

# The Aquino Government Under Siege

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Leaders of the latest coup d'etat attempt reportedly codenamed it "Seven Days and Seven Nights in December". The sixth and most formidable military plot against the three-year-old Aquino government lasted for nine days. While it failed to overthrow Mrs. Aquino, the physical and moral wounds it inflicted on her government and the people were grievous.

and one television station, a feeble attempt to attack Malacanang Palace, left 53 dead and 300 wounded, and was launched by around 800 rebel soldiers led by officers no higher than a dismissed Lieutenant Colonel. It was then considered the most serious military challenge to Mrs. Aquino.

The significance of the failed December 1989 coup, compared to the earlier ones, was its sheer magnitude and costs. The 1989 rebellion began at dawn of 1 December and ended in the afternoon of 9 December. Five generals and 30 senior officers led 3,000 mutinous troops -- many of them coming from elite units such as the Army Scout Rangers and the Marines. For the first time, the rebels secured air power with two T-28 trainer planes (locally called Tora-Toras) and a Sikorsky combat helicopter. During the first day, these were used to conduct deadly bombing runs and rocket attacks over Malacanang, the Armed Forces General Headquarters (Camp Aguinaldo) and the neighboring Philippine Constabulary Headquarters (Camp Crame), both only eight kilometers east of the Presidential palace. In addition, they were also armed with heavy artillery like mortars, howitzers, rocket launchers and armored vehicles such as V-150 personnel carriers (APC) and landing vehicle tanks (LVT).

At the start of the coup, the rebels occupied the Army and Air Force Headquarters in Camp Bonifacio and Villamor Air Base respectively, the Sangley Air and Naval Base in Cavite 30 kilometers southwest of Manila, the Mactan Air Base in Cebu island 560 kilometers southwest of Manila, the two international airports in Manila and Mactan, the domestic airports in Manila and in Legaspi City 350 kilometers east southeast of the



The last previous coup attempt occurred in August 1987. It lasted for twenty-four hours, involved fighting in one military camp



capital, and the two television stations, one of them government-owned.

For three days, no international or domestic flights could be served. After the third day, the rebels moved into Manila's financial center, Makati, and took control of 15 buildings for five days - frightening millionaire residents in posh residential villages in the area. As in previous coup attempts, panic buying and hoarding took place. The Central Bank had to release 230 million dollars to the banking community to cover heavy withdrawals. As blockades were put up by government troops to secure the northern and southern entrances to Manila, prices of commodities rose to exorbitant levels.

Heavy fighting took place in and around Camps Aguinaldo and Crame, along a major city street leading to Malacanang, in the government TV station, on a coastal road at the southern entrance to Manila, and in Makati. The casualty toll stood at 98 killed (49 military and 49 civilians) and 516 wounded (329 military and 187 civilians). Twenty thousand civilians were evacuated including 2,000 tourists in four five-star hotels in Makati. Total losses to military installations and equipment, civilian homes, and buildings could reach five million dollars. This figure, however, does not include the helicopters, planes and other military aircraft destroyed during the fighting.

Because of the gravity of the threat, Mrs. Aquino proclaimed a state of national emergency on 7 December (see full text of the Emergency Powers Act in the Document Section of this issue - Ed.), empowering her government to seize public utilities and business concerns engaged in profiteering. Three radio stations accused of airing rebel propaganda in Manila, Cebu, and Davao were closed down. Congress also approved legislation that would authorize searches in private residences and offices.

The most serious damage was to the stability of the Aquino government and its standing in the international business community. The siege of Makati was particularly injurious in this respect.

The coup came just three weeks after Mrs. Aquino visited the United States and Canada on a trip designed to attract investors to the Philippines and seek markets for local products. In the aftermath of the bloody attempt, merchant bankers say the

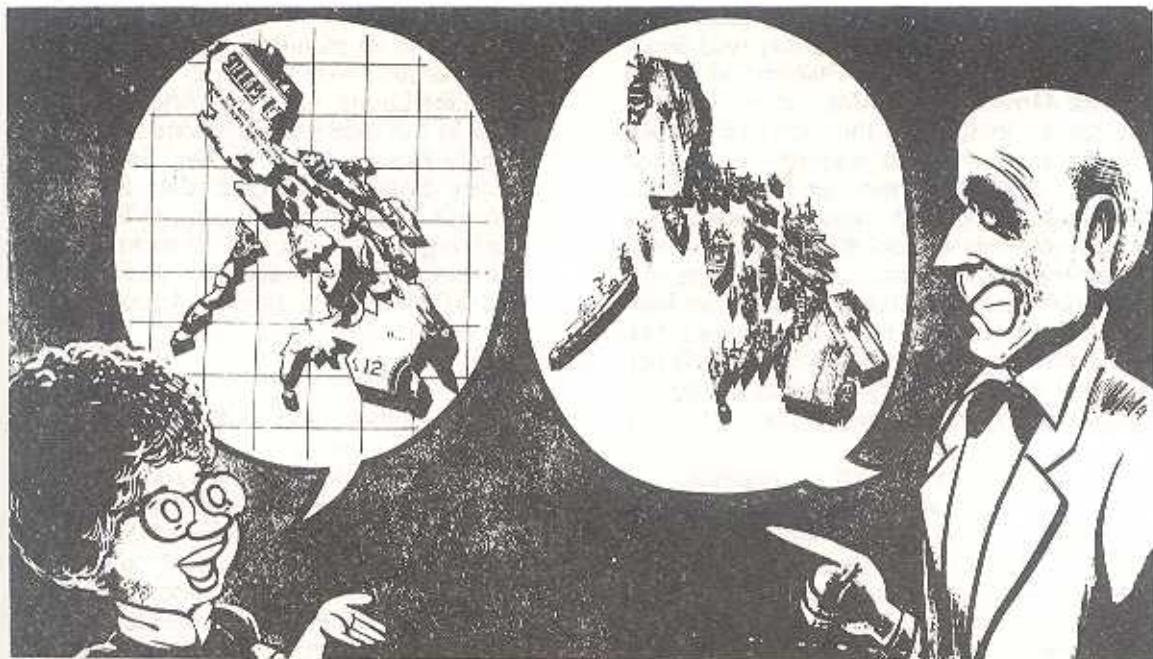
coup has pushed back capital market development by at least three to five years. Japanese firms, such as Marubeni and C. Itoh, are reconsidering future Philippine investment ventures. Taiwanese firms, now the number one foreign investors, have temporarily called off business plans in the country. Others are seeking alternative sites in Asia. A domino effect on other economic aspects such as export trade is also expected.

Government planners estimate the economic damage at 1.4 billion dollars in losses and lost opportunities and 200,000 jobs that would not be created. The Manila and Makati stock exchanges, closed during the coup attempt, dropped by 13 percent in the first three days of renewed trading. Economic planners are now talking of a five percent growth rate for 1989 instead of the projected six percent. In Hong Kong, an economic risk consultancy group has ranked the Philippines the second riskiest country in Asia to do business in. At the New York Stock Exchange, the First Philippine Fund, which was inaugurated by Mrs. Aquino last 8 November, dropped by 24 percent from the 28 November level. The Fund's listing in London and Tokyo has been deferred to mid-1990.

The tourist industry, which earned two billion dollars, has started to decline. Hotel occupancy dropped to 40 percent from 90 percent before the coup. Two large groups of Japanese tourists were reported to have called off visits and big hotels were hit with cancellations of scheduled international conventions.

Politically, Mrs. Aquino's crushing of the rebellion is regarded as a Pyrrhic victory. Controversy and scorn accompanied her move to request US President Bush for American military assistance to neutralize rebel aircraft bombing the Malacanang grounds. Foreign intervention in the form of air support (dubbed "persuasion flights") by US F-4 Phantom planes sent from the nearby American Clark Air Base helped loyal military forces regain air superiority and turn the tide of battle in favor of the government. Defense Secretary Fidel Ramos and Armed Forces Chief of Staff Renato de Villa recommended seeking American help after they discovered that several military units were wavering and uncertain of their loyalties. Bush also declared that all forms of American assistance to the Philippines would cease if Mrs. Aquino is overthrown in a military coup.





*The Philippines according to Cory and Bush.*

Supporters of US intervention say it was justified as the survival of the Aquino government was at stake. Critics, on the other hand, say this has compromised Philippine sovereignty and weakened the government's hand in the coming negotiations on the renewal of the RP-US Military Bases Agreement. With her popularity already at its lowest point, Mrs. Aquino may have only succeeded in offending Filipino sensibilities by inviting foreign intervention in what is viewed as an internal conflict.

While an angry Mrs. Aquino took a tough stance by rejecting ceasefire overtures from the rebels, declaring that she "will finish what (they) have started" and calling on them to "surrender or die", most of her loyal officers sought to resolve the conflict in their own way. Thus, the 309 Scout Rangers who occupied Makati were simply allowed to march back to their barracks with their arms and ammunition and their pride intact. Their leader even declared that he "felt like a victor". The same lenient treatment was accorded the Mactan rebels. Such softness clearly undermines Mrs. Aquino's position as Commander-in-Chief of the Armed Forces.

Despite revealing an internal weakness and the existence of deep-seated divisions within its ranks, the military establishment may have come out a big winner. Before the

coup, its image had been considerably tarnished by exposés of involvement of senior officers in drug smuggling, illegal gambling, unauthorized logging, human rights violations, and other shady transactions. By turning back the threat to the civilian government and declaring their loyalty to constitutional authority, many of these officers have refurbished their tainted images. A grateful Senate restored 17 million dollars previously cut from the military budget and Mrs. Aquino ordered a big increase in the daily food allowance of soldiers. Medals and promotions were also distributed generously.

In general, public reaction to the military rebels have been negative and despite calls by the mutineers for the people's support, they were largely isolated from the civilian populace. The plotters are perceived to be opportunists and misguided elements who are taking advantage of growing restiveness and discontent to impose a military or military-led dictatorship over the country. The coup's acknowledged brains, cashiered Lt. Col. Gregorio "Gringo" Honasan, has a Rambo-like reputation, was involved in three previous rebellions, espouses ultra-right wing views, and is not regarded as a viable or popular replacement for Mrs. Aquino.



Honasan's chief aides are all graduates of the Philippine Military Academy and long-standing members of the Reform the Armed Forces Movement (RAM), which was instrumental in igniting the successful 1986 "people power" revolt against the Marcos regime. Since then, however, this group has continually opposed moves to establish a constitutionally-based liberal democratic government. In previous coup attempts, the RAM had sought to distance itself from Marcos loyalist forces. In the December rebellion, however, RAM entered into an alliance with pro-Marcos military elements led by dismissed Brig. General Jose Zumel.

In interviews with journalists, the mutineers claimed they were rebelling against corruption, government mismanagement, and official mishandling of the campaign against the communist-led insurgency. They called on Mrs. Aquino to step down as President and alternatively suggested that power be handed over to the Supreme Court or to a civilian-military junta whose members they would name. But no clear and articulate program of reform or a vision of government was presented.

There are indications that some right-wing opposition politicians and businessmen

either supported the coup or actively participated in its planning. Mrs. Aquino herself has named three of them: Vice President Salvador Laurel, who was Aquino's running mate in the 1986 snap elections but has since openly broken ties with her, Senator Juan Ponce Enrile, RAM godfather and former defense minister under both the Marcos and Aquino governments, and Eduardo Cojuangco, a millionaire businessman, Marcos crony, and Mrs. Aquino's estranged cousin.

On the other hand, public support for the Aquino government was not unequivocal. Endorsement for the government had none of the enthusiasm shown in the aftermath of the past coup tries. Except pronouncements of grandstanding politicians seeking to curry favor with Mrs. Aquino, virtually all statements issued by religious leaders, academics, non-government organizations, cause-oriented groups, and popular organizations called on Mrs. Aquino to heed the clamor for change. Even as these groups declared support for constitutional democracy, they urged the government to recognize its failure to respond meaningfully to the factors that have fueled disaffection and provided an excuse for the coup.



An August 1987 headline: *deja vu.*



Problems identified include low wages; high prices of basic goods; corrupt, indifferent, and incompetent public officials (including Cabinet members and legislators); inadequate basic services such as transport; a bulging and unmanageable foreign debt; breakdown of peace and order; human rights violations; inequalities in the distribution of wealth and income and in access to and control over the natural resources, especially land; and lack of mechanisms for popular participation and consultation with the people. The indecisiveness and weak political will exhibited by Mrs. Aquino herself are also sources of disillusion.

The military has become too politicized as reflected in the propensity of RAM officers to interfere in politics if, in their perception, the civilian authority had lost its capacity to govern. This breakdown of professionalism among the officer corps is a vestige of the previous regime where Marcos pampered the soldiers and merged politics with military affairs in order to maintain his iron rule.

How is Mrs. Aquino going to face the future? She has indicated that she would henceforth strengthen mechanisms for popular consultations. In a "victory rally" called by her on 8 December at the site of 1986 "people power" uprising that brought her to power, she dropped her usual demure manners and delivered a vitriolic attack on her enemies. Malacanang has, for the first time, actually solicited advice from various sectors, including the academe. Subsequently, Mrs. Aquino announced an impending Cabinet revamp. Such measure, however, may be too limited and too late. Furthermore, more profound issues such as the restructuring of social relations and a rethinking of foreign policy have escaped her attention.

As far as existing debt-driven and import-dependent economic policies are concerned, no changes are forthcoming. Big business interests (foreign and local) will continue to lord over economic directions and activities. IMF-World Bank prescriptions for recovery which include import liberalization, increased taxation, cutbacks in social service expenditures, and increases in oil prices

will penalize small entrepreneurs and low-income families. Foreign debt repayments (estimated at three billion dollars a year) will continue to burden the economy at the cost of the people's welfare. Scheduled foreign borrowings for 1990 will increase by 35 percent. If anything, the government will become even more dependent on foreign creditors and investors for shoring up the country's domestic and international position.

Life for the ordinary citizen will see no improvement. Double-digit inflation will continue to erode buying power and offset any salary hike. The day before the coup, oil prices were increased. This will undoubtedly trigger a multiplier effect on other commodities and services. The Department of Agriculture has announced that a rice shortage will be felt in 1990.

The coup threat has not been eliminated. Apart from the economic factors that could once again spark adventurism, the RAM's organization also appears intact. Most of the top rebel leaders remain at large. Bombings of government and private buildings in Manila are considered part of a rumored Phase II which is said to include offensives in Mindanao. So far, only 1,500 mutineers, or half of the active participants, have been accounted for. It is not known how many officers and troops actually stayed neutral, but the number is thought to be significant. What strengthens the mutineers' moral position is that Aquino's loyal generals and other officers, while rejecting the coup as a means for redress of grievances, generally sympathize with the rebels' ideals.

In sum, prospects for a quick recovery are bleak. Ironically, the very recovery programs imposed by the IMF-World Bank, while favorable for business, have caused the deterioration of the living standards of the ordinary Filipino. As long as the quality of life of the average citizen remains unimproved and the public perceives that government has been ineffectual in promoting the people's welfare, the spectre of another coup attempt will always haunt the country.