, except those individuals accused of killing Aquino's husband, Benigno. After initial hesitation Aquino has embraced the army with fervent rhetoric. In her commencement speech at the Philippine Military Academy on March 23 she said, "The answer to the terrorism of the left and right is not social and economic reform but police and military action."

cannot win a conventional war against South Korea.

More likely, we're told, North Korea plans to exploit a political crisis in South Korea by infiltrating small groups of guerrillas against whom American nuclear weapons and an air-land battle would be useless. Indeed, some political analysts argue that close U.S. ties with South Korea's unpopular military may fuel precisely such a crisis in the South. Fearing threats to its survival, North Korea, moreover, has sometimes adopted a strategy of locating military facilities near civilian population centers, rendering the use of nuclear weapons problematic. The hairtrigger offensive posture adopted by both sides along the DMZ fans mutual fears of a surprise attack. The resulting race to acquire offensive weapons strengthens each side's worst-case interpretations of the other's intentions. Today's domestic unrest in South Korea makes it appropriate to ask again if nuclear weapons should be stored on the Korean peninsula. Instead of deterring the North, those weapons may stimulate a dangerous nuclear arms race and undermine conventional deterrence. Furthermore, in a crisis, either the North or the South would be tempted to launch a pre-emptive strike to head off an imminent attack.

There is another, nonnuclear path for American foreign policy in Korea. First, the United States should encourage civilian democracy in South Korea. A nonmilitary government would be more likely to promote progress in North-South talks and keep Korea's security deadlock from simply deteriorating. To this end, the United States should withdraw its de facto support for the South Korean military's political role. Of course, only South Korean leaders can order their military back to the barracks. But the United States must clearly signal its support for such a move.

Second, the United States should demilitarize relations with North Korea by recognizing it diplomatically. Relying on the American military to communicate with North Korea through such channels as the Military Armistice Commission, rather than the State Department, has allowed the military tail to wag the diplomatic dog. Third, the United States should withdraw its nuclear weapons from Korea. It should also announce that it will disengage its ground forces when North and South Korea's offensive forces are reduced in an equitable, planned manner. The United States might also reduce the size and frequency of exercises such as Team Spirit. Fourth, the United States should initiate regional arms control talks for the North Pacific. The Korean knot can't be untied without slackening the naval and nuclear arms race offshore.

Those four steps would loosen Korea's nuclear tripwire before events in the region further deteriorate. Given the region's current tensions and instability, nuclear weapons in Korea needlessly endanger millions of Koreans and Americans—not to mention the humble Siberian crane.

PETER HAYES, WALDEN BELLO AND LYUBA ZARSKY

Peter Hayes, Walden Bello and Lyuba Zarsky are co-authors of American Lake: Nuclear Peril in the Pacific (Viking-Penguin) and military analysts for Nautilus Pacific Research, a think tank on Asia and the Pacific.

Harvey O'Connor

On August 29, Harvey O'Connor died at the age of 90. After working as a reporter and editor on several socialist and labor newspapers between 1918 and 1930, O'Connor wrote a number of books, including *Mellon's Millions*, *The Guggenheims*, *History of the Oil Workers International Union*, *The Empire of Oil* and *Revolution in Seattle*. Between 1945 and 1948 he was publicity director of the Oil Workers International Union.

O'Connor was the first witness to take the stand in his own behalf in a trial for contempt of a Congressional committee. He had been indicted after refusing to answer questions about his political beliefs put to him by Senator Joseph McCarthy's Permanent Subcommittee on Investigations in July 1953. Although he often stated publicly that he had never been a Communist, O'Connor remained silent, on First Amendment grounds.

At his trial in Washington that October, O'Connor waived his right to a jury. Defense attorneys moved for a directed verdict of acquittal, charging that the subcommittee's questions "invaded the rights of the defendant under the First Amendment" and that the indictment failed to establish the subcommittee's authority to ask such questions. (Soon after, Judge Edward Weinfeld of New York dismissed First Amendment indictments of Corliss Lamont, Albert Shadowitz and Abraham Unger on the same grounds.)

When O'Connor's attorney Leonard Boudin asked him to tell the judge why he had declined to answer Senator McCarthy's questions, O'Connor said:

I felt a very special responsibility as a writer—writers have no special privileges in such matters, but they do have a special responsibility, I think, in guarding the freedom of the press. If writers won't help to guard and protect freedom of the press, who can be expected to do so? So when I was summoned to Washington I felt that extra special responsibility in addition to those any citizen would have to protect the privacy of his political opinions and beliefs and associations.

In 1958, the House Un-American Activities Committee summoned O'Connor to a hearing in Newark, New Jersey. He refused to obey the subpoena and was the first potential witness to declare the committee was acting unconstitutionally. The committee cited him for contempt of Congress, but the case was dismissed in 1963. That year, O'Connor brought a countersuit to force the committee to give him the records on which it based its actions against him. Subsequently, a court ordered HUAC to make the documents available, but it never did.

On September 20, 1957, Harvey O'Connor chaired a meeting at Carnegie Hall calling for the abolition of HUAC. He also wrote a pamphlet, "For the Abolition of the Inquisitorial Committees of Congress," published by the Emergency Civil Liberties Committee. O'Connor served as the E.C.L.C. chair from 1955 through 1963. EDITH TIGER

Edith Tiger is executive director of the National Emergency Civil Liberties Committee.

ALEXANDER COCKBURN

There are now seventy battalions in the field, as against fifty-six under Marcos. U.S. military aid more than doubled in 1986 over what Marcos got in 1985, and for fiscal 1987 Congress removed restrictions on delivery of "lethal equipment": \$64 million worth of "security assistance" suitable for counterinsurgency operations. The Reagan Administration has requested \$112 million in military aid for fiscal 1988. An important analysis of these developments has been prepared by Walden Bello, who was also of great assistance to my colleague Ken Silverstein as we prepared this column. Bello's report will be published later this year by the Institute for Food and Development Policy.

The bureaucratic infrastructure for counterinsurgency and terror against the left is being refined. According to articles in the *San Francisco Examiner* and in *Newsweek*, Reagan signed a "finding" last March that opened the door for a far higher level of C.I.A. activity in the Philippines, along with increased use of dirty tricks. These can be translated as every stratagem of human vileness up to and including assassination, mostly by way of the death squads, about whose progress a team led by Ramsey Clark commented in June: "The victims of vigilante violence are overwhelmingly poor farmers, workers, slum dwellers, and others who are pushing for significant land reform, wage increases and protection of workers' rights, as well as those who oppose U.S. military bases."

The increased C.I.A. presence and the surge in death squad activities were roughly coincident in time and were preceded shortly by the visits of Maj. Gen. John Singlaub. Those visits attracted wide attention. Less well noted was the first national conference, in February of this year, of right-wing vigilante groups, held in the Manila HQ of the Trade Union Congress of the Philippines, which receives funding from the National Endowment for Democracy through the A.F.L.-C.I.O.'s Asian American Free Labor Institute. The T.U.C.P. is, out of six main Philippine labor federations, the only one to support the economic policies of the Aquino government, a fact that must be considered in the light of its U.S. funding. A follow-up conference in March was sponsored by CAUSA, the political arm of the Rev. Sun Myung Moon's Unification Church.

In other words, the United States and the Philippine right have used the Aquino interregnum to regroup and prepare for an onslaught on the left. Aquino's indubitable popularity is waning (she was burned in effigy during the August 15 demonstrations against increased fuel prices), but even at its peak she was not emboldened to use the situation to any great advantage. Guns have been pouring into the archipelago to beef up the firepower of the private armies. Within a matter of months, maybe less, Aquino will most likely be ousted, or at best rendered a figurehead even more powerless than she is now. The government-influenced press in the United States, blind for six years to the horrors of counterinsurgency in El Salvador, will surely have little difficulty in averting its eyes to similar unpleasantness in the Philippines, where it regards the stakes of U.S. imperial self-interest as much higher.

In *The Nation* a few weeks ago Jefferson Morley invoked a debate over American "good intentions" regarding Nicaragua and the "altruistic" Lieut. Col. Oliver North. Those familiar with theories of literary criticism will recall the "intentional fallacy," which stresses that it's not what people say they intend to write that matters but what ends up on the page. (Aside from which, "altruistic" scarcely seems a fitting word for a man who raised no protest at the Hakim-organized private pension fund of \$200,000. Morley should rid himself of the romantic bourgeois habit of thinking in essences.) People used to talk about American "good intentions," American "altruism" and of course an "American tragedy" in Vietnam. There has similarly been far too much talk about good intentions in the Philippines and far too little inclination to look at what is actually going on.

Big John

John Huston was the first film director I ever saw. In the early 1950s at Luggala, in the Irish Wicklow Mountains, he attended the same Christmas house party as my family. Under the nom de plume James Helvick, my father had just published his first novel, *Beat the Devil*, and we left copies of it around the Luggala house in the hope that Huston would read it, then buy it for the movies, thus saving us from penury. Huston duly perused the book, read most of it in front of me down the Luggala telephone to Humphrey Bogart in Los Angeles, and offered \$10,000 as a flat fee for rights and screenplay. My father accepted, thus enabling me to have a costly education, which is why this column is called "Beat the Devil." He wrote the screenplay, onto which Truman Capote's name was ultimately infiltrated for the credits at the last moment.

Huston later came down to our house outside Youghal and decided to set portions of *Moby Dick* there, with Youghal standing in for New Bedford. By this time he had a house in Galway, redesigned at tremendous cost. Huston went to Japan and became fond of sunken Japanese baths. He yearned for one in Galway and tried to get a ship to bring back as ballast the Japanese rocks he deemed essential to the bath. All captains he sought to suborn refused his overtures, so he had the great rocks flown back at staggering expense. Irish laborers brought them in from Shannon Airport and dumped them in the field outside the house. Next day Huston could not tell which were the authentically expensive rocks, since in geological terms they were identical to the several hundred native Galway rocks surrounding them in that same field.

Huston liked to have conferences in the Japanese bath, in which he would inspect his guests. Frank Taylor, who produced *The Misfits*, told me not long ago that on his arrival in Galway, Huston rushed him to the bath for a soothing soak and pleasant chat. Later, over dinner, they had a savage argument concerning the desirability of Clark Gable kissing Marilyn Monroe (Huston disliked the idea). Taylor finally prevailed, but as he conceded defeat, Huston snarled at him, "Anyway, my dick is bigger than yours."

BELTWAY BANDITS.

DAVID CORN
JEFFERSON MORLEY

■ Courting Time

At its biennial convention last month the National Women's Political Caucus gave a surprisingly enthusiastic response to Representative Richard Gephardt. Only eighteen months earlier his Congressional campaign had contributed to the Missouri Citizens for Life and placed an advertisement in the program for its 1986 convention. "Best Wishes to My Friends of the Missouri Citizens for Life," read the ad. Since 1976, when he was first elected to the House, anti-abortion forces had counted Gephardt as a true supporter. But soon after the Missouri Citizens' gathering, Gephardt met with the group's officials and withdrew his support of the Human Life Amendment, which would outlaw abortion. He maintained it was no longer feasible, recalled Ceil Callahan, the organization's president. But, she said, a Gephardt staff member attributed the change to a new wave of aides who had convinced Gephardt he needed to appeal to "groups that play a big part in Democratic Party politics, like feminists." A spokesman for Gephardt said his stand on abortion is now more "practical." He wants increased funding of sex education and adoption, opposes Federal funding of abortion but accepts the legal right to an abortion. Gephardt, the aide remarked, "deals with issues in a pragmatic way, and he is sincere in his beliefs."

Senator Albert Gore also tried to win points with the caucus, noting that half of his campaign staff is made up of women. Well, not quite. At a press conference Gore could name only one female aide, and then incorrectly. His campaign quickly produced a list showing that women fill eleven of twenty-six positions, but his latest campaign finance report to the Federal Election Commission discloses that of forty-two political operatives, only fourteen are women.

■ Gore's New Republic

With Senator Sam Nunn opting out of the presidential race, the right wing of the Democratic Party is searching for a candidate. The flagship of this crowd, *The New Republic*, is pushing Gore. The magazine's owner, Marty Peretz, has given \$1,000 to Gore, a former student of his at Harvard. Charles Krauthammer, senior editor and Nunn cheerleader, appeared on *Agronsky and Co.* touting Gore as "the big winner" from Nunn's withdrawal. That evidently was the official line, because the same day on the *McLaughlin Group*, fellow editor Morton Kondracke also opined that Gore was "the big winner." Even literary editor Leon Wieseltier has got into the act, raising funds for Gore.

■ Breaking Ranks

The dirty little secret of national security policy-makers is the military failure of the *contras*. At least two former top officials have recently defied right-wing orthodoxy to say that the *contras* are incapable of overthrowing the Sandinistas, at least on their own. The apostates are former Director of Central Intelligence William Colby and former head of the U.S. Southern Command Gen. Paul Gorman. Colby, in a *Washington Post* Op-Ed essay on August 4,

argued that the *contras* are a brutal, antidemocratic bunch with no support or military skills. He recommended cutting off military aid. Of course, Colby has developed a reputation as a maverick (he supports the nuclear freeze and opposes Star Wars). The same cannot be said of Gorman; as commander of U.S. forces in Latin America from 1983 to 1985 he directed a new, ambitious and sophisticated strategy involving high visibility military maneuvers and vastly expanded National Guard exercises. He startled the Senate Armed Services Committee in January by telling them that the *contras* could not win and suggesting that further funding would be pointless. Under pressure from the Administration, he later recanted his heresy, though grudgingly. Such public skepticism about the *contras'* military prospects disturbs Administration officials because the *contra* crusade in Washington has long relied on the pretense that a rebel victory without the direct involvement of U.S. troops is possible. As the pretense is abandoned, *contra* supporters will either have to reconcile themselves to the Sandinista regime or call for the use of U.S. combat forces.

■ Golden Oldies?

Did Oliver North recruit Henry Kissinger and Richard Nixon to his *contra* fund-raising campaign? At the very least, North hoped to enlist the duo. In an overlooked January 13, 1985, entry in North's notebook, parts of which have been released by the Iran/*contra* committees, a checklist of things to do includes "Kissinger Re Intl fund-raising." Below that North jotted a line regarding a meeting with *contra* fund-raiser Carl Channell. Next on North's list is "Nixon Re donors (foreign and U.S.)." Underneath that, North wrote, "Call Kachigian," presumably a reference to Kenneth Khachigian, a speechwriter in the Nixon White House. Did Kissinger sit down with Channell? Did Nixon hit up his admirers overseas? A Nixon spokesman said that North and Nixon have never communicated. Khachigian, now a political consultant, noted that he knows North "fairly well" but had never spoken to him or to Nixon about *contra* fund-raising. Kissinger, off in China, was unavailable for comment, but a committee staff member told us that Kissinger and North "had substantive discussions from time to time on Central America." The staff member noted, "One thing North did well was bring people into [*contra* fund-raising] without making it appear he was bringing them in."

■ Fear of Lobbying

"Do you think homosexuals engage in too much or too little political activity or just about the right amount?" That, according to a *Los Angeles Times* questionnaire for White House hopefuls, is one of the issues on which candidates must take a stand. "It is reasonable to ask about the role of almost any interest group," Richard Cooper, deputy chief of the paper's Washington bureau, told us. "That's the intent of the question." But what would be the intent of a question that asked if blacks, Jews or Catholics engaged in too much or too little political lobbying?

LAND REFORM

Attractive compensation plan for landowners bared by gov't

MANILA—The government has drafted what was described as an attractive compensation package for landowners who will be covered by land reform to break their expected resistance to the program, a Senate hearing was told last week.

Deogracias Vistan, Land Bank of the Philippines president, also told the Senate committee on banks that at least P5 billion in bonds and cash have been readied by the LBP for the first phase of the land program's implementation.

The bank will finance the program and provide both the cash and non-cash components of the compensation scheme.

Under the agrarian-reform law, landowners are to be paid from 10 to 30% cash. The rest would be in LBP-issued bonds.

Briefing Sen. Alberto Romulo on the juicier compensation package, Vistan said the LBP-issued bonds are automatically convertible into cash provided they are used to:

- *Buy shares of stocks in new, pioneering corporations registered with the Board of Investments.

- *Establish agricultural or agribusiness ventures in the rural areas to perk up the development of the countryside.

The actual "monetization" of the bonds will be made by the bank itself, Vistan told Romulo.—(*Philippine Daily Inquirer*)

Land reform . . .

From page 1

Marcos's deposits to the Philippine government, but lawyers for the former president are contesting the decision.

Manila believes Marcos stashed away more than a billion dollars in Switzerland, which has broken tradition by opening Marcos's bank records.

Land reform is estimated to cost at least \$2.4 billion to implement.

Agency officials said the U.S.

Marcos desperate to leave . . . From page 1

members of the U.S. print and radio-TV media.

Gomez told the *California Herald* that Marcos had reason to be concerned because the U.S. Justice Department would not consider indicting the deposed strongman, who is a guest of the U.S. government, if it did not have the "goods" against him.

The U.S. Attorney's Office in New York was reported studying whether Marcos unlawfully acquired some Manhattan real estate and fraudulently tried to transfer it to Saudi Arabian billionaire Adnan Khashoggi.

Imelda's jewelry

U.S. law-enforcement officials said prosecutors were also checking whether Marcos and his wife, Imelda, illegally acquired millions of dollars in jewelry brought into the U.S. when they fled the Philippines in February, 1986.

The Manila government is trying to recover through a civil suit four Manhattan office buildings worth about \$326 million. The suit alleges that they were acquired with misappropriated Philippine funds.

In the press conference, Marcos dismissed the allegations as "the



FERDINAND MARCOS
... sleepless night

a U.S. court.

Under the terms of Marcos's exile in the U.S. in 1986, he and his family were allowed to stay in the country as guests, but they could not leave without the permission of the government as they are on a "hold-departure order."

National security

However, the announced U.S. policy is that the Marcoses would

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The CARP Provision As Regards Corporate Farms Gives Control to the Corporations

Manila Times-Weekly

By MAHAR MANGAHAS

24 June 88 P.S

Farmers' groups are fiercely protesting a provision in the Carp law which they fear puts corporate farms beyond the scope of agrarian reform and thus invites any landowners to avoid Carp coverage simply by creating a corporate farm.

This is Sec. 31, which states, among other things, that: "Upon certification by the DAR, corporations owning agricultural lands may give their qualified beneficiaries the right to purchase such proportion of the capital stock of the corporation that the agricultural land, actually devoted to agricultural activities, bears in relation to the company's total assets, under such terms and conditions as may be agreed upon by them."

This is soon followed by the chilling statement: "Corporations or associations which voluntarily divest a proportion of their capital stock, equity or participation in favor of their workers or other qualified beneficiaries under this section shall be deemed to have complied with the provisions of this Act." This stock transfer option as a means of compliance with Carp is open for two years from the approval of the Act.

The section puts some conditions on the stock transfer scheme. Two of these are but elementary: the corporation's books should be periodically audited by CPAs chosen by the beneficiaries, and the stocks distributed should have the same features as any other stocks of the corporation.

A third condition says that, regardless of how much stock they get, the beneficiaries should have at least one seat on the corporation's board of directors. This is an obvious warning that *there is no minimum set on the amount of stocks to be transferred*, since it could be so low as to deprive the beneficiaries of even one seat on the board.

A fourth condition is that a beneficiary cannot transfer his stocks received in this fashion except to another beneficiary within the same corporation. In other words, there is

no escape from the control of the corporation.

Does this make genuine agrarian reform impossible? The answer is no, if the DAR refuses to certify any scheme of token distribution of stocks. The DAR should assert that token distribution is contrary to the intent of the Constitution, which requires agrarian reform be "founded on the right of farmers and regular farmworkers, who are landless, to own directly or collectively the lands they till."

True ownership means full control over the land, including the authority to make such key decisions as what to grow on it, who should manage it, who should buy the products, and so forth. This comes not with one token seat on the board of directors *but with at least a majority of the seats*. If the DAR allows tokenism, then agrarian reform advocates should file suit for unconstitutionality of Sec. 31 itself.

Now, is it fair for the farmworkers to control a corporation which holds not only land but also farm equipment, farm buildings and other non-land assets which are clearly beyond the scope of land transfer? My answer to this is, if a corporation's stockholders think it is fair to use their non-land assets as a means to own, in effect, the land assets as well, then the farmworkers can counter, with equal fairness, that their constitutional right to control the land also gives them the right to control non-land assets that remain linked to the land.

The irrigation ditches, for example, are part of the land, and they have to be redistributed to the tillers. They do contribute to the value of the property and so the just compensation should be adjusted accordingly.

But movables like tractors are not redistributable under agrarian reform. Neither is a processing plant, including the land on which it is constructed, subject to the agrarian reform. The owners of these assets can keep on owning them. What is unfair under Sec. 31 is that ownership of tractors and processing plants might allow

quasi-ownership of the agricultural lands as well.

What the agricultural corporations should do, in my view, is to spin off their agricultural land assets from their other assets completely. Let the corporation be split into two, say an Hacienda Ligaya Land Corporation, which has only land in its assets, and an Hacienda Ligaya Management Corporation, which owns other kinds of assets, but no agricultural land.

Then let the stocks of the Land Corporation be gradually distributed to the farmworkers, at a pace not slower than the pace at which the farmworkers would be paying for the land under the standard distribution program. As soon as 51 percent of the time period for stock distribution has passed, the farmworkers would have acquired control over its board of directors and therefore, over the land. Eventually, the Land Corporation will become 100 percent owned by the farmworkers, who then will have all of the seats in the board.

At any time, the Management Corporation, retained by the former landowners, could offer the services of its non-land assets to the Land Corporation, as a straight business deal. As soon as the farmers, as owners of the Land Corporation, can freely accept or reject the offer, then they truly own the land.

What will actually happen, however, depends on the DAR and on the Presidential Agrarian Reform Council which sits above it. In particular, the DAR and the Parc cannot permit the present owners to indefinitely retain control, and in effect own, the agricultural lands of Hacienda Luisita, and yet be deemed to have complied with Carp. If that should happen, then there is grave doubt that any amount of legalistic verbiage will convince the people, whether landowner or landless, whether in the rural or in the urban areas, that the Aquino Administration seriously intends to have genuine agrarian reform.—(Chronicle)

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Fourth World Assembly HUMAN SCALE SOLUTIONS TO THE GLOBAL CRISIS AT SF MEET

— is the theme of an international conference scheduled for San Francisco's Fort Mason Center, September 27 through October 1, 1987. Called "The Sixth Assembly of the Fourth World and New Economics Symposium," it is being jointly sponsored by The Fourth World (Great Britain) and The School of Living (USA).

The Assembly/Symposium is an attempt to bring together people who have been active in developing and implementing new approaches in a broad range of areas such as social structuring, economics and communications. It will attempt to address the deepening problems of ecological and human degradation through an emphasis on "human-scale", earth stewardship, democratic and decentralist principles.

The Henry George School and the Northern California Land Trust plan to develop the theme of "Economics for a Peaceful Planet" at this symposium, emphasizing land tenure and taxation policy. If you are interested in participating, please contact Alanna Hartzok at 763-0783. If you can provide sleeping space for an out-of-town guest, please call Sharon Mueller at 638-9094.

An Idea Whose Time Has Come GEORGISTS ACT FOR A JUST LAND REFORM IN THE PHILIPPINES

by Wendell Fitzgerald and Bob Scrofani

Georgists from all over the country agree that the issue of land reform is an idea whose time has come. They are working for an economic reform in the Philippines to match the political changes there.

As reported in the last newsletter, Common Ground USA and the Henry George School of

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SEPTEMBER 1987

The Mercury

The Earth is the Birthright of all People

HGS PLANS OCTOBER PHILIPPINES SYMPOSIUM FOR SF CARES WEEK

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A luncheon symposium on land reform and development in the Philippines is planned for Tuesday, October 20th at the World Affairs Council, 312 Sutter Street in San Francisco.

The October 20th program will feature Dr. Mason Gaffney, UC Riverside Professor of Economics; Dr. Sein Lin of the Lincoln Institute of Land Policy and Dr. Walden Bellow of FOOD FIRST. Robert Scrofani, director of the Henry George School will moderate.

Members are invited to attend. Cost is \$3. Participants must bring a brown bag lunch. Wine and other refreshments provided.

A special afternoon session is being planned following the luncheon for global education teachers. This program is being planned as part of the high school economic literacy project and the Philippines Project Committee of the Henry George School. It is also part of a week long series of meetings on development called SF CARES WEEK. The week joins the efforts of the World Affairs Council, CARE, the Association of International Studies, the Henry George School, Oxfam and other groups.

CGO CONFERENCE, SF HONORS APPALACHIA

Aquino Signs Controversial Bill Giving Land to Tenant Farmers

MANILA (UPI)—President Corazon Aquino on Friday signed into law a controversial bill outlining the redistribution of land to tenant farmers in a program that the Philippine government said could change the face of the country.

The law has been criticized by leftist groups who say it exempts most agricultural lands, including Aquino's family plantation. It was the first major legislation to come out of the bicameral Congress since its revival a year after the uprising that swept Aquino to power in February, 1986.

The agrarian reform law, widely regarded as the key to combating the nation's grinding poverty and growing Communist insurgency, was the cornerstone of Aquino's 1986 election platform.

"Let us see the program not as a taking of property from some and the giving if it to others," Aquino said, "but as a way of liberating the hitherto suppressed energies and creativity of the nation for the . . . prosperity of all."

"I expect the entire apparatus of government—civil and military—to be deeply involved and committed to its success," Aquino said after signing the bill.

Leftists Reject Law

But leftist groups have rejected the law. Jaime Tadeo, leader of a left-wing peasant group, said the program exempts 75% of the country's total agricultural lands, including the 15,000-acre Hacienda Luisita, the vast sugar plantation owned by Aquino's family.

Aquino has repeatedly said the plantation will be distributed to tenant farmers under the program.

Landowners opposing the pro-

gram in the central island of Negros have threatened to mount a revolt if the government proceeds with the program.

The law, which took Congress a year to work out, sought to compromise sharply opposing positions of landlords and farmers.

The law allows landowners to retain 12.5 acres of land. Heirs at least 15 years old who plan to farm the land can retain 7.5 acres each. The bill provides cash compensation ranging from 25% to 35% of the fair value of the estate and the rest in government bonds.

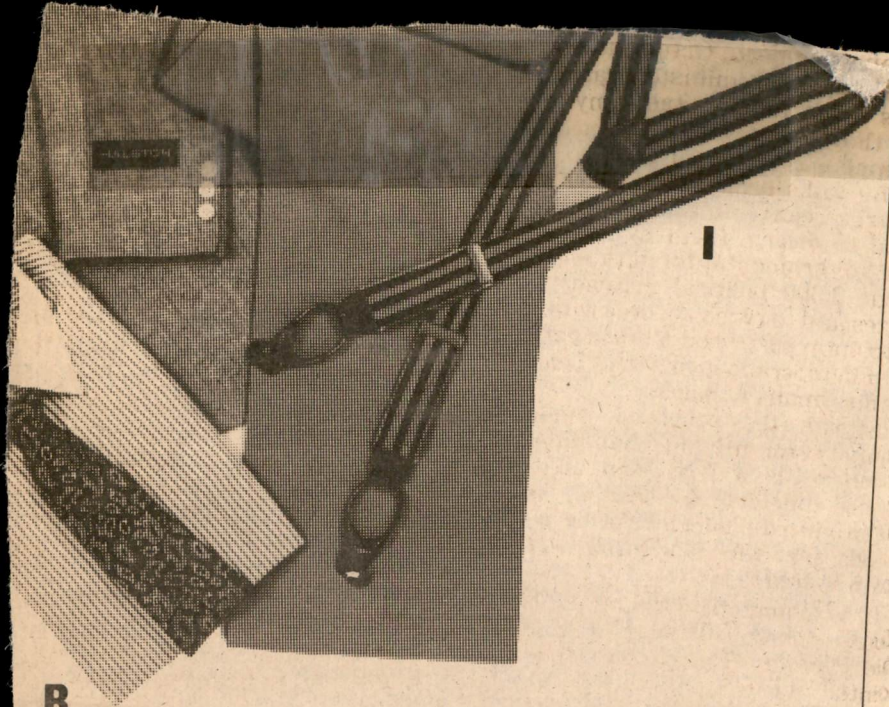
But there are loopholes in the law, leftist groups say. Also, public lands leased to multinational corporations will be distributed within three years.

"It is the most revolutionary piece of legislation," said House Speaker Ramon Mitra. "It can change the lives of millions of our people. It's got to work."

11 June 88 I-3

For the Record

Remarks by U.S. Atty. Robert C. Bonner were reported inaccurately Friday in an article about Orange County video entrepreneur Stuart Karl Jr., who was indicted on charges of illegally funneling campaign funds to former Democratic presidential candidate Gary F. Hart. The article reported that Bonner said Karl's employees had told a grand jury they were reimbursed for campaign contributions made in their names. In fact, Bonner did not say what was told to the grand jury, although he did say the employees have cooperated with federal authorities.



B



about this Father's Day

- F.** A 1988 Turbo-charged Alpo Romera Mach II. Preferably in red.
- G.** Genuine alligator belt. Elsewhere, \$200. At D-W, \$141.44.
- H.** Barry Bricken 100% tropical worsted poplin slacks. Elsewhere, \$145. At D-W, \$108.42.
- I.** Braces. In stripes or paisley. Elsewhere, \$50. At D-W, \$36.86.

* * *

Father's Day shoppers: gift certificates available.

8 June 88 I-5

Philippine Congress Approves Controversial Land Reform Bill

By MARK FINEMAN, *Times Staff Writer*

MANILA—The Philippine Congress today approved a land-reform bill aimed at easing one of the most critical problems in the country—the disparity between rich and poor that has polarized much of society and fueled a bloody insurgency.

In a marathon session that lasted through the night, the House approved the bill 152 to 20. The Senate had already approved it.

President Corazon Aquino has indicated that she will sign the measure before leaving next week on a state visit to Europe.

Many observers had considered Congress incapable of agreeing on a land-reform bill. Powerful landowners and leftist groups were equally critical of the bill. One landowner assailed it as a “declaration of war,” and a leftist leader called it “a watered-down nothing.”

The bill sets a 10-year deadline for landowners to sell the greater part of their holdings to the government, which will then distribute the land among tens of millions of landless peasants. It gives the government up to 10 years to reimburse the landowners.

The Aquino administration had proposed that families be permitted to keep just 16 acres of farmland. The bill as approved by Congress limits land retention to just 12 acres, but it permits families to keep seven additional acres for each heir, a provision that leftist groups say will permit large landowning families to exempt much of their land.

The land-reform issue has become so contentious that some big planters have been organizing private armies and threatening to use force to defend their property.

se Health Emergency Plan

Walsh, supported by several other commissioners, urged that the entire 12th chapter be scrapped. "The current system is adequate," he said. "It just hasn't been used properly. It's already in place. We don't need anything that dramatic, or melodramatic. It's not broke, so there's no need to fix it."

Loss of Safeguards Cited

Commissioner Penny Pullen, a conservative Illinois state legislator, agreed, saying that the chairman's proposal "indirectly calls for a disruption of standard government safeguards, such as accountability," and "to give that kind of power" to one office "isn't going to work."

Kristine Gebbie, chief health officer for the state of Oregon, who is considered one of the panel's more liberal members, said that she has not made up her mind on the Watkins plan. "I don't know whether we need a whole new system or some new triggers in the present system," she said.

Several of the 13 commissioners said they would favor such a plan,

ers—the surgeon general or some other official appointed by the secretary of health and human services.

There was little disagreement over the report's major recommendation: federal action to expand anti-discrimination legislation to protect AIDS patients and those

