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Background Materials for Philippine President Aquino's Official Visit

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August 1986

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Subject: Background Materials for Philippine
President Aquino's Official Visit

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

29 August 1986

**Background Materials for Philippine
President Aquino's Official Visit** [redacted]

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Overview

The Philippines' President Corazon Aquino:
Problems and Perspectives of a New Leader

The Ruling Coalition in the Philippines:
Factionalism Persists

The Philippine Economy:
Outlook and Key Issues

The Communist Party of the Philippines:
A New Game Plan?

The Philippines: State of Muslim Discontent

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Reformists or Revolutionaries?

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Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

29 August 1986

President Aquino's Visit [redacted]

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Overview

President Aquino's visit to Washington on 15 September comes nearly seven months after she was placed in power by the most dramatic political transition in modern Philippine history. From the US perspective, it is crucial that the widely popular and largely politically-centrist Aquino succeed in righting the country's serious political and economic problems. Aquino, however, assumed power without benefit of a political organization or a support network in government. Thus far, she has had to focus her energies on consolidating power, leaving little time for headway with her ambitious reform agenda. [redacted]

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Aquino's visit will play a role in determining the success of both these efforts. We believe Aquino has judged that the potential intangibles of the visit--such as validating her leadership credentials with both domestic and foreign critics--will promote her political agenda during the next six months. This includes the ratification of a constitution that safeguards her legitimacy--probably in a December plebiscite. We believe Aquino intends to use the success of her visit to fend off attempts by former ruling party members, the radical left, or diehard Marcos loyalists to swing public opinion against ratification. Beyond this, Aquino will face national and local elections in 1987. [redacted]

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This memorandum was prepared by [redacted] Southeast Asia Division, Office of East Asian Analysis. Comments and questions are welcome and should be addressed to the Chief, Southeast Asia Division, Office of East Asian Analysis [redacted]

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Aquino's Economic Agenda With Washington

Economic Assistance. In our judgment, Aquino will make the case that the bloodless "People Power" revolution has earned her government the right to a \$1 billion aid package from the United States which she believes was promised President Marcos if free and fair presidential elections were held in February. Approximately \$181 million in economic assistance, including food aid, has been obligated for fiscal year 1986, with another \$100 million in supplemental Economic Support Funds (ESF) authorized but not yet obligated. Legislation currently before Congress would provide the Philippines with up to \$200 million in additional ESF for fiscal year 1986. [redacted]

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Military Assistance. Although Aquino earlier endorsed Congressional actions shifting funding from military to economic assistance--and even told Secretary of Defense Weinberger that the Philippines did not need additional military aid--[redacted] she is becoming concerned with the materiel and budgetary deficiencies plaguing the armed forces. Aquino's advisers will probably raise the subject of direct budgetary assistance for the armed forces. The United States is providing the Philippines with approximately \$103 million in Foreign Military Sales and the Military Assistance Program during FY 1986. Aquino apparently is hoping for additional money to meet payroll obligations for fiscal year 1986. [redacted]

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Trade Advantages. As part of her campaign for increased assistance, Aquino may ask that the US increase its imports of Philippine textiles and sugar. Industry and Trade Minister Concepcion, for example, recently told reporters that "it is high time that the Philippines asks for a higher garment quota from the United States." Other indications that Aquino will raise the textile issue came when the Embassy reported recently that Manila had submitted a request for a 30-percent increase in its quota for textiles and garments when the bilateral textile agreement expires at the end of this year. [redacted]

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Although a more liberal textile agreement could make a long-lasting contribution toward Philippine exports and creating jobs, we believe that Aquino will emphasize an additional US sugar quota to aid the severely depressed sugar-growing regions where the Communist insurgency is gaining support. The Philippines is the world's 12th-largest sugar producer, but its sugar exports have been limited to the US market in recent years. According to our estimates, a doubling of Manila's current quota could increase Philippine export earnings by \$80 million. Aquino is likely to be satisfied with a temporary quota increase or similar short-term measures. [redacted]

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[REDACTED]

Aquino probably also hopes to gain a symbolic US commitment that would deter a move by the Philippine military to seize power. Events such as the attempted coup in July by Marcos's ex-running mate Arturo Tolentino and continued political maneuvering by Defense Minister Enrile have heightened Aquino's long-standing suspicions of the military's intentions. Recent questions raised in the Cabinet about Enrile's loyalty have probably prompted Aquino to leave him in Manila to demonstrate her confidence in him. [REDACTED]

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From the perspective of bilateral relations, the visit will focus on economic issues. We have seen very limited evidence of the economic concessions that Aquino seeks from Washington. At a minimum, she will be firm in presenting what she believes is a compelling case for additional aid. Because of her lack of technical expertise on detailed economic or military issues, however, we believe that in her private meetings Aquino will limit herself to a general discussion of key issues. [REDACTED]

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Of longer term importance to Manila and Washington will be the tone her visit sets for negotiations that could begin early next year on the Military Bases Agreement. During her visit, Aquino is likely to avoid detailed discussions of the MBA--in part to avoid the risk that her economic agenda might be sidetracked, but also to avoid being forced into a position that diminishes her bargaining power in the future. She may, however, note that additional US assistance in financing a much-needed economic recovery would facilitate future negotiations on key bilateral issues such as the bases. [REDACTED]

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

20 August 1986

**The Philippines' Corazon Aquino:
Problems and Perspectives of a New Leader (C NF)**

Summary

Over six months after she took office, Corazon Aquino remains a popular figure but occupies a precarious political position. Civilian-military tensions, cabinet infighting, limited progress toward social and economic reform, and increasing press criticism plague her government. Aquino--who had never held any elected position prior to her rise to power in February--appears to be maturing as a political leader, but her lack of political instincts continues to color her perceptions of the problems facing her government and the best way to deal with them.

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Mrs. Aquino is, by all evidence, achievement oriented and thus frustrated over her administration's lack of progress. To date, she has not been able to implement programs to meet her campaign pledge to raise the Philippine standard of living. Her insistence on making her visit to Washington an official working one instead of a State visit we believe,

This memorandum was prepared by [Redacted] Office of East Asian Analysis and [Redacted] the Office of Leadership Analysis. Information available as of 20 August 1986 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Islands Branch, Southeast Asia Division, OEA, [Redacted]

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reflects the high priority she places on producing some immediate--and tangible--accomplishment to enhance her public support. [Redacted]

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Aquino can be unrealistic in her expectations, and she may come to Washington expecting more than the US Government is prepared to give. We believe that, if she fails to achieve her goals during the visit, Aquino--who is inclined to see the world in terms of "we" and "they"--will blame the United States. She will be especially attentive to the reactions she gets from senior US officials [Redacted]

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[Redacted] we believe she will be sensitive--and respond positively--to any public and private displays of support for her and her administration by President Reagan. [Redacted]

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Aquino's Core Values and Concerns

In a country where personality politics has always prevailed, Aquino is no exception. She tends to view politics in highly personal terms. [Redacted]

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[Redacted]

Aquino probably feels that she must rely on personality politics because she currently cannot operate in government any other way. She has no effective political party to support her, and her decision in March to eliminate the government machinery built by Marcos has forced her to govern without the benefit of political institutions. Ironically, although Aquino campaigned against Marcos's one-man rule, she now finds herself wielding much the same authority as her predecessor. Through the "freedom constitution" that she declared in effect in March of this year, she has broad powers to enact legislation and reorganize the national government. [Redacted]

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Nonetheless, we believe that Aquino--who previously shunned the political spotlight--is not comfortable with her considerable authority and is genuinely committed to the decentralization of power. For example, one of the themes that Aquino has stressed during her presidency has been that of popular participation in government. In numerous public statements, Aquino has encouraged the Philippine people to abandon their traditional reliance on local political bosses, to involve themselves in government at all levels, and become more independent minded and self-reliant. She also has encouraged government employees to be responsive to popular sentiment on various issues. For example, in a recent speech to members of the Philippine Constabulary, Aquino called upon them to "open yourselves to what the people have to say." [Redacted]

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We believe that Aquino views her status as president in terms of this recurrent populist theme. She has said repeatedly that she intends to lead by example, and seems to believe that her involvement in politics--as someone who is not a career politician--represents the level of personal concern regarding the governmental process

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that she would like to inspire in the average citizen. Moreover, she recently told a senior US official that she considers her nonprofessional background as an essential element of her popularity. [Redacted]

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US officials report that Aquino is concerned about the level of her popularity. She has confided that the aborted Tolentino coup attempt in July made her realize the fragility of her political position and that "people power" does not provide a stable base of support. Contributing to her concerns may be a recent nationwide public opinion survey conducted for the Bishops-Businessmen's Conference, which found that, although Aquino remains very popular, the majority of Filipinos consider "people power" and not an election mandate as the source of her legitimacy. Accordingly, Aquino seems worried that the press is projecting a poor image of her administration and that this is having an effect on her government's popularity. [Redacted]

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Although Aquino has contrasted herself with Marcos and his pattern of government, she has not revealed what world leaders she respects and would like to emulate. The only prominent figure whom she has said she admires is Mother Theresa of Calcutta; but beyond her late husband Benigno, Aquino may consider her countryman, Ramon Magsaysay, as a suitable role model. Her obvious pride in being Filipino would attract her to Magsaysay, a congressman from a neighboring province in Central Luzon who became president in 1953. Like Aquino, Magsaysay had an honest reputation and styled himself a man of the people. He invited thousands of peasants and laborers to tour Malacanang Palace--much as Aquino did when she became president. He also encouraged farmers to send him telegrams explaining their problems. For her part, Aquino has instituted a biweekly television interview program entitled "Dialogue" on which she appears with ordinary citizens. [Redacted]

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Aquino might also feel that she can draw upon Magsaysay's experience in dealing with the Communist Huk rebellion that he inherited when he took office. Magsaysay--who had previously been secretary of defense--reorganized the armed forces, increased the number of combat troops, and tightened military discipline in the field. He also addressed the social and economic causes of the rebellion and established special courts for landlord-tenant disputes, as well as agricultural extension services and credit for farmers. He had begun a program of land reform when he was killed in an airplane accident in 1957. [Redacted]

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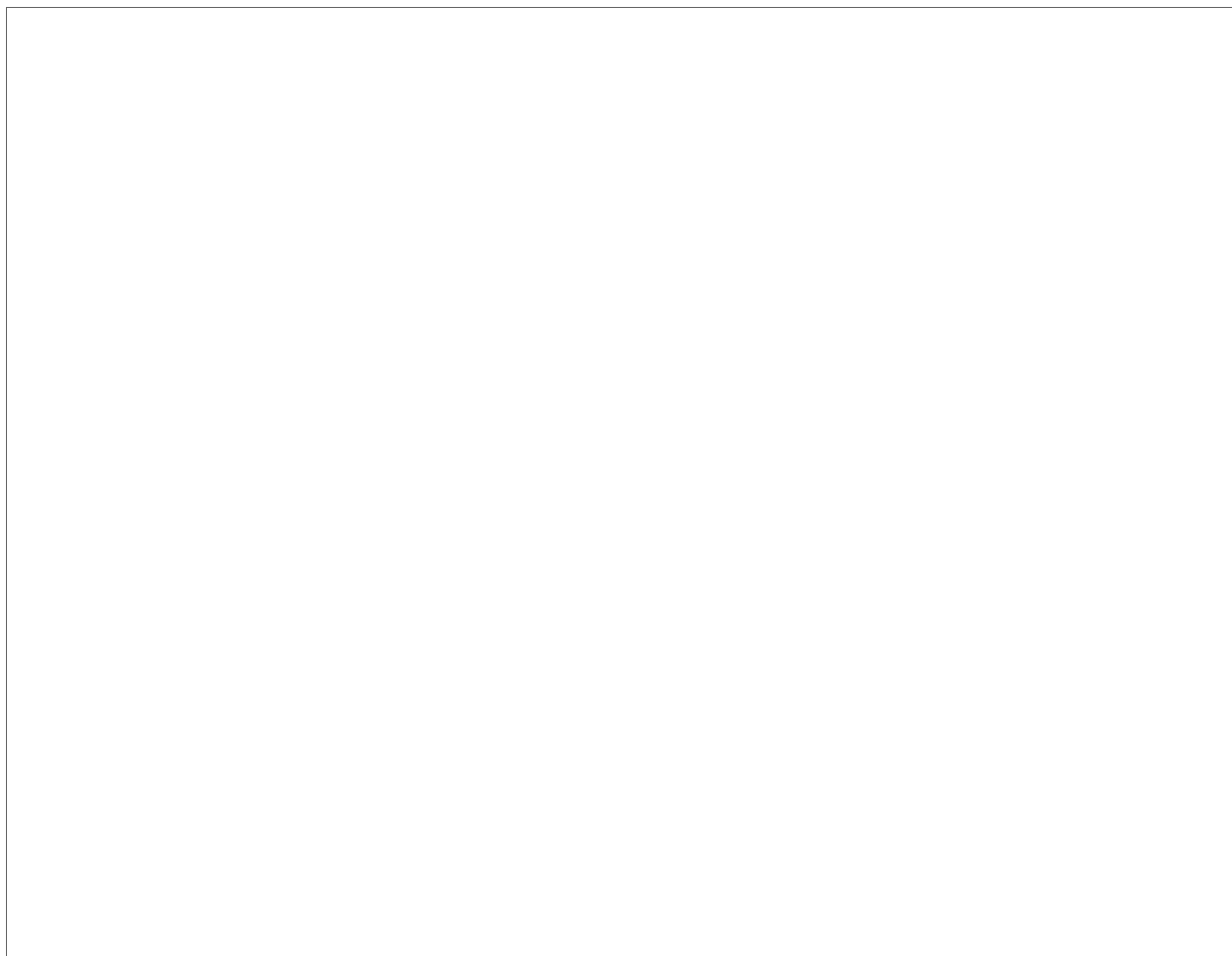
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Aquino's Relationship With Her Coalition Partners

The Military. In our judgment, Aquino is profoundly uneasy with the prominent role of the military in her government. She is especially uneasy with the political debt that she owes to Enrile, as well as his capacity to threaten the stability of her government. The US Embassy says Aquino has remarked privately that she could not hope to remain in power very long if she tried to oust Enrile from her coalition. Enrile has publicly emphasized the point by stressing in a press interview that an alliance with Aquino was his third choice--after a revolutionary council or people's committee--for a new government after he had broken ranks with Marcos. [Redacted]

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Aquino's experience with Enrile--who was Marcos's defense minister when her husband was jailed under martial law--is largely the reason Aquino has limited his authority in her government. Soon after becoming president, she announced that Armed Forces Chief of Staff Ramos and the service chiefs would report directly to her and that Enrile would simply monitor their performance of their duties.

[Redacted]

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The aborted coup attempt in July has prompted Aquino to try to ease the growing tension between her civilian advisers and her defense minister. According to the US Embassy, in a cabinet meeting following Tolentino's coup attempt, Aquino defended Enrile against harsh criticism from some senior government officials who believe that Enrile was involved in the abortive coup.

[Redacted]

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Aquino may well believe that Enrile is biding his time in the expectation that she will misstep and provide him an opportunity to oust her. these fears may be well founded. Enrile, for example, appears to us to be positioning himself to take advantage of unfolding events. In addition to publicly claiming that Communists have infiltrated the Aquino government, a US Embassy contact says that Enrile is meeting informally with a wide range of military officers to win their confidence and loyalty.

[Redacted]

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Traditional Politicians. Aquino seems to regard Vice President Laurel as an opportunistic politician who is typical of the traditional Philippine political leader but probably less competent. She allowed his UNIDO Party only three Cabinet positions and has limited his input into policy decisions.

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the Embassy says she recently admonished Laurel--along with other ministers--for publicly criticizing her cabinet. In addition, she was reportedly enraged by his proposal to improve diplomatic relations with the People's Republic of China through the use of Philippine Government radio to broadcast anti-Koumintang messages to Taiwan, according to the US Embassy.

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Aquino probably is aware that Laurel is positioning himself for a break with her, most likely during the national and local elections expected early next year. [Redacted]

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[Redacted] Laurel has even told US Embassy officials that he would not hesitate to campaign against government candidates because his attempts to forge a unified slate were rebuffed by PDP-Laban leader Pimentel. Laurel may actually have little choice in the matter because UNIDO members are unhappy over their treatment in the coalition. The US Embassy says that party leaders are frustrated with Laurel's inability to provide most of them with senior government positions. [Redacted]

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The Catholic Church. Because of the Catholic Church's prominent role in poll watching during the presidential campaign and Cardinal Sin's public support for her presidency, Aquino is aware that good relations with the Catholic Church are important, according to the US Embassy. She continues to consult Cardinal Sin and other church leaders for advice on some issues because "the Church has contacts with the people's grassroots". Aquino has publicly stressed, however, that they do not dictate government policy. [Redacted]

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Aquino's Views of the United States

In our judgment, Mrs. Aquino is philosophically and personally well disposed toward the United States. She attended US Catholic schools from junior high through college and was steeped in the democratic philosophy of the American "founding fathers." Her gratitude for Benigno Aquino's successful triple bypass surgery in Dallas and the outpouring of sympathy she received from the American people after her husband's assassination further strengthened her positive association with the United States. [Redacted]

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As for the US bases, prior to the elections, Aquino--like her husband--said she wanted Clark Air Base and Subic Bay Naval Base removed. Last February she also stated, "No sovereign nation should consent that a portion of its territory be a perpetual possession of a foreign power." On the other hand, she has--since her election--indicated she will keep her options open until 1991. In our view, Mrs. Aquino wants as much national independence as possible. But her recognition of the need for US fiscal support--the annual payment for the bases is nearly 10 percent of the total Philippine Government's domestic tax collection and the bases directly support nearly 40,000 Filipinos--will strengthen her resolve to fight against immediate or midterm removal of the bases. [Redacted]

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Aquino stated she wanted to assume a direct role in the bases talks. Although we do not expect her to be firmly wedded to specific details prior to the negotiations, we expect her to bargain hard for beneficial terms for the Philippines. According to the press, members of her administration are seeking information about the experiences of other countries--Greece and Spain--in renegotiating their base agreements with the United States. We also expect Mrs. Aquino will consult with other ASEAN members before formalizing her plans. [Redacted]

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After the Visit

We do not expect Mrs. Aquino to alter her essentially reactive style of governing in the near term. Her hesitancy to initiate direction will, in our view, compromise her ability to consolidate power, effectively deal with political issues, and control threats to her administration. Moreover, according to a US official, because Aquino tends to place loyalty and integrity above expertise in her subordinates, her political inexperience will be amplified by similar shortcomings in her key advisers. [Redacted]

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Although Aquino's chances for implementing her program of social and economic reforms will depend heavily on the support of local and national officials, she does not appear to be making an effort to ensure that her people will be in place once elections--tentatively scheduled for early next year--are held. The situation is particularly urgent from her point of view because, among other reasons, the government's program to replace local officials who held office under Marcos has been unpopular in many parts of the country and [Redacted] opposition politicians--who possess considerable financial resources--are actively preparing for the upcoming elections. [Redacted]

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Embassy reporting indicates that Aquino is aware of the possibility that members of Marcos's former party could defeat government candidates if her coalition cannot close ranks before elections. She has created a committee of close advisers to study the feasibility of establishing her own political party that would draw elements from PDP-Laban and UNIDO. In the meantime, she has also encouraged her brother, Secretary-General of PDP-Laban, to meet with representatives from UNIDO and the Liberal Party to try to plan a joint election strategy. [Redacted]

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As for the longer term, Aquino has demonstrated a capacity to learn from experience and should continue to evolve into a more competent leader. It remains to be seen whether she will make significant changes in people and approach that are needed to encourage longer term policies about how to address serious economic, political, and security problems, rather than rely on quick fixes based largely on her popularity and charisma. [Redacted]

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

15 August 1986

The Ruling Coalition in the Philippines:
Factionalism Persists [redacted]

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Summary

Widespread press coverage of open cabinet warfare in recent weeks has contributed to a tenuous political climate in Manila. Chronic infighting over key issues such as counterinsurgency and labor policy have been aggravated by persistent rumors of coup plotting by Defense Minister Enrile and claims by some Marcos loyalists that Enrile masterminded the coup attempt led by Marcos's ex-running mate, Arturo Tolentino, last month.

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[redacted]

Even if Aquino returns from Washington with her leadership credentials validated, we believe that tensions in the cabinet over the longer term may undermine her efforts to consolidate her control of the government. [redacted] cabinet leaders such as Enrile and Vice President Laurel are planning to back opposition parties when local and national elections are held--perhaps as early as February. If so, Aquino's party could suffer a defeat that would seriously hinder her ability to move ahead with her reformist agenda. [redacted]

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This memorandum was prepared by [redacted] Southeast Asia Division, Office of East Asian Analysis. Comments and questions are welcome and should be addressed to Chief, Southeast Asia Division, OEA [redacted]

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Widening Rifts in the Coalition

We believe intense infighting in the governing coalition has prevented President Aquino from setting a coherent policy course and undermined progress on reform in her six months in office. Indeed, what policy moves Aquino has made, such as her decisions to abolish the National Assembly, remove local officials, pursue civil-led ceasefire negotiations with Communist insurgents while restricting military operations, and liberalize labor policy have provided her critics with ammunition and eroded support for her leadership. [redacted]

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The tone of cabinet intramurals--especially between Defense Minister Enrile and some presidential confidants--has become particularly rancorous in recent months. According to the US Embassy, some presidential confidants, notably Executive Secretary Joker Arroyo and Presidential Adviser Teodoro Locsin, suspect Enrile of diverting weapons to his personal security force at the Ministry of National Defense in preparation for a coup against Aquino. For his part, Enrile has complicated matters by increasing his public criticism of the government and hinting that he and his supporters in the Defense Ministry would have to step in and "straighten the government out" if it appeared that the Communists were making substantial gains in the provinces (see box). Laurel has also become more outspoken and is publicly urging Aquino to remove controversial ministers such as Arroyo, Minister of Local Government Pimentel, and Labor Minister Sanchez. [redacted]

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A Shifting Balance of Power?

Enrile's pivotal role in suppressing the July coup attempt by Marcos's ex-running mate Arturo Tolentino has considerably bolstered his hand.

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Aquino has also attempted to assuage the fears of military leaders who have been critical of her exclusion of Enrile and Chief of Staff Ramos from ceasefire negotiations with the Communist insurgents, in our judgment. She recently created a National Security Council, whose members--herself, Enrile, Arroyo, Ramos, Laurel, and Justice Minister Gonzalez--will attempt to coordinate civil-military counterinsurgency strategy at the national level.

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On balance, however, we believe that leftists still hold substantial influence with Aquino. The most telling sign that leftists views prevail, in our judgment, is Aquino's announcement that Joker Arroyo would see to the daily routine of running the country and that Vice President Laurel would perform only ceremonial duties. Another indication of her confidence in leftist advisers is Aquino's decision to continue supporting her left-leaning Labor Minister in the face of widespread dissatisfaction with his performance among moderates and among Philippine businessmen. The Embassy reports that in addition to Ongpin and Concepcion, Aquino's brother and personal adviser Jose Cojuangco has tried but failed to convince her to fire Sanchez. In addition, Aquino has yet to substantially deviate from other controversial policy decisions associated with her leftist advisers--such as the ongoing ceasefire negotiations--and the Embassy says that she continues to confer most frequently with confidants such as Arroyo and Presidential Adviser Saguisag.

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Dwindling Prospects for Coalition Unity

In our judgment, Enrile's efforts to strengthen his hand support the view that he hopes to gain control of the presidency through political means that undermine Aquino's leadership credentials. One way of doing this is to encourage another coup attempt by Marcos loyalists that results in a political embarrassment for Aquino and casts him again in the role of her protector. Recent press reports that Enrile "uncovered" a plot scheduled to take place while Aquino was visiting Singapore and Indonesia at the end of August or before she leaves for Washington suggests that he is laying the groundwork to "foil" another attempt to oust Aquino. [redacted]

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[redacted] Enrile may also be working behind the scenes to defeat ratification of the constitution when Aquino submits it for a national plebiscite--a development we believe most Filipinos would interpret as a vote of no confidence in Aquino's leadership ability. To this end, Embassy reporting indicates that Enrile is overseeing the revival of the Nacionalista Party--composed of remnants of Marcos's old KBL party--through his protegee and province-mate Renato Cayetano. [redacted] has directed a military commander in his home province of Cagayan to assist Cayetano in a campaign to defeat the constitution. [redacted]

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Other reporting suggests that Enrile is also hoping to forge alliances with key members of the coalition. According to the Embassy, Enrile meets regularly with Laurel to commiserate over their inability to influence decisionmaking in the cabinet.

[redacted] they have discussed combining Laurel's political party, UNIDO--which has the strongest grass roots organization of any party in the coalition--and Enrile's political supporters when elections for local and national officials are held. One indication that Laurel may be seriously considering an open break with Aquino came earlier this month when he declined to clarify press statements that he would fire Aquino's leftist cabinet ministers while Aquino is in Washington. [redacted]

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[redacted] According to the Embassy, Aquino warned Laurel and Pimentel--who controls Aquino's Laban party--that if they do not merge their parties she would withdraw her support from both and back her own candidates. Although the Embassy reports that both appear chastened after the meeting, [redacted]

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[redacted] Pimentel recently proposed naming replacements for the country's 45,000 village leaders before the election, suggesting that he intends to pull out all stops to build a political machine in the countryside. [redacted]

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Looking Ahead

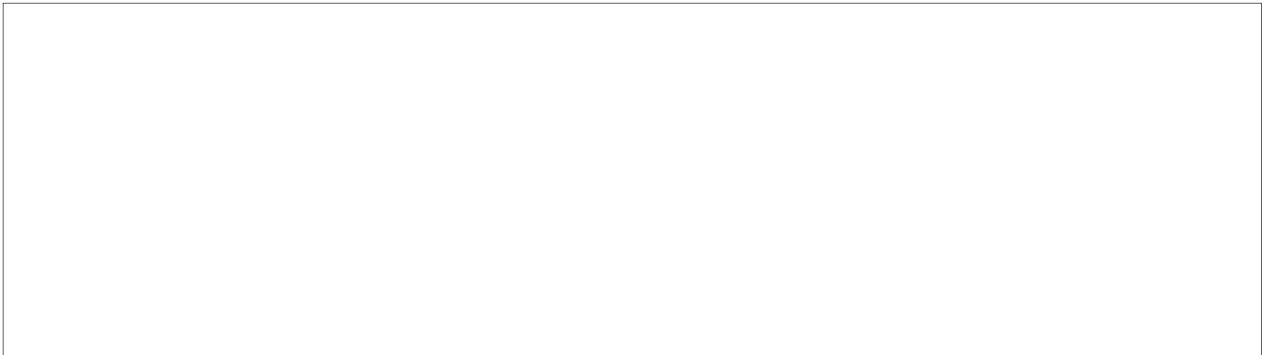
We believe a strong performance by Aquino in Washington would underscore her leadership abilities and help her political agenda this fall--and this judgment is shared by some of her advisers, according to the Embassy. In particular, the Embassy says that advisers such as Locsin and Arroyo are counting on a successful trip to Washington to help carry the vote to ratify the constitution and bolster Filipino confidence in Aquino's leadership. [redacted]

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We also believe that a succesful visit would be a setback for Enrile, who would certainly have to consider the United States reaction should he decide to try a coup. If she thinks her position strong enough, Aquino may even decide to remove him from the cabinet. [redacted]

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Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

29 August 1986

The Philippine Economy: Outlook and Key Issues [redacted]

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Summary

Having come to power in the wake of the worst peacetime recession in recent Philippine history, Aquino political success will in large part depend on improving living standards, which have sunk by 15 percent since 1981. Nonetheless, there are no easy methods for repairing the economy. Under these circumstances, we believe that Manila will continue to emphasize its need for more aid from the United States and other foreign donors and avoid politically unpalatable economic policies, such as devaluation. [redacted]

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Investment is critical to the economic outlook. In our view, maintaining business confidence and encouraging foreign investment require keeping a lid on labor militancy, setting policies that provide even-handed treatment of the private sector and foreign investors, and demonstrating political stability. Our econometric analysis shows that, if Aquino can manage investment-related issues, the economy can grow by more than 2 percent this year and by as much as 7 percent next year. [redacted]

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This memorandum was prepared by [redacted] Office of East Asian Analysis. Information available as of 29 August 1986 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Islands Branch, Southeast Asia Division, OEA [redacted]

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Sustaining a recovery beyond 1987, however, will require wide-ranging economic reforms that increase agricultural productivity, improve international competitiveness, narrow the budget deficit, and rescue the failing banking system. Achieving these objectives demands considerable political leadership, since each would adversely affect key interest groups in the short run. [REDACTED]

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Economy Holds Promise in the Near Term

President Aquino comes to power at an opportune time in the Philippine business cycle--the two-year recession bottomed out late last year. If investor confidence firms, the economy could grow by 2.6 percent this year, according to our econometric simulations; we estimate that GNP grew by 2 percent in the first quarter of this year. Moreover, with favorable external economic conditions, national output could bounce back by nearly 7 percent next year. [REDACTED]

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- Key economic indicators have been positive since the "February revolution". The small local stock market is up over 60 percent, foreign exchange reserves have grown by 80 percent to \$1.6 billion, and inflation has been stopped--in June, consumer prices fell at a 10-percent annual rate. Moreover, our index of leading economic indicators suggests that an upturn in the economy is under way.
- Foreign exchange inflows will be sufficient to meet debt servicing and import requirements. Aid donors have pledged to deliver over \$750 million in financial assistance this year, agreement is near on a new \$500 million IMF program, and, in our judgment, negotiations with foreign commercial banks later this year will result in a rescheduling of debt payments due between 1987 and 1991.

According to US Embassy reporting, Aquino's economic advisers believe that an economic recovery can begin only with increased government spending and that it must subsequently be sustained by a reinvigorated private sector. A growth-oriented strategy for government spending means that Manila will run large budget deficits this year--equal to nearly 5 percent of national output--and increase the money supply by as much as 15 percent. Manila's foreign creditors, including the IMF and commercial banks, worry that such a policy course would reignite inflation and undermine the improved foreign payments position of the government. According to Budget Minister Romulo, however, the Philippines can no longer afford the social fallout of poor economic performance. [REDACTED]

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One bright spot is the performance of the agricultural economy. According to Philippine Government data, agricultural output in the first quarter of this year was 2.5 percent higher than in the same period in 1985, while the output of industry and services fell by 3 percent. Production of rice and corn--the two crops most commonly grown--increased by 8 and 13 percent, respectively, aided by good weather and government credit programs. The sector's only production decline was registered by sugar, where output dropped 10 percent in response to record low prices on the world market. Although agriculture's current gains are modest compared with the 5-percent

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[Redacted]

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annual growth rates achieved a decade ago, they have helped many Filipinos adjust to widespread unemployment in urban areas. [Redacted]

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But Many Serious Problems Remain

A long-term economic recovery is not ensured. Consumers, small businessmen, and organized labor are likely to resist tax reforms, trade and foreign investment liberalization, a floating exchange rate, and revamping government financial institutions. Furthermore, Manila's economic planners cannot count on sustaining growth with exports; commodity prices this year are at historically low levels, and most economists expect little improvement for at least the next few years. [Redacted]

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Another constraint to economic growth is that the Philippines is overborrowed--servicing its \$27 billion foreign debt absorbs nearly 40 percent of export earnings. Moreover, despite a recent buildup of its foreign exchange reserves to levels equal to four months of import requirements, Manila's dependence on balance-of-payments loans from the IMF and a rescheduling its foreign exchange gap will continue. [Redacted]

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Immediate Economic Issues

In our judgment, the Philippines has three critical economic problems that must be addressed by government policymakers in the near term--stimulating investment, restraining labor militancy, and improving the economy's international competitiveness.

Stimulating Investment. In our judgment, the prospects for economic recovery depend crucially on increasing private-sector investments, especially by local businessmen. Manila will find it difficult to use more traditional methods of export growth or expansionary fiscal and monetary policy to prime the economy. The IMF, for example, has set budget and money ceilings for Manila. As long as businessmen believe that Aquino's government is biased against the private sector, encourages radical leftist unions, is ambivalent toward foreign investments, and lacks long-term direction, investment outlays are likely to remain low. [Redacted]

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Lessons from other Asian nations--including South Korea, Singapore, and Malaysia--suggest that taking advantage of global economic trends requires an economic and political environment that attracts the private sector--both domestic and foreign. [Redacted]

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- Public and private sector investment--which totaled more than \$5 billion last year--is essential to reviving the industrial sector, improving agricultural productivity, and generating new jobs. Gross investments have taken a nosedive in recent years, dropping from 29 percent of national output in 1980 to 14 percent last year, according to Philippine Government data. Aquino is increasingly impatient with the wait-and-see attitude of local investors and has said so publicly. Investments during the first five months of this year are little more than half the level achieved during the same period last year and, by all indications, have not picked up since the business-supported revolution that swept Aquino to power. Moreover, according to US Embassy reporting, the small but influential Chinese business community is postponing business spending until the country's political and economic prospects improve. [Redacted]

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- [Redacted] overseas businessmen also are postponing investment outlays, in part because of the low level of confidence in the government exhibited by the Philippine business community. Foreign corporate investments since January are running at half of last year's rate. The \$125 million in foreign capital inflows last year--concentrated in export-oriented industries-- contributed only 2 percent to the investments made in the Philippines. [Redacted]

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- Aquino's government appears to be indifferent to foreign investment. For example, the government's draft five-year plan suggests that foreign investment will be channelled into sectors where domestic investment is inadequate and denied entry into other sectors. In addition, nationalists are pressuring the Aquino government to impose sweeping limitations on foreign investment. [Redacted]

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Restraining Labor Militancy. Philippine businessmen report that labor militancy is largely responsible for the poor investment outlook. In particular, businessmen are concerned with Labor Minister Sanchez's sympathy for leftist unions and his support of policies, such as radical profit-sharing plans, that they believe encourage labor-management strife. More than 330 strikes during the first half of this year--60 percent higher than in the same period in 1985--involved over 90,000 workers. According to press reports, there is widespread criticism in the business community that the Ministry of Labor is helpless in preventing strikes. [Redacted]

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The leftist KMU (Kilusang Mayo Uno) labor alliance is widely held responsible for the increased labor militancy. Believed by many observers to receive policy guidance from Communist front groups, the KMU advocates a struggle against the Philippine military, elites, multinationals, and the US Government. [Redacted]

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[Redacted]

Improving International Competitiveness. In our judgment, most Philippine manufacturing firms are uncompetitive in world markets because of tariff and nontariff

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barriers to both imports and exports. As a consequence, the growth of manufactured Philippine exports has been the lowest among developing countries in East Asia over the last several years. Moreover, the nature of world trade is changing because of weaker world demand for exports from developing countries, more emphasis on manufactured products, greater protectionism, and more trade competition among countries. Although Manila is taking steps to lift import restrictions and tariffs that have protected inefficient domestic manufacturers, local businessmen are likely to mount a stiff resistance to sweeping trade liberalization and, in our judgment, end up diluting the benefits of such policies. Agricultural products and raw materials account for about one-third of total exports. Because of our projected decline in US demand for such products, however, the Philippines cannot continue to rely on its traditional commodity exports to the United States, such as coconut oil, sugar, and forest products, as a major source of foreign exchange. [REDACTED]

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The developing countries that have been successful in registering steady economic growth have all adopted an export-oriented development strategy. The typical package of outward looking growth policies includes an exchange-rate policy geared to making exports more competitive; a fairly tight monetary and fiscal policy to control inflation, favor production for exports, and strengthen export competitiveness; and some measures to promote private and foreign investment. [REDACTED]

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Policy Options for a Rural-Based Economic Recovery

Despite these gains in agricultural production, rural incomes have been depressed by rapid population growth and corrupt marketing monopolies. In our judgment, increasing the standard of living in the countryside--where 70 percent of the population resides and which contributes over a quarter of the national output-- and combating propaganda gains by the Communist insurgents require, among other things, agricultural growth rates in excess of four percent annually. [REDACTED]

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Accordingly, President Aquino's economic advisers are weighing a commitment to rural development as the cornerstone of the government's program for economic recovery. They realize that declining support for the Marcos government and the rapid escalation of the Communist insurgency after 1981 coincided with the rural economy's sharp decline. [REDACTED]

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One reason to adopt a rural strategy is that traditional development programs will not significantly improve the living standards of the average Filipino. Import-substitution policies of the Marcos government, for example, left large segments of the manufacturing economy plagued by high costs, discouraged agricultural export production, and created few industrial jobs. Moreover, Aquino's economic planners cannot count on sustaining growth by exporting unprocessed agricultural commodities or manufactured goods; commodity prices this year are at their lowest levels relative to those of manufactures since the 1930s, and most economists expect little improvement for at least the next few years. Furthermore, the low cost of Philippine labor is no longer sufficient to ensure the competitiveness of manufactured goods because, for over a decade, new production technologies have lowered labor's contribution to total manufacturing costs. [REDACTED]

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Alternatively, by boosting rural output and incomes through improved rural infrastructure, agricultural extension services, and appropriate pricing policies, we believe the Philippines could develop an internal market capable of sustaining economic growth. A necessary component of this strategy would be an exchange-rate depreciation that directly raises incomes for rural exporters and makes it profitable to invest in agribusiness enterprises. We believe the peso's nearly 50-percent devaluation since late 1983, for example, helped boost agricultural output by nearly 5 percent during 1984-85--despite a 10-percent decline in the economy's overall production. [Redacted]

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Aquino's government faces numerous political hurdles in carrying out a rural development strategy. Urban interest groups--which were responsible for ousting Marcos--are likely to oppose exchange rate, tariff, pricing, and tax policies designed to encourage agricultural production and boost rural incomes if they believe those policies will hurt urban industries or raise consumer prices. Furthermore, Aquino's economic team--comprising businessmen, bankers, and academics with little experience in small-scale agriculture--may not be sufficiently committed to rural development to overcome lobbying by urban interest groups. Complicating the picture is the time it takes for rural development to succeed under even the best of circumstances, and Aquino has said publicly that she has to deliver tangible benefits quickly in the countryside. [Redacted]

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Manila's projected large budget deficit this year--probably more than 4 percent of national output--will also restrict the scope of the government's rural development effort. A high-impact rural development program requires large outlays for roads, post-harvest food storage, irrigation, and a revitalized agricultural extension service. In addition, improving farmers' welfare will require a costly effort to coordinate disparate civilian and military counterinsurgency programs. [Redacted]

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As a consequence of Manila's budget constraints, financial aid is likely to become a contentious and troublesome issue between Manila and its aid donors. We believe that Manila may come to view the Military Bases Agreement as the key source for the funding it believes is needed to finance its rural development strategy. [Redacted]

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[Redacted]

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Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

28 August 1986

Summary

The Communist Party of the Philippines:
A New Game Plan? [redacted]

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Changes in Communist Party leadership resulting from embarrassment over the party's inability to enforce a boycott of the February presidential election have not seriously damaged the party's political and military program. The party is engaging in new tactics--including pursuing ceasefire negotiations with the government and conducting lower profile military operations--that suggest the new leaders are adjusting their game plan to make gains against the new government. [redacted]

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What military and political victories the Communists achieve in the year ahead will largely depend on their ability to keep internal dissension from derailing their newly set tactical course.

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[redacted] debate over whether to participate in ceasefire negotiations continues. [redacted]

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[redacted] internal purges of suspected government informants, are undermining party morale in the provinces and eroding its popular support. If the party overcomes these obstacles--and given some time this is a likely prospect in our view--we believe it will have little problem capitalizing on President Aquino's

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inability to make rapid progress on her reform agenda, including professionalizing the armed forces and righting the economy. [redacted]

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Pragmatists Take the Helm

[redacted] the Communist Party's ill-fated decision to boycott the February 1986 presidential election triggered a period of unprecedented self-criticism, prompting a leadership struggle that left its decisionmaking apparatus in confusion and disarray. According to the US Embassy, for example, many regional party organs and military units last spring began acting on their own initiative instead of waiting for instructions from party leadership in Manila--a development that created considerable regional disparity in insurgent military operations.

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Breaking New Political Ground

The most notable shift in party tactics since the leadership change is the decision to participate in ceasefire negotiations with the government. [redacted] party leaders view the talks primarily as an opportunity to establish credibility with the public and position themselves for

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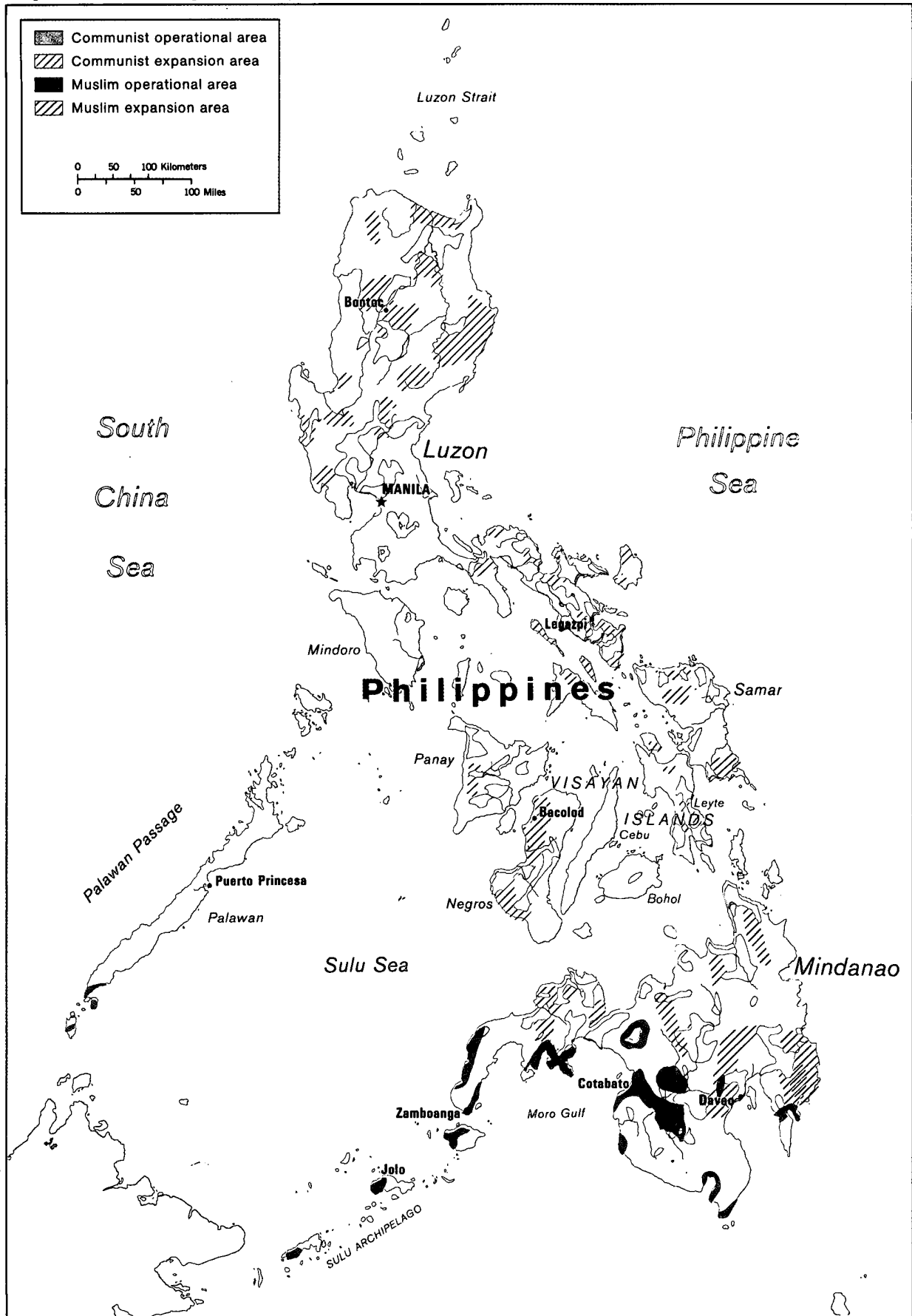
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Major Areas of Insurgent Activity



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a more active role in Philippine politics. This view is supported by the fact that party leaders appear to be deliberately delaying negotiations by setting preconditions that are clearly unacceptable to the government--including removal of government troops from many areas of the country and the dismantling of the US bases at Clark Airfield and Subic Bay. [redacted]
[redacted]

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We believe another reason the party is pursuing national-level ceasefire talks is to prevent the government from striking independent bargains with local insurgent commanders. [redacted]

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[redacted] despite their efforts, the pragmatists are failing to halt defections. According to the Embassy, some regional government officials--most notably in Davao City in Mindanao--have successfully negotiated ceasefire and amnesty agreements with several local insurgent commanders.
[redacted]

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The party appears to be expanding selected political activities to destabilize the ruling coalition and eventually force Aquino to include them in her government. For example, [redacted] the party is taking advantage of relaxed government restrictions on strike activity to foment labor unrest nationwide. The Embassy reports that the militant Kilusang Mayo Uno (KMU)--the leading CPP-dominated labor federation--is becoming increasingly involved in strikes in Manila and Cebu, the country's second-largest commercial center. Indeed, KMU-inspired strike activity in Cebu has reached such alarming proportions that businessmen are blaming Labor Minister Sanchez--who has publicly supported the KMU--and demanding that Aquino dismiss him. The party's aim clearly is to drive a wedge between Aquino and the business community--one of her key constituencies. [redacted]

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Bayan: A Case Study of Communist Infiltration

The Bagong Alyansang Makabayan (New Patriotic Alliance), generally abbreviated as Bayan (Nation), was organized in early 1985 by leftist activists within the anti-Marcos movement. It was originally conceived--and publicly heralded--as a broad-based umbrella organization that would bring disparate antigovernment groups into a coalition that ultimately would be transformed into a political party of the left. [REDACTED]

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From the beginning, Bayan was an arena for power struggles between Communist and non-Communist elements--each assuming it would in time co-opt the other. The Communists, however, moved quickly to assert their dominance. Their first-line strategy was to allow moderate elements to believe they were in charge while moving to ensure radical domination behind the scenes. This was done by allocating nominal leadership positions to the non-Communists and exacting adherence to pro-Communist organizational procedures in return. These procedural arrangements consisted of stacking decisionmaking bodies--such as Bayan's national and regional commissions--with CPP cadre or sympathizers. [REDACTED]

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CPP infiltration of Bayan proved particularly successful in the provinces, where local groups often have fewer options for creating tactical alliances. Using funds collected from Bayan affiliates and mobilizing their memberships--usually students and workers--the CPP has organized protest activities and strikes in provincial cities such as Bacolod, Iloilo, Cebu, and Davao. These provincial demonstrations, often involving crowds of 20,000 or more, have received national media attention and led to confrontations with local government authorities. During 18-20 June 1985, for example, Bayan staged a mass demonstration to protest the licensing of the nuclear power plant in Bataan Province; a well-executed series of marches, rallies, roadblocks, and human barricades virtually shut down the province for three days. In September 1985, on the anniversary of the imposition of martial law, a Bayan-organized rally in Escalante in Negros Occidental Province ended in violence when police fired into the crowd, killing at least 25 demonstrators and wounding more than 50 others. In our view, Bayan's success in the provinces--drawing as it does upon the CPP's grassroots power base--reflects the real strength of the radical left and its ability to dominate antigovernment activities. [REDACTED]

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Looking Ahead

Despite a relatively smooth transition, we believe it will take time for the party to fully recover from its leadership problems. In particular, pragmatists will undoubtedly be vulnerable to leadership challenges from hardliners if new tactics--such as ceasefire negotiations--allow the government to regain lost ground. In our view, the fact that hardliners continue to act independently suggests that the pragmatists have a tenuous grip on the reins of leadership. [redacted]

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Another threat to new leadership may be the recent publicity given to insurgent atrocities in the provinces. According the Embassy, the recent discovery of mass graves of suspected government infiltrators executed by the guerrillas has dealt a serious blow to the party's image and to morale within insurgent ranks. A simultaneous decline in reports of human rights abuses by the military has contributed to the shifting of some popular support from the Communists to the government forces. [redacted]

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In our view, however, it would be a mistake to overstate the impact of the leadership struggle on the party's political and military apparatus at the grassroots level. Party structure below the Central Committee appears to have emerged relatively intact from the temporary disarray produced by the leadership change. This view is supported, in our judgment, by the party's ability to quickly implement new tactics against the government. [redacted]

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Indeed, if history is any guide, the party will continue its tactical flexibility--even if there is another leadership challenge. We believe, for example, that insurgent military activity will remain at a slightly diminished level as long as the party believes that Aquino's popularity precludes an escalation of armed conflict. On a broader level, the party

would be more likely to alter its longterm strategy if Aquino makes considerable progress in solving the country's pressing problems. We believe this is an unlikely prospect in the near term. [redacted]

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In any case, party leaders remain committed to armed struggle and could easily adopt new tactics--such as an urban terrorism campaign in Manila--to undermine Aquino's leadership credibility. Current regular guerrilla strength--estimated [redacted] at about 23,000--also suggests that insurgent activity could intensify if the decision is made to step up operations. The Embassy also says that the insurgents are stockpiling weapons and equipment seized from the government and have increased recruiting efforts in anticipation of renewed fighting. [redacted]

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

5 August 1986

The Philippines: State of Muslim Discontent [redacted]

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Summary

President Aquino's tentative efforts to promote a settlement with the Muslim minority have been hampered by divided government counsels, the distractions of more pressing concerns, such as the Communist insurgency and the depressed economy, and disunity among the Muslim rebels. The probability of resolving the Muslim insurgency within the next several years is thus very low. Some of the the terms of the 1976 Tripoli Agreement, which provides for Muslim autonomy and forms the basis for negotiations, are unacceptable to the Aquino government. In addition, neither side has the military resources to force a settlement. The lack of progress will cause an increase in violent activities by Muslim rebels on Mindanao, in our view, but not to the point of threatening the stability of the Aquino government. [redacted]

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Current Developments

The military and political situation on Mindanao is relatively calm. There have not been any major incidents between the government and the Moro National Liberation Front (MNLF) in the past few months, and Mrs. Aquino has been able to safely visit the area. [Redacted]

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However, below the surface political tensions in Mindanao are high. The recent rash of kidnappings--including those of an American, 10 Filipino nuns, a Swiss tourist, and a Brazilian businessman--and attacks by people suspected of having ties to the MNLF is particular reason for concern. The cause of the kidnappings, according to Deputy Minister of Foreign Affairs for Africa and the Middle East Mamintal Tamano is discontent among the Muslims over the perceived indifference by Manila to their problems. They are especially concerned over the lack of Muslim representation in the Aquino government and the failure to include a Muslim among the new appointments to the Commission on Elections. [Redacted]

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Division Among the Muslim Rebels

The MNLF--organized in 1972 in response to Marcos's declaration of martial law--is a loose coalition of ethnically diverse Muslim rebels who believe that Manila's Christian-dominated government will never treat them equitably. The MNLF has split into three major groups: the mainstream MNLF led by Nur Misuari from exile and supported by Libya and Malaysia; Dimas Pundato's MNLF-reform group, supported by Saudi Arabia; and Hashim Salamat's Moro Islamic Liberation Front (MILF), supported by Pakistan. Each faction roughly corresponds to local ethnic differences in Mindanao. The reform group draws most heavily on the Maranao of the Lanao provinces; the MILF on the Maguidanao in the provinces of Cotabato, Sultan Kurarat, and Maguidanao; while Misuari's support comes mostly from the Tausug of the Sulu area. [Redacted]

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At its peak strength in 1976, the united MNLF fielded an estimated 30,000 troops. Since then, a decline in overseas support, together with Marcos's success in persuading rebels to surrender, has diminished its capabilities and reduced its fighting strength considerably. The effectiveness of Muslim forces has been weakened further by a lack of discipline, poor organization, internecine feuding, and banditry. At present, [Redacted] the MNIF is probably the best organized and most disciplined of the factions with about 800 armed regulars; Misuari has an estimated 3,700 armed regulars; and the reform group has about 800 armed regulars, and is considered the weakest militarily [Redacted]

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Though supplies of arms and finances from abroad have dwindled, rebel groups still maintain important external contacts.

[Redacted]

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In our judgment, a number of factors have weakened external support for the Moro cause since 1976: MNLF disunity and factionalism; the perception among Islamic benefactors that the problems were eased by the Tripoli Agreement; a decline in the interest of Islamic states, particularly Libya, and the fall from power of Tun Mustapha in Sabah, Malaysia, which deprived the MNLF of a friendly open border. We believe it is unlikely the MNLF will regain substantial foreign backing, because the capacity of foreign parties to influence negotiations is limited.

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Tripoli Agreement

The Tripoli Agreement, which forms the basis for current negotiations, was reached in 1976 among representatives from the MNLF, the Islamic Conference, and the Philippine Government, after direct conversations between Imelda Marcos and Colonel Quadhafi. The agreement provides for an autonomous region for Muslims in thirteen provinces of the southern Philippines. The autonomous region is to have Muslim courts, a legislative assembly and executive council, an administrative system, special regional security forces, and representation in the central government; control over education and finance, and the economic system; and a right to a share of mining revenues. The central government was to maintain responsibility for foreign policy and national defense affairs. The agreement specified that the role of the MNLF forces in the Philippines Armed Forces and relationships between the autonomous region and those of the central government were to be discussed during further talks. In the meantime, there was to be a ceasefire, supervised by a committee representing the Philippine Government, the MNLF, and the Islamic Conference.

[Redacted]

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The agreement is important for two reasons. The ceasefire, while not perfect, has greatly reduced armed hostilities. In addition, Marcos used the Tripoli Agreement to undermine MNLF support and to factionalize the MNLF. After a rigged plebiscite, Marcos reduced the number of provinces included in the autonomy to eight and divided them into two political regions with limited power and considerable fiscal constraints. Marcos used his authority to appoint government officials to coopt the Muslim leaders. The competition for political spoils led to significant factionalism among the leaders of the MNLF, reducing its effectiveness as an organization and its threat to the government in Manila.

[Redacted]

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Emerging Government Policy

No clear Muslim policy has yet emerged from the Aquino government. Aquino's tentative efforts to promote a settlement with the Moros has been hampered by divided government counsels and the distractions of more pressing problems. According to an Embassy source, a Ministry of Foreign Affairs Task Force is in the process of preparing a set of recommendations for Mrs. Aquino that will reflect her campaign promise to respect the 1976 Tripoli Agreement. However, this will not imply a willingness by the Philippine Government to grant full autonomy to the Muslim areas of Mindanao. [Redacted]

[Redacted]

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[Redacted]

The Embassy has reported that the President's brother-in-law Agapito "Butz" Aquino has visited Musuari in the Middle East to set up formal talks on the peace-and-order problem in Mindanao. In addition, it is likely that he will be named as the chief negotiator when negotiations begin. [Redacted]

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Prospects for Settlement

Indications are that both sides want to resolve the conflict. President Aquino's needs are political, economic, and military. Politically she needs to fulfill campaign promises and cultivate an image as a problem solver; economically the government needs access to Mindanao's rich natural resources, which cannot be exploited while the Muslim insurgency is under way, and militarily to concentrate troops against the Communist insurgency. The MNLF wants a settlement because it believes the current political atmosphere is the best opportunity available to achieve Muslim demands within the framework of the Tripoli Agreement. [Redacted]

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Although prospects for peace appear better than at any other time, formidable obstacles remain. There is little agreement either in Manila or among Muslim groups on the form that a settlement might take. In our judgment, negotiations will be complicated by rivalries in the government, within the MNLF, and among the wider Christian and Muslim communities, which are competitors for land and political power in Mindanao. The Philippines' depressed economy means that Manila will not be able to offer any substantial inducements to the rebels. Finally, the government is unlikely to invite contention by pressing the issue because for now the Muslim situation is manageable internationally and not much more than an irritant internally. [Redacted]

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One development that would reduce the prospects for a peaceful settlement even further is an alliance between the MNLF and the Communist New People's Army (NPA).

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The same ethnic and religious issues that separate the government and the MNLF also separate the NPA and the MNLF. [Redacted]

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Only a sudden deterioration in security in Mindanao is likely to attract sustained and determined attention from a divided and distracted government. In our view, this is not likely in the short-term. While Misuari has not moderated his demands and Pundato and Salamat have threatened to renew hostilities if there is no progress, the Muslims are so fragmented as to be unable to force the issue. For Manila, the stalemate is probably preferable to the reactions that would be provoked by a determined move on its part to satisfy Muslim demands, especially a bitter and divisive debate and the risk of generating similar demands in other areas and a Christian backlash. At the same time, the government lacks the military resources to impose a settlement. [Redacted]

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Central Intelligence Agency



Washington, D.C. 20505


DIRECTORATE OF INTELLIGENCE

29 August 1986

The Armed Forces of the Philippines: Prospects
for Counterinsurgency 

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Summary

We believe President Aquino has made some progress reforming the military by trying to improve its professionalism. She has, for example, replaced senior officers extended on duty past retirement with combat-experienced professionals selected by General Ramos and Defense Minister Enrile, while approving the reorganization of the Defense Ministry and the government's military and civilian intelligence apparatus. In addition, she has approved a new counterinsurgency plan that emphasizes small-unit operations in place of large sweep operations and approved the transfer of men and equipment from Manila to field units. Finally, she has directed the armed forces to remain on the defensive against the Communist insurgents to improve the prospects for cease-fire negotiations and to avoid further military abuses of the population. 

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These moves are an encouraging start, and if sustained and extended to other areas of the military, we believe, it is not too late for reform of the armed forces to translate into lasting success against the Communist insurgents. Several obstacles, however, stand in the way of lasting counterinsurgency progress:

-- The military must develop a personnel system

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 Southeast Asia Division, Office of East Asian
Analysis. Comments are welcome and may be addressed to Chief,
Southeast Asia Division, OEA 

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that rewards professionalism and performance, step up efforts to root out corruption, and build a base of popular support for counterinsurgency in the countryside;

- The government lacks a comprehensive, integrated civil-military counterinsurgency strategy that provides the military with the materiel and financial resources to pressure the insurgents to negotiate and not violate cease-fire or amnesty agreements they sign;
- The armed forces do not have adequate supplies of basic combat necessities; transportation, communications, logistics, and maintenance are insufficient; training in combat skills is weak; and an integrated intelligence-civic action effort that provides timely information on insurgent activities has yet to be developed.

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In the absence of major improvements in the government's counterinsurgency program, the Communists could achieve a strategic stalemate with the government within five years--a development that would require a major escalation of outside technical and materiel assistance to turn the tide in favor of the government.

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New Opportunities, Potential Pitfalls

President Aquino has identified defusing the insurgency as one of her major priorities. Her government, however, must work with much of the same institutional apparatus and most of the same personnel that conducted counterinsurgency operations under former President Marcos. It is not yet clear that Aquino will have any more success.

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We do not expect dramatic progress in the counterinsurgency effort soon, especially in ameliorating its systemic problems: corruption, financial constraints, and lack of a comprehensive, civil-military approach to the insurgency. The fact that Aquino and her closest advisers have much to learn about military affairs complicates the outlook. Despite plans to create a Committee on National Reconciliation and the military's preparation of a new counterinsurgency plan, for example, the government's approach has been to place the military on the defensive while trying to encourage the insurgents to surrender. In addition, Aquino's decision to create a National Security Council--long urged by military leaders--is steeped in political considerations. The Embassy reports that the body is viewed by most Filipinos as an attempt to placate Defense Minister Enrile, and thus it is unlikely to make significant progress in formulating a long-range amnesty program, an economic

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response to the causes of the insurgency, and coordinating the counterinsurgency at the national level. [REDACTED]

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Fiscal constraints are likely to preclude a significant expansion of the armed forces for the near term, and are likely to sharply limit government amnesty and civic action programs. For example, in 1984 the government in real terms spent only about three-fourths of what it spent on the military in 1980 and approximately half of what it spent near the end of the Muslim rebellion in Mindanao in 1977. Even with additional assistance from the United States, the armed forces are likely to require several years before the supply, logistics, and maintenance systems are capable of supporting expanded counterinsurgency operations. [REDACTED]

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Prospects that the Aquino government will regain the initiative over the Communist insurgents are better over the longer term, in our judgment. The military gained significant prestige as a result of its role in removing Marcos, and Ramos and Enrile have continued to garner popular support by appointing military professionals to replace senior officers discredited by their close association with Marcos. Moreover, the new government's willingness to move against former Marcos political allies and military personnel accused of corruption and human rights abuses has helped it gain public approval outside Manila, according to Embassy reporting. [REDACTED]

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The Role of the New Leadership

Aquino has already improved military leadership at the senior level by replacing most of the senior officers Marcos had extended on duty past retirement with combat-experienced professionals selected by Ramos and Enrile. Several are graduates of US service academies, and nearly all acquired combat experience during the Muslim insurgency on Mindanao during the 1970s. [REDACTED]

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along with the generally high-caliber junior officers found in small, elite units such as the Marines and Army Scout Rangers, provides the New Armed Forces of the Philippines (NAFP) with the leadership nucleus it needs to establish itself as an effective counterinsurgency force. The entry of a new generation into the senior ranks of the armed forces during the next several years could lay the groundwork for major changes later this decade. [REDACTED]

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In a move aimed at eliminating corruption and improving administrative efficiency, Aquino has approved Enrile's reorganization of the Defense Ministry and his selection of highly respected, retired Gen. Rafael Ilete as Deputy Defense Minister. She also abolished the National Intelligence and Security Authority (NISA)--the one-time power base of former Chief of Staff Ver--and reduced the Presidential Security Command from several thousand to several hundred, which has allowed redeployment of the troops to the field. [REDACTED]

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Ramos and Enrile, meanwhile, have begun to tackle problems caused by abuses of authority and shortages of manpower and equipment. In March they issued directives to disarm and disband private armies and paramilitary groups such as the notorious "Lost Command," to forbid Home Defense Forces, Constabulary, and Police personnel from being used as private guards, to limit military powers of search and seizure in criminal matters, and to relieve from duty military personnel accused of human rights violations. In what apparently is both a budgetary and disciplinary move, Ramos has directed local commanders to thoroughly screen all members of the CHDF, and to retain only those qualified to assist in security operations. Enforcing these directives has been difficult in some areas of Luzon and Mindanao, however, because of deep-seated loyalties to Marcos, according to the US Embassy. [redacted]

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To improve combat capabilities of field units, Ramos has begun to reassign excess clerical and administrative personnel from Manila to the field. Additional manpower and equipment are being provided by the removal of military personnel from guard duty at government businesses and casinos. [redacted] however, that units in the field find they lack the infrastructure necessary to absorb the men and equipment being sent from Manila. [redacted]

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According to the defense attache, Aquino also has approved a new draft military counterinsurgency plan. The new plan--named "Mamamayan"--shifts the focus of counterinsurgency operations from large-scale military sweep operations to using the Army, Air Force, and Marines to support expanded operations by the Constabulary, Police, and Home Defense Forces.* The Navy and the Air Force, moreover, are to be reduced in size and reassigned as support elements for the ground forces. The Regional Unified Command structure will be retained for the time being to facilitate the other aspects of the plan. [redacted]

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Some Priority Tasks

Although we judge that professionalization and adequate financing of the armed forces are the critical elements in improving counterinsurgency effectiveness, several other tasks are virtual "musts" in the near term, [redacted] and Embassy reports. One key to improving the NAFP's performance against the insurgents lies in shifting the armed forces from their focus on both internal and external defense to a **more narrowly focused counterinsurgency strategy**. According to the defense attache, none of the forces currently assigned external defense roles--approximately two fighter squadrons and eight ex-US Navy destroyer escorts--provides a credible defense, and efforts to modernize or replace these

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*Mamamayan means "citizen" in Pilipino. [redacted]

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forces will be prohibitively expensive. [redacted]

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Another critical task under way, [redacted]

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[redacted] is the shift in **combat tactics** from large-unit (brigade and battalion) sweep operations launched from statically defended fixed installations to small-unit (company and platoon) tactics. All too often, the sweep operations have sought to use heavy firepower and airstrikes to compensate for the shortage of troops on the ground, rather than to coordinate air-ground operation. By shifting to small-unit combat tactics and emphasizing the use of air and naval forces to enhance mobility rather than firepower, the NAFP -- assuming it adequately trains, equips, and supports the small units--should be able to wage a less costly and more effective fight against the insurgents. [redacted]

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Despite Enrile's and Ramos's start at rooting out corruption, the NAFP's ineffective, outdated, and easily corrupted **supply systems** remain intact and chronically short of equipment and materiel. The logistics problem, [redacted]

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[redacted] goes beyond simply the shortage of funds to provide the basic supplies--food, fuel, spare parts, arms, uniforms, boots, or bullets--to troops in the field. Major improvements to the logistics and maintenance systems--particularly in the field--will be required if equipment such as radios, armored cars, and helicopters are to be kept operational and the NAFP can take advantage of the reforms it may make in tactics, training, and intelligence. [redacted]

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Correcting **transportation and communications** shortfalls is essential to providing the armed forces with the mobility and command and control it requires to more actively engage insurgent forces. Without improvements in these areas, the military will remain tied to a static, defensive strategy, and it will be less capable of ferreting out and attacking platoon- and company-size NPA units before they ambush military forces or strike government installations. [redacted]

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One of the military's most urgent requirements is to restructure its **training system**. The current system provides neither adequate instruction nor motivation for soldiers because it requires poorly equipped, demoralized units to provide on-the-job training to new recruits, [redacted]

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[redacted] Likewise, once assigned to a unit, individual opportunities for advanced training are limited because of manpower constraints and combat requirements. [redacted]

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In our judgment, solving this problem requires adequately equipped, fully staffed, central training facilities for basic and advanced individual and unit training. Although this would be costly and time-consuming and would compete with combat

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requirements for manpower, over the long term it appears to offer the best prospects for improving morale and combat effectiveness. We believe Marines and Army Scout Rangers would benefit less from these training centers because their existing training programs already provide sufficient combat instruction and individual motivation. [Redacted]

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The US Connection

Military aid from the United States--by far the largest contribution,--Australia, and Indonesia already has helped the NAFP maintain at least a minimum combat capability, and the future level of multilateral assistance will be a key factor in determining the success of Manila's counterinsurgency capabilities. From Manila's perspective, the political risk associated with accepting further such assistance is heightened by growing nationalism and leftist-inspired propaganda. Senior Philippine military officers have made it clear to US Embassy officials that they want US assistance, but they have also stated that they are in the best position to decide what equipment is needed and how it should be used. [Redacted]

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Despite these constraints, the Aquino government's desire

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for increased military assistance provides the United States an opportunity to restore its formerly close relationship with the Philippine military. We believe this relationship suffered over the last decade as the Philippines under Marcos and Ver became more of a political instrument of the former President than a force to counter the insurgency. [Redacted]

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confirms that an entire generation of junior and mid-level officers--including reformist officers involved in the ouster of Marcos--have a more nationalistic, less positive impression of the United States. Such an impression has important long-range implications, because many of these officers will influence Philippine policy during the resumption of the base negotiations in 1987 and 1988. [Redacted]

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Offsetting these benefits, however, are the dangers of too close a relationship with the NAFP. An increased US advisory presence in the Philippines--particularly were it to involve training and assisting combat units in the countryside--almost certainly would result in attacks on these personnel by Communist insurgents. [Redacted]

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

22 July 1986

**The Philippine Military Reform Movement:
Reformists or Revolutionaries?**

[Redacted]

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Summary

The military reform movement (RAM) that was instrumental in bringing President Aquino to power increasingly is at odds with the President and her advisers over counterinsurgency strategy, investigations of military corruption, and human rights abuses. [Redacted]

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RAM is prepared to move against the government should Aquino dismiss Defense Minister Enrile -- RAM's patron and the only cabinet member RAM leaders believe capable of effectively running the government and opposing the Communists. However, by focusing on [Redacted]

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support for Enrile at the expense of its original goals -- reconciliation between the military and Philippine civilians and developing a more professional fighting force -- we judge RAM has failed to broaden its base of support and now must compete for influence with other organized reform elements in the military. The only group that stands to gain from chronic factionalism in the military is the Communist insurgents, much as they benefited from the politicization of the armed forces under Marcos. Beyond this, maneuvering among the reform groups raises the question of

This memorandum was prepared by [Redacted] Office of East Asian Analysis. Information available as of 22 July 1986 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Islands Branch, Southeast Asia Division, OEA [Redacted]

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[Redacted]

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how responsive the military is to direction by Aquino, Enrile, or even Chief of Staff Ramos. [redacted]

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Heroes of the Revolution

On the surface, it would seem that the pro-Aquino credentials of the Reform the Armed Forces Movement -- better known as "RAM" or "We Belong" -- were established by its opposition to former President Marcos and its backing for Enrile and Ramos in the February revolution that put Aquino in power. A loosely organized group of about 1,200 officers, mostly graduates of the Philippine Military Academy (PMA) class of 1971, RAM grew out of informal and often clandestine meetings held during the early 1980s to discuss professional issues and grievances against the government. These emphasized concerns such as the politicization of appointments and promotions at the expense of professional performance. [redacted] however, frustrated personal ambitions were also driving forces behind the RAM leadership. [redacted]

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After Aquino came to power, RAM members were confident that the movement's agenda would be adopted by the New Armed Forces of the Philippines. RAM leaders early on pointed to accomplishments such as the replacement of most of the officers who had been appointed to positions by Marcos and Ver, the assignment of RAM members to key command and staff positions in the Defense Ministry, Armed Forces staff, and Presidential Security Group, and the movement's ability to influence the selection of assignments for other officers. Senior RAM members even suggested that the movement had achieved its primary goals and should be dissolved. Nevertheless, RAM members -- including several publicly identified as leaders of the RAM plot to overthrow Marcos -- stress the need to retain the movement in the face of what they perceive as increasing evidence of hostility toward the armed forces by Aquino's civilian advisers. [redacted]

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Challenge the New Administration

RAM support for the new government began to founder in March and April after Aquino laid out her strategy for dealing with the Communists. RAM is now highly critical -- often in public -- of the government's policy of granting amnesty to imprisoned Communist leaders and of its focus on negotiation rather than military action. RAM claims that the government's defensive counterinsurgency strategy is demoralizing the military while failing to halt insurgent advances. RAM members believe, moreover, that the Communists will use the upcoming cease-fire talks and their leftist contacts to seek a coalition government and to forestall implementation of Enrile's recommendations to improve the counterinsurgency effort. [redacted]

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RAM is also critical of relations between the military and Aquino and of several of her advisers and cabinet members. [redacted] and to press reports, RAM charges that:

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[Redacted]

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- Presidential interference in internal military matters continues under Aquino. For example, RAM leaders say she has retained many senior officers extended on duty past retirement by Marcos despite campaign pledges to do otherwise. Moreover, she had her military aide promoted ahead of more senior officers, while failing to move on promotions recommended by Ramos and Enrile.
- Leftist influence in the government has produced a double standard on human rights abuses. Past military abuses continue to be investigated and prosecuted, while captured insurgent leaders have been released from jail and the government continues plans to grant amnesty to guerrillas still fighting.
- Some of these same leftists are engaged along with the Communists in a concerted effort to weaken and factionalize the military by discrediting and isolating Enrile in the cabinet and RAM in the military. [Redacted]

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Fears of leftist influence in the cabinet are not alone among RAM's motives to oppose the government, however. [Redacted]

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[Redacted] The fact that the leaders of RAM learned their trade during martial law, when the armed forces assumed a progressively larger role in the administration of the government, supports such a view. [Redacted]

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RAM's Shrinking Support Base

Despite the highly charged activities of those engaged in coup plotting, [Redacted] overall has adopted a lower profile since the revolution. In our view, this results from several factors:

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- RAM's increasingly vocal opposition to Aquino's policies has cost it support with the public, where the memory of the movement's role in the February revolution has begun to fade.
- The movement's appeal to many in the armed forces has lessened because of the perception that RAM is an elitist group of Academy graduates created by Enrile to advance his political fortunes.
- The movement has split between those who favor continued close identification with Enrile and those who believe association with Enrile has moved RAM toward politics and away from its original reform agenda.
- Many RAM members and supporters from Manila have drawn assignments in the provinces. [Redacted]

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This narrowing of the RAM support base has cost the movement important momentum, particularly in its efforts to shed its image as an elitist organization beholden to Enrile. [Redacted] most of the divisions within the leadership are due to a lack of consensus about broadening RAM's membership base to include reservists, integrees, and former Marcos loyalists, despite agreement by the steering committee to reach out to these groups.* RAM also has scaled back its once-optimistic plans to form new chapters throughout Manila and to expand and strengthen the RAM organization in the provinces. [Redacted]

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Competition for RAM

RAM is now discovering that it is increasingly vying with other groups in the military for influence. RAM's most powerful competitor is an ostensibly fraternal organization known as the "Guardian Brotherhood." [Redacted] this organization was formed in late 1984 shortly after President Marcos ordered its predecessor -- known as "Diablo" -- disbanded as detrimental to morale and discipline. Beyond its fraternal aspects, [Redacted] a strongly anti-Communist ideology and the belief that the nation under Aquino is slipping toward Communism. [Redacted]

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The presence of Guardian influence in many military units was clearly revealed during the abortive Tolentino uprising in Manila in early July. [Redacted]

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[Redacted]

* An integree is a reserve officer who has been granted a regular commission. [Redacted]

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[Redacted]

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Guardian influence may be even more extensive than this incident suggests.

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as are many of the Constabulary personnel in Regions One and Three, in Northern Luzon. Col Gregorio Honasan, a prominent member of the RAM steering committee and the Commander of the Ministry of National Defense Security Group, also has been identified as a Guardian member. [Redacted]

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In addition to the Guardian Brotherhood, [Redacted] and open source reporting suggest that at least 15 separate groups are active in the military under the rubric of the "Brothers." Although each group has its own agenda, all share the goal of reforming the military personnel system to end discrimination against non-Philippine Military Academy graduates (see box). [Redacted] little success in bridging the gap between RAM and these groups because many of the PMA graduates who dominate RAM insist such reservist/integree organizations are hindering true reform and professionalization of the military by pursuing narrow, self-interested goals such as revamping the military promotion and assignments system. Further complicating efforts to unify the officer corps is the widely held belief among many in RAM that most of the abuses and corruption during the Marcos years were committed by reservist/integree officers, not PMA graduates. [Redacted]

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Outlook for RAM

We believe RAM will remain intact as a movement despite its internal differences and its links to Enrile. RAM members recognize their strength and influence is a direct result of the close association many of its leaders have with Enrile and Ramos, and the ability of these members to exert behind-the-scenes influence at senior levels of the armed forces. Equally significant, in our view, RAM's control of the Presidential Security Group and the Ministry of National Defense Security Group gives it, and Enrile and Ramos, important leverage in dealing with the government and other elements in the armed forces. We believe even those RAM members who favor distancing the movement from its close association with Enrile and Ramos recognize that their plans for military reform are more likely to move forward as a result of this leverage. [Redacted]

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Nevertheless, because it is no longer able to claim the reformist title solely for itself, RAM must either discard its limited internal military reform agenda to pursue increasingly political objectives, or seek to regain its position as the leading reformist group by distancing itself from Enrile and broadening its membership base to include reserve/integree officers. Regardless of the choice, the key to RAM's success will lie in its ability to find common ground with other groups in the armed forces. [Redacted]

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Philippine Military Commissioning Sources

The Philippine military acquires its officers from three main sources: the Philippine Military Academy (PMA), Reserve Officers Training Corps (ROTC), programs similar to US Officer Candidate School (OCS), and through granting direct commissions to persons with technical specialties. These three channels have trained about 13,000 officers for the regular armed forces and reserves. [Redacted]

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The Philippine Military Academy at Baguio is the most prestigious source of a commission. It is modeled closely on the US Military Academy at West Point, and its cadets receive a regular commission at the end of four years. Unlike West Point, however, this academy graduates officers for all services and not just the Army. As a result, personal loyalty is greatest to one's class members and fellow academy graduates rather than to the individual armed services. PMA graduates makeup no more than a quarter to a third of the officer corps. [Redacted]

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ROTC and OCS-type programs account for over 70 percent of all military officers. As reservists, they serve an initial two-year tour of duty with annual extensions. Each annual extension, however, must be approved by an officer holding a regular commission. Reservists historically have suffered discrimination from regular officers in areas such as promotions and assignments. [Redacted]

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Direct Commissions normally are granted to specialists such as doctors, nurses, accountants, and women clerical and administrative personnel assigned to the Women's Auxiliary Corps. They normally receive regular commissions. [Redacted]

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In our judgment, Aquino's conduct of the counterinsurgency and the military's perception of Communist or leftist influence in the government are the issues most likely to unite RAM with these groups. We believe the disparate membership of the Guardians -- PMA graduates, enlisted men, Marcos loyalists, reservists, and integrees -- proves that it is possible to submerge parochial concerns and unite for a common purpose. [Redacted]

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[Redacted] the fact that some of the RAM and reservist/integree group leaders are also Guardians may permit RAM to serve as a common group to air both differences and shared concerns. [Redacted]

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Although RAM is well-positioned to move against the government by virtue of its control over key security units in Manila, its small size and restrictive membership leave it vulnerable to the prospect that the government might be able to rally other factions in the armed forces against it. Clearly, the outcome of any RAM move against Aquino or

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in defense of Enrile depends on the extent to which the movement is able to get these other groups to acquiesce in such an act by convincing them RAM is also acting in their behalf. [Redacted]

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In any case, RAM's narrowing focus and support base will continue to undermine its ability to improve military professionalism and thereby enhance the counterinsurgency capabilities of the armed forces. As a result, chronic factionalism in the military will continue to favor the Communist insurgents in the near term to the same degree it did under Marcos. [Redacted]

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

28 August 1986

The Philippines:
Prospects for the Constitutional Commission [redacted]

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Summary

Although Aquino's supporters on the Constitutional Commission have enough votes to defeat any radical proposals by left-leaning nationalists, the proceedings have been delayed and Aquino is now unlikely to receive the draft constitution she wants before she visits Washington on 15 September. Such a development would add substantial fuel to the arguments of her critics, especially in the military, that she is incapable of leading the country. [redacted]

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Once the commission's work is done, Aquino will face another major political test in the plebiscite for ratification, which most Filipinos will consider a vote of confidence in her leadership. Aquino is relying heavily on the new constitution to legitimize her authority and fulfill the promise she made to restore democratic institutions as soon as possible. Although Aquino is not likely to present the public with a constitution it would reject, there is an outside chance that the document could

This memorandum was prepared by [redacted] Islands Branch, Southeast Asia Division, Office of East Asian Analysis. Information available as of 26 August 1986 was used in its preparation. It was coordinated with the Office of Global Issues and the National Intelligence Council. Comments and questions are welcome and should be addressed to Chief, Southeast Asia Division, OEA [redacted]

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effective floor strategy to ensure voting discipline. By thus closing ranks, Aquino's supporters on the Concom have been able to water down most of the leftists' proposals, particularly on land reform and foreign investment restrictions. [redacted]

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[redacted] the moderates have had to close ranks without help from Aquino and that they are increasingly frustrated at her lack of support. Although a key presidential adviser told the Embassy in mid-July that Aquino was fully aware of the radical threat and was preparing to take decisive action to put it down, [redacted] Aquino has yet to provide any direct encouragement or instructions to her supporters there. Determined to keep to her promise not to interfere, Aquino may have recognized that the moderates had the votes to defeat any antibases provision and thus calculated that she could safely avoid getting involved. [redacted]

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In our view, any problem Aquino has in securing the kind of constitution she wants and when she wants it will reflect poorly on her ability to command authority. Such a development would encourage her critics within the left and the opposition and exacerbate the strains within her coalition--particularly those between Aquino's civilian advisers and the military leadership, which is already skeptical about her ability to govern. [redacted]

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Moreover, if Aquino departs for Washington without a completed draft constitution she will have left the country not only with her leadership in question but at the start of a heated national debate on the terms of the constitution. In particular, debate on the bases issue is almost certain to embarrass Aquino and could force the issue--which she wishes to avoid--onto her agenda in Washington. [redacted]

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Looking Ahead

We believe Aquino will not get the constitution she wants when she wants it. According to the Embassy, the proceedings are at least two weeks behind schedule, and leftist delegates have staged walkouts over economic provisions as a further delaying tactic. [redacted]

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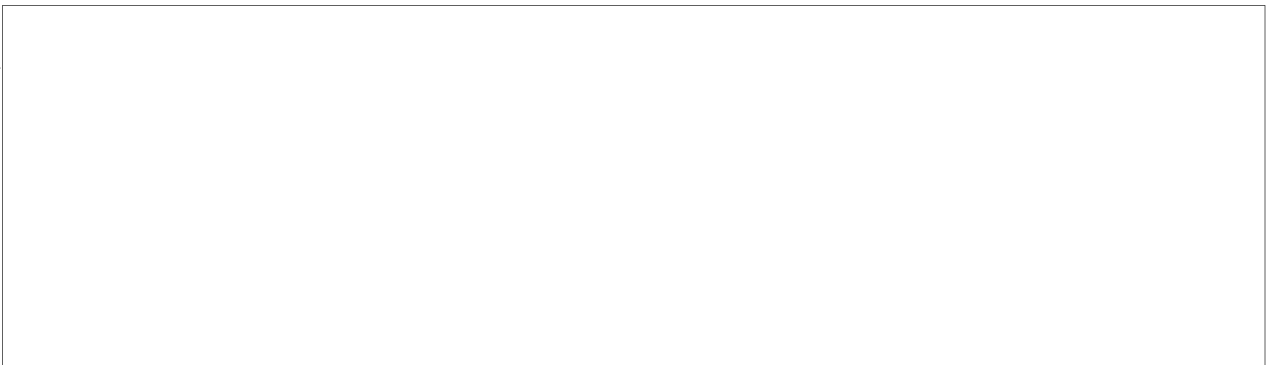
Even if Aquino obtains a satisfactory draft constitution, she faces another test of her leadership in the plebiscite for ratification that will be held later this year. According to the current provisional charter, Aquino has 60 days after she receives the completed draft to submit it to a vote. According to most political observers, the plebiscite will be largely perceived as a vote of confidence in Aquino's leadership. [redacted]

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Aquino also faces a formidable challenge during the plebiscite from former Marcos loyalists, who are determined to prevent the constitution from being solely a vehicle to legitimize her government. The four-man "opposition" contingent in the Concom, led by former Labor Minister Blas Ople and supported by most of the remnants of Marcos's party, have demanded that the plebiscite include new elections in which Aquino and Vice President Salvador Laurel seek a new mandate.



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We believe such an offensive by the Marcos camp would probably be more than just the typical loyalist irritant to Aquino.

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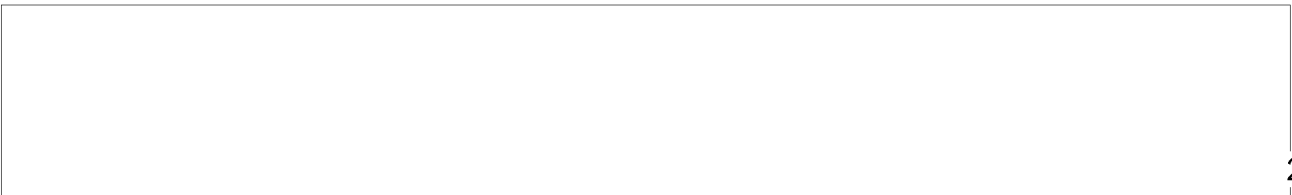
A loyalist campaign could provide Defense Minister Enrile-- whose ambitions would presumably be well-served by an early presidential election--with an opportunity to strengthen his hand. Enrile is certainly not above exploiting the loyalists. His longtime political deputy, Renato Cayetano, is spearheading the reorganization of the Nacionalista Party, which has been a leading proponent of an early presidential election, and Enrile probably also retains ties to Ople.

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If the Public Rejects the Draft

It is highly unlikely that Aquino would submit to plebiscite a constitution unacceptable to the public, but she could misread the public's views. To forestall this, a large-scale campaign to educate the public on the issues of the constitution is being planned by the centrist National Movement for Free Elections (NAMFREL)--the poll-monitoring group that declared Aquino the winner of the February election.



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The Philippine Constitutional Commission: Accomplishments Thus Far

<u>Article</u>	<u>Status</u>	<u>Comment</u>
Preamble	passed	
Bill of Rights	passed	Increases protection for citizens under investigation or detention...abolishes death penalty but allows Congress privilege of reactivating it.
Citizenship	passed	
Suffrage	passed	Extends voting rights to Filipinos living abroad.
Amendment and Revisions	passed	
National Territory	passed	Does not preclude claim to Malaysian state of Sabah.
Judiciary	passed	Judicial branch independent of executive... number of Supreme Court justices decreased from 15 to 11...Supreme Court is tribunal for presidential/vice presidential elections.
Constitutional Commissions	passed	Commissions on Elections, Audit, and Civil Services much the same as under Marcos.
Social Justice	passed	Mandates comprehensive agrarian and urban land reform program...guarantees workers' right to strike.
Executive	passed	Formalizes Aquino's and Vice President Laurel's terms through 1992...both positions have single six-year terms.
Legislature	passed	Creates bicameral legislature similar to pre-martial law Congress...24 senators with six-year terms, 250 representatives with three-year terms...Article on Transitory Provisions expected to establish five-year terms for all offices in 1987 elections; synchronized elections to begin in 1992... two-thirds Senate vote needed to approve all treaties and international agreements.
Local Government	passed	Grants some administrative autonomy for Moslem areas of Mindanao and Cordillera area of Northern Luzon.
Economy and National Patrimony	on the floor	Foreign investment restrictions closely track 1973 constitution.
Declaration of Principles	pending	Includes antibases and antinuclear proposals.
Human Resources	pending	
General Provisions	pending	
Transitory Provisions	pending	

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