

Nick Cullather, ed. *Illusions of Influence: The Political Economy of United States-Philippines Relations, 1942-1960*. Stanford: Stanford University Press, 1994. xiv + 263 pp. (Cited as II below.)

_____. *Managing Nationalism: United States National Security Council Documents on the Philippines, 1953-1960*. Quezon City: New Day Publishers, 1992. viii + 198 pp. (Cited as MN below.)

by Stephen R. Shalom

Nick Cullather has mined archives in the United States and the Philippines, many of them recently opened, to produce these two books.¹ Both volumes provide much new evidence on and many important insights into the U.S.-Philippine relationship, but Cullather aspires to do more than this; he claims to offer an alternative interpretation of that relationship, challenging the view shared by dependency theorists in the United States and nationalist historians in the Philippines.

Cullather advances three arguments. First, he disputes economic explanations for U.S. policy in the Philippines. Second, he maintains that U.S. influence on the Philippines was much less than commonly believed. And, third, he advances a new view of Philippine nationalism. Some of what Cullather has to say makes sense, but in many respects his interpretation is unconvincing, and in some other respects it is actually no different from that of the historians he criticizes.

Economic Motives and U.S. Policy

Cullather claims that “[n]ationalist historians in the Philippines accept the conventional dependency analysis that the relationship [between the United States and the Philippines] constituted a pact of domination between elites in both countries bent on exploiting Philippine land and labor.” In particular, he argues, “An economic interpretation of U.S. motives fails to comprehend the multiplicity of interests at stake in the Philippines and Southeast Asia” (II, p. 3), especially the U.S. interest in its military bases in the Philippines.

But in fact none of the authors that Cullather criticizes (this reviewer among them) so narrowly defines the implicit pact between the elites in both countries. The U. S. military bases have been a major component of the analyses of U.S.-Philippine

Stephen R. Shalom is the author of *The United States and the Philippines: A Study of Neocolonialism* (Philadelphia: ISHI, 1981) and co-editor (with Daniel B. Schirmer) of *The Philippines Reader* (Boston: South End Press, 1987). He teaches in the Department of Political Science, William Paterson College (Wayne, N.J.).

1. *Managing Nationalism*, an annotated compendium of U.S. National Security Council documents, is a valuable resource for students in the Philippines, where collections of primary source materials tend to be scant. Many of the documents appear in the State Department's *Foreign Relations of the United States* series (1952-54, vol. 12, part 2; 1955-57, vol. 22; 1958-60, vol. 15), but the latter often omits, while Cullather includes, the annexes, which contain much valuable information. The State Department series is cited hereafter as FR plus the year, volume, and page number. Cullather's books will be cited as II (*Illusions of Influence*) or MN (*Managing Nationalism*) plus the page number.

relations by left and nationalist commentators, whether one focuses on the turn of the century, the Marcos years, or the time between.

In 1898 U.S. policy makers saw the Philippines as far more than an object of direct economic exploitation: it was to serve as well as the “gateway” to what was anticipated to be the great market of China, and this fact has been a truism among Philippine nationalist historians.² That U.S. support for the Marcos dictatorship was motivated to a considerable degree by a desire to preserve the Pentagon's military base rights has also been a staple of left and nationalist analyses. And certainly the U.S. bases were a major focus of nationalist criticisms during the 1950s and 1960s.

In any event the importance of the bases does not detract from the basic argument that U.S. policy has been economically driven. A banker acts on the basis of the profit motive even though some of his or her money is not lent out at interest but spent instead on security guards and steel vaults. Cullather makes much of the fact that the United States spent more on aid to the Philippines than the value of its investments in that country. Leaving aside the fact that the benefits from the investments go to a small stratum of U.S. society, while the costs of the aid are paid for by the society as a whole, what would it prove if Citibank spent more on purchases from the Ace Vault Company than it lent to that company for a mortgage. The bases were a “bad investment” only if their mission involved no more than protecting U.S. business in the Philippines. But every nation that has dominated the Philippines has viewed the nation's strategic value in larger terms. The Spanish used the Philippines as the crucial link in their trade with China; was Spain's colonial policy thereby not economically motivated? When U.S. imperialists like Alfred J. Beveridge declared that the “Philippines give us a base at the door of all the East,”³ were their motives for urging annexation of the archipelago any less commercial? And in the post-World War II years, when the United States sought to protect and expand a system of global capitalism that it would dominate, the Philippines played a strategic role, both militarily and as Washington's most reliable ally in Asia. So even if U.S. policy makers

2. For example, Renato Constantino, *The Philippines: A Past Revisited* (Quezon City, Philippines: Tala Publishing, 1975), pp. 282-84. Cullather states that “[t]he United States annexed the Philippines to gain a haven for naval forces patrolling the China coast, to assure access to the lucrative China trade, and to fulfill an imagined obligation to ‘uplift and civilize’ Filipinos” (II, p. 7). That the first two of these motives were operative and crucial all historians agree. The quoted phrase in the third motive is not from the source Cullather cites (Karnow's *In Our Image*) but from McKinley's famous statement to a group of Methodist ministers, in which he told them that divine guidance convinced him to annex the Philippines in order to—among other reasons—“uplift and civilize and Christianize” the already 90 percent Christian Filipinos. There is some dispute whether McKinley actually uttered these words, but it is hard to see why anyone would take them as a serious statement of McKinley's motives. In the same statement, McKinley noted that to turn the Philippines over to France and Germany, “our commercial rivals in the Orient—that would be bad business and discreditable,” showing that, even On High, economic motivation is a major factor. McKinley's statement is reprinted in Daniel B. Schirmer and Stephen R. Shalom, eds., *The Philippines Reader* (Boston: South End Press, 1987), pp. 22-23.

3. Schirmer and Shalom, eds., *The Philippines Reader*, p. 24.

cared not a whit about U.S. business interests in the Philippines, this would not refute an economic interpretation of U.S. policy.

But was it the case that U.S. policy makers “betrayed American business interests in order to protect” the U.S. military bases, as Cullather charges? (II, p. 5). Cullather notes that U.S. policy makers were aware that the Philippine government was discriminating against U.S. business. Yet, argues Cullather, Washington did not use the leverage it had at its disposal to ensure nondiscriminatory treatment, fearing that this might risk its bases (II, p. 173, II, p. 183). It must be noted first, however, that the Philippines was discriminating against U.S. business only in the sense that U.S. firms were not always given the treatment to which Filipino—but no other foreign—firms were entitled. This special treatment for U.S. capital was mandated by the “parity” amendment to the Philippine constitution, forced on Manila after World War II as a precondition for full payment of war damage claims. Second, the evidence shows that a major motive for Washington’s reluctance to go all-out in behalf of U.S. business interests was a desire to avoid inflaming Philippine nationalism—which pressing too hard on parity might do—thereby endangering those very business interests. As Cullather notes,

For that matter, American businesses seldom wanted pressure exerted on their behalf. Big manufacturers recognized that their surest chance of success lay in cooperating, turning over more authority to Philippine managers, going along with the Central Bank. Filipinos made it possible for cooperative firms to earn handsome returns. (II, p. 175)

Established firms like Goodyear, International Harvester, and First National City Bank regarded Philippine regulations as both a nuisance and an opportunity. A firm with the right connections in the Philippine elite could produce for a protected market, and enjoy low or no taxes. “Despite the frustrations and irritations,” one manager told an embassy official, “it’s the pay-off that counts and the pay-off is good.” . . . Although they complained about dollar allocations, American firms seldom took legal action to enforce the parity clause or sought redress from the embassy. (II, pp. 172–73)

It is often the case that Washington must carefully weigh costs and benefits when trying to protect U.S. business. Consider its recent hesitation in imposing economic sanctions on Beijing for copyright and licensing infringement: protecting some sectors of U.S. capital might endanger the very lucrative profits of other sectors. But there is no mystery here, nor any lack of concern for U.S. business.

Even on the question of the bases themselves, policy makers worried that pushing too hard for U.S. rights might provoke a backlash that would render the bases worthless in the long run.⁴ Here again, a reluctance to exert too much pressure does not indicate indifference, but an appreciation of how best to promote U.S. interests.

Cullather states that the National Security Council (NSC) worried about the discriminatory treatment against U.S. investors only because “diminished capital flows would impair the

4. For example, Stump to Duncan, 26 June 1955, FR, 1955–57, vol. 22, p. 595, n. 5; comments of Acting Secretary of State Hoover, 24 Oct. 1955, FR, 1955–57, vol. 22, p. 618; Brand to Walker, 30 Nov. 1955, FR, 1955–57, vol. 22, pp. 626–27; Bendetsen and Nufer to Dept. of State, 22 Aug. 1955, vol. 22, p. 671, 673; Bendetsen to Dept. of State, 27 Aug. 1955, FR, vol. 22, p. 678; Embassy in the Philippines to Dept. of State, 20 Oct. 1956, FR, 1955–57, vol. 22, p. 695.

Filipinos’ ability to support their military establishment” (II, pp. 173–74). He cites a 21 August 1957 NSC document that does refer to the less attractive environment for foreign investment as one of four factors limiting development and hindering the support of the military establishment. But the next paragraph of the document states:

The United States is concerned at what appears to be a trend towards Philippine preference for complete protection which seriously affects our export trade by eliminating all outside competition. A comprehensive tariff act, effective 1 July 1957, also contains many protective [that is, protectionist] features, although current tariff preferences for U.S. products afford U.S. traders a temporary advantage vis-à-vis third country suppliers.⁵

And another NSC document begins by listing the importance of the Philippines to the United States “and the Free World” as consisting of a political and strategic component and “[e]conomically, the Philippines is one of the most important areas of U.S. commercial activity in Asia, both as a market and as a field for investment.”⁶

These quotes do not suggest that U.S. government concern for economic interests was simply a function of its concern for the bases.

Other references in the NSC documents confirm that U.S. policy makers considered the protection and promotion of U.S. trade and investment among their goals.⁷ To be sure, despite the glorious profits, the Philippines did not become the paradise for U.S. investors that some hoped it would become. However, the U.S. government was not omnipotent; the question is whether Washington “betrayed” U.S. business interests as Cullather alleges or whether, given the need to avoid provoking a backlash, U.S. officials followed the course of action they believed most likely to promote those interests.

When Cullather tells us that the United States responded to the demands of Philippine nationalists “by conceding to them, and by attempting to remove nationalist leaders from government” (MN, p. 10), this is not evidence of betrayal. That Central Intelligence Agency (CIA) operations designed “to reduce the power of the nationalist elite” had “little effect” (II, p. 176) refutes the claim—advanced by no serious scholar—that Washington was all-powerful. But it does not show that Washington was indifferent to business interests.

In November 1958 the NSC reported the following:

The Philippine government began negotiations with the International Monetary Fund to send an IMF Mission to study the Philippine economic situation and to make recommendations regarding a program of economic stabilization. The United States considers this a

5. OCB Progress Report, 21 Aug. 1957, in MN, pp. 100–101. (Typographical error corrected.)

6. National Security Council (NSC) 5813/1, 4 June 1958, MN, p. 130. Cullather is certainly aware of this point, since he appends a footnote saying that it constitutes a change from a 1954 policy paper that identified the economic value of the Philippines only in terms of its raw materials (MN, p. 160, n. 1).

7. NSC 5413/1, 5 Apr. 1954, MN, p. 20; NSC 5813/1, 4 June 1958, MN, p. 142; OCB Progress Report, 26 Nov. 1958, Annex A, MN, p. 176.

8. OCB Progress Report, 26 Nov. 1958, MN, pp. 166–67; typographical error corrected.

very constructive step, since direct U.S. pressure on the Filipinos to develop such a program would probably be counter-productive.⁹

The IMF mission was unsuccessful in obtaining Philippine compliance in 1959 from President Carlos García (II, p. 171), but his successor, Diosdado Macapagal—elected with CIA backing⁹—came to office on a platform pledged to eliminating the exchange and import controls that so disturbed U.S. business interests. Washington offered nearly \$100 million in aid to cushion the effects of the decontrol on one condition: IMF participation. And the U.S. State Department then pressured the IMF to impose a series of specific conditions favored by foreign investors.¹⁰

U.S. firms did not speak with one voice on many Philippine questions, and so often when Washington appeared to be failing to support business, it was in fact supporting one sector of business over another. Thus Cullather states that parity was “resented by U.S. businessmen” (II, p. 191), revealing “how few constraints domestic economic interests placed on foreign policy” (II, p. 190). But earlier Cullather noted that parity

helped firms with potential rather than actual investments in the Philippines. The American Chamber of Commerce of the Philippines, which represented the prominent trading firms in the islands, strongly opposed special privileges for Americans, believing nationalist resentment would counteract any putative benefits; but businesses anticipating future investments in the Philippines lobbied for parity and other investment incentives. In October 1945, the Standard Vacuum Oil Company proposed a clause exempting American firms from Philippine constitutional restrictions on foreign business. The Philippine-American Chamber of Commerce, a New York-based group of industrial and banking giants, most of which had only “nominal or indirect connections” to Philippine business, persuaded [High Commissioner Paul V.] McNutt to include it in [Rep. C. Jasper] Bell’s [Philippine trade] legislation. (II, pp. 37–38)

“Pressure from industries and agricultural groups,” says Cullather, “played only a minor role in the debate on the Bell bill . . .” (II, p. 37). But aside from parity and a clause tying the value of the peso to the dollar, the Bell bill also set absolute quotas on most of the Philippines’ main exports, among them sugar, cordage, and coconut oil. As a member of the House Ways and Means Committee explained, “I am telling you we know we are going to have the quotas because this is the kind of protection our domestic producers will want and will get.”¹¹

A few years later Washington, fearing Philippine economic collapse, permitted Manila to impose import and exchange controls. The latter were opposed by the U.S. business community, so here is an instance in which U.S. policy and the wishes of business interests diverged. From the perspective of U.S. policy makers, however, there was no choice if the Philippines was to

avoid the fate of China, and so they approved the controls as a temporary, emergency measure. The controls lasted longer than U.S. officials anticipated, but their judgment was still better than that of the business community, which might have lost its Philippine stake for good.

Illusion of Influence?

The second part of Cullather’s thesis is that U.S. influence in the Philippines was far less than U.S. policy makers believed and less as well than Philippine nationalist historians have taken it to be. Nationalist historians, for example, have viewed the 1947 U.S.-Philippine military bases agreement (MBA) as an agreement negotiated between vastly unequal parties, with Washington imposing its will on its weaker and economically prostrate ally. Analysts on the left, in both the United States and the Philippines, would add that the Philippine elite accepted the U.S. bases in return for U.S. assistance in maintaining themselves in their elite positions. Cullather argues, however, that the Philippines got a pretty good deal on the bases. It is incorrect to compare the MBA to the bases agreements with NATO countries, he notes, because the former was concluded in 1947, while the latter were not signed until the 1950s. The “relevant standard,” he says, is “treaties in force in 1947,” and, compared to these, Filipino negotiators “obtained substantial improvements” (II, pp. 205–6, n. 38).

The treaty in force in 1947 was the British bases agreement of 1941. But this agreement was signed under the duress of world war, and in any event did not deal with the stationing of U.S. troops in Great Britain, but with granting the U.S. military bases on non-independent territories of the British empire (“our transatlantic possessions,” as Churchill called them¹²), thus hardly an impressive precedent for the independent Philippines.

Cullather says that the U.S. negotiators presented a draft agreement to the Filipinos modeled on the British treaty but that the Filipinos rejected it, objecting to the jurisdiction provisions, among others (II, p. 54). In fact, however, the first U.S. draft agreement went well beyond the British treaty, granting the United States—in the State Department’s view—rights that smacked of the extraterritoriality so resented by Asians. It was the Philippine *redraft* that used language “exactly paralleling” the Anglo-U.S. agreement of 1941. The U.S. War and Navy Departments rejected this provision as not giving the United States wide enough jurisdiction, and the State Department also objected, because the provision in the British Base Agreement on which it was modeled had not worked well in practice and was to be revised.¹³ Talks on revisions of the British treaty began

9. Raymond Bonner, *Waltzing with a Dictator* (New York: Times Books, 1987), p. 43, citing interviews with CIA officers and the memoirs of CIA operative Joseph B. Smith (*Portrait of a Cold Warrior* [New York: Ballantine Books, 1976]).

10. Robin Broad, *Unequal Alliance: The World Bank, the International Monetary Fund, and the Philippines* (Berkeley: University of California Press, 1988), p. 33.

11. Quoted in Stephen Roskamm Shalom, *The United States and the Philippines: A Study of Neocolonialism* (Philadelphia: ISHI, 1981), p. 44.

12. *Parliamentary Debates*, Commons, 5th ser., vol. 364, col. 1170, quoted in *Roosevelt and Churchill: Their Secret Wartime Correspondence*, ed. Francis L. Loewenheim, Harold D. Langley, and Manfred Jonas, (New York: Saturday Review Press, 1975), p. 111, n. 4.

13. “Memorandum Prepared in the Department of State, Outline of Course of Informal Discussions with Philippine Representatives Concerning the Provision on Jurisdiction to be Included in the Agreement Concerning Military Bases in the Philippines,” Washington, May 1946, in FR, 1946, vol. 8, pp. 885–86; Division of Historical Policy Research, Office of Public Affairs, Department of State, “The Negotiation of the United States-Philippines Military Bases Agreement of 1947,” Research Project No. 319, Confidential Security Information, p. 34.

14. Research Project No. 319 (see previous note), p. 43.

before the Philippine agreement was concluded, meaning that Cullather's "relevant standard" was known to be outmoded while the MBA was being negotiated.¹⁴

U.S. officials, says Cullather, rather than thinking they had imposed onerous conditions on the Philippines, "worried that the treaty terms were so generous that 'stronger' countries like Australia and Britain would seek similar concessions" (II, p. 206, n. 38). But this is a misreading of the record. The reference to "stronger" countries actually occurs in an internal State Department memorandum objecting to the U.S. military's extreme demands regarding jurisdiction. These demands would be regarded by Asians as a revival of extraterritoriality which would harm U.S. good will "without commensurate advantage to this country." Why would there be no commensurate advantage?

The Philippine agreement would be of little worth as a precedent in attempting to obtain similar grants from stronger countries; and it is believed to be highly unlikely that British, Australian or other authorities will be willing to grant to the United States comparable jurisdiction throughout a prolonged period of peace in any future agreements that may be reached.¹⁵

The jurisdiction provision in the final agreement was not nearly as objectionable as the military's preferred version, but it still was the case that "stronger" nations would not accept comparable terms.¹⁶

As Cullather finally acknowledges, the jurisdiction issue was itself "peripheral" to U.S. policy makers (II, p. 59). Even the fact that the MBA gave the United States authority over the Philippine municipality of Olongapo, with its 50,000 residents, although unprecedented and an outrageous vestige of colonialism, was not crucial from Washington's point of view. The real question was whether the U.S. government would have unhampered use of the bases to further its foreign policy objectives. And this was never in serious doubt.

Incidentally, one of the reasons why it took as long as it did for the bases agreement to be concluded was that Philippine president Manuel Roxas had already used up much of his political capital getting the parity amendment through Congress.¹⁷ So here was a case in which Washington's economic agenda took precedence over its strategic one.

For Cullather the decisive proof that U.S. influence in the Philippines was illusory was embodied in the activities of the Magsaysay administration. Whereas left and nationalist critics—and U.S. officials—viewed U.S. support for Magsaysay as crucial and Magsaysay's allegiance to the United States as unswerving, Cullather claims both were less than is often supposed.

How did Magsaysay become president? Cullather is quite right that Magsaysay shrewdly played the game of Philippine politics, attaching himself to this or that elite political patron as conditions warranted. But the U.S. role was hardly inconsequential. As Cullather notes, in 1942 U.S. general Douglas MacArthur made Magsaysay a captain in the pro-U.S. guerrillas, "a promotion that made his career." His status as a "recognized" guerrilla leader (as opposed to leaders of the radical Hukbalahap guerrillas) "conferred substantial political benefits." In 1945 MacArthur appointed him a provisional governor. And in 1946 Magsaysay used his discretionary power over U.S.-provided veterans benefits to win himself a congressional seat (II, p. 100). In 1950 Magsaysay again used his connections—among Philippine politicians and U.S. officials—to get himself appointed Secretary of National Defense. In that post Magsaysay led the campaign to defeat the communist-led Huk guerrilla movement, though Cullather notes that it was "U.S. economic and military aid" and the Korean War-induced spur to the economy that were the decisive factors.¹⁸

Magsaysay could not run for the presidency on his own Liberal Party ticket, for the incumbent Elpidio Quirino was determined to seek reelection. Magsaysay struck a deal with the opposition Nacionalista Party—just as much elite-dominated as the Liberals—in the negotiation of which U.S. officials "played a small but melodramatic part" (II, p. 107). U.S. funds for the Magsaysay campaign were not very large, but coming as they did during the early days of his campaign before the sugar bloc joined his camp, they were critical (II, p. 112).

Obviously the United States did not create Magsaysay out of whole cloth. But it is clear that without U.S. backing over many years Magsaysay would never have become president. In office, says Cullather, Magsaysay was not nearly as supportive of the United States as generally believed. Again, Cullather is right that Magsaysay had elite political allies who were much less pro-United States than he, but he also claims that Magsaysay was much closer politically to these allies than U.S. officials thought. To prove the latter point, Cullather uses some evidence that is in error and some that misinterprets U.S. motives.

Cullather states that "[u]ntil late 1956, [Claro M.] Recto exerted a strong influence on foreign affairs, advising the president and steering the administration away from active support for U.S. policies in Asia." On Recto's advice, "the Magsaysay administration, over U.S. objections, refused to extend diplo-

15. John Carter Vincent to the Secretary of State, 6 June 1946, FR, 1946, vol. 8, p. 881.

16. William E. Berry Jr., *U.S. Bases in the Philippines: The Evolution of the Special Relationship* (Boulder, Colo.: Westview, 1989), pp. 55, 57; Bohlen to Dept. of State, 10 April 1958, FR, 1958-60, vol. 15, p. 844.

17. Lockhart to Vincent, 25 Sept. 1946, cited in Research Report No. 319 (see note 13), p. 50; McNutt to Secretary of State, 30 Sept. 1946, FR, 1946, vol. 8, p. 920. For details of Roxas's manipulations, see Stephen R. Shalom, "Philippine Acceptance of the Bell Trade Act of 1946: A Study of Manipulatory Democracy," *Pacific Historical Review* 49, no. 3 (Aug. 1980): 499-517.

18. MN, p. 3; II, p. 91. See also MN, p. 48, n. 16; NSC 5413/1, 5 April 1954, Staff Study, MN, pp. 30-31. Not all analysts agree that the U.S. role in defeating the Huks was decisive. D. Michael Shafer, for example (*Deadly Paradigms: The Failure of U.S. Counterinsurgency Policy* [Princeton: Princeton University Press, 1988], pp. 231-32) says U.S. military aid deliveries lagged seriously, the equipment was inappropriate, and the advice of the U.S. military advisors was ignored. But the delays in military deliveries did not mean that no U.S. aid was arriving (see Terry to Cowen, 3 May 1951, FR, 1951, vol. 6, p. 1541; Cowen to Acheson, 25 Oct. 1951, FR, 1951, vol. 6, pp. 1573-74; Smith to Lay, 16 July 1953, FR, 1952-54, vol. 12/2, pp. 539, 543), and certainly many Joint U.S. Military Assistance Group recommendations were followed (see, for example, Shalom, *United States and the Philippines*, p. 81). In any event, however, Cullather accepts that the U.S. contribution to defeating the Huks was decisive, so he can't very well discount the U.S. role in Magsaysay's career.

19. II, p. 218, n. 61. Cullather also gives the 1956 date in MN, p. 14.

matic recognition to South Vietnam" (II, p. 120). In a footnote Cullather adds that "the Philippines recognized South Vietnam in late 1956, when Recto announced he would challenge Magsaysay for the presidency."¹⁹

In fact, however, Cullather is off by more than a year. In March 1955, after a conference with U.S. Secretary of State John Foster Dulles, Magsaysay declared that he favored recognizing South Vietnam.²⁰ Formal recognition was extended on 15 July 1955. Recto denounced the action and also attacked Magsaysay for having taken CIA money in 1953, and on 26 July 1955 Magsaysay announced that he would oppose Recto's nomination for the Senate on his party ticket.²¹ Philippine recognition of South Vietnam thus preceded such events as the departure of the French high commissioner from Vietnam, or the (rigged) referendum replacing the former French-sponsored emperor, Bao Dai, with Ngo Dinh Diem.²²

So instead of being under the thumb of Recto for most of his presidency, as Cullather claims, Magsaysay dumped Recto a year and a half after having come to office with Recto's help. In addition, it should be noted that Recto's outlook was itself evolving in these years, becoming more avowedly nationalistic over time,²³ so even when he had the president's ear it was not in behalf of unabashed anti-Americanism.

Cullather quotes a November 1953 statement by Dulles to the effect that Magsaysay's election gave the United States an "opportunity to bring to the forefront in the Western Pacific non-Western leadership which is respected and competent and which can invigorate and unify non-communist Asian forces." But, says Cullather, by April 1954 "the [U.S.] National Security Council saw Magsaysay's government as unfit for the role Dulles had envisioned. "Radical ultra-nationalism" and the failure of land reform severely limited Magsaysay's usefulness as a symbol of pro-Western nationalism. The NSC laid part of the blame on Magsaysay (II, pp. 116-17).

Cullather has clearly made an error here, because the NSC document he cites does not refer to the failure of land reform (the Magsaysay administration's land reform bill was "being studied"

by U.S. specialists, it says), does not use the phrase "radical ultra-nationalism," and, though in passing mentions Magsaysay's "impetuosity," does not blame him for anything.²⁴ In August 1954 the NSC noted that the mutual good feeling that had been anticipated with Magsaysay's election had not come to pass: Magsaysay was being attacked by ultranationalists for being too close to U.S. officials. In its only criticism of Magsaysay, the NSC went on to say that the Philippine president "himself has lent credence to these charges by seeking aid and advice from American officials which he properly should obtain from leaders within his administration"²⁵—hardly evidence of Magsaysay's affinity for the nationalists.

Cullather says that Magsaysay gave strong support to U.S. foreign policy, but suggests that this was only in ways that involved tangible rewards for and low political cost to the Philippine president (II, p. 141). But if so, this does not show that Magsaysay was closer to the nationalists than generally believed, only that he had to take into account their political clout—something no analyst has disputed. And in fact, Magsaysay often backed U.S. interests even when it involved clashing with the nationalists—on Formosa, on Vietnam, and on foreign investment, among other issues.²⁶

The Philippine president proclaimed his commitment to foreign investment, and many nationalist and left analysts, myself included, have cited these statements as evidence of Magsaysay's service to U.S. interests. But, says Cullather, the "U.S. Commerce Department warned investors in 1956 not to be deceived by pronouncements welcoming capital into a seemingly open, competitive system."²⁷ The Commerce Department study Cullather cites (it was actually a 1955 report) does discuss both favorable and "less favorable" aspects of the investment climate, but does not come out with an overall negative assessment: "the general investment climate" was said to show "some signs of improvement"; although much remained to be done to live up to the rhetoric, "steps have been taken that indicate new efforts on the part of the Philippine Government to attract foreign investment"; and "[o]n balance, present conditions in the Philippines, although not exceedingly attractive for American investors, are better than they were a few years ago and better than in many other foreign countries."²⁸

The issue on which the United States had the greatest difficulty under Magsaysay was that concerning the military

20. In August 1954, the National Security Council reported: "Magsaysay has recently indicated to our Chargé that he contemplates recognition of the Associated States in the near future. (The Philippine attitude may be changed, however, by recent developments in Indo-China.) Pending clarification of the situation in Vietnam, we are not pressing the point" (OCB Progress Report, 11 Aug. 1954, Annex A, para. 18, MN, p. 57).

21. Recto Constantino, *The Making of a Filipino* (Quezon City: Malaya Books, 1969), pp. 231-35. On the recognition date, see Benjamin B. Domingo, *The Making of Filipino Foreign Policy* (Manila: Foreign Service Institute, 1983), p. 167.

22. See the chronology in U.S. Senate, Committee on Foreign Relations, *Background Information Relating to Southeast Asia and Vietnam*, July 1967. 3d rev. ed., p. 3. Earlier Philippine recognition really would have been incredible: according to Dulles, in May 1954 he had suggested to Carlos P. Romulo, the Philippine ambassador, that Philippine recognition of the Associated States would be helpful. "Romulo said that his government would like to see French-Viet-Nam treaty before making decision. I stated treaty was presently secret" (Dulles to Embassy in the Philippines, 10 May 1954, FR, 1952-54, vol. 12/2, p. 606).

23. Constantino, *Making of a Filipino*, pp. 180-240.

24. NSC 5413/1, 5 April 1954, MN, pp. 13-46, esp. Staff Study, p. 34.

25. OCB Progress Report, 11 Aug. 1954, MN, p. 53. To give one example, in May 1954, the head of the U.S. Military Advisory Group in the Philippines attended a meeting of the Philippines' National Security Council at the invitation of Magsaysay. Lacy to Dept. of State, 21 May 1954, FR, 1952-54, vol. 12/2, pp. 606-8.

26. Constantino, *Making of a Filipino*, pp. 218-20, 227-28, 231-34.

27. II, p. 166. See also II, p. 173.

28. U.S. Department of Commerce, *Investment in the Philippines: Conditions and Outlook for United States Investors* (Washington: U.S. General Publications Office, 1955), pp. 3, 6. Among the favorable aspects was that the "general level of profits accruing to foreign investors in the Philippines is high, usually higher than on comparable investments in the United States. Taxes, although increased considerably in recent years, are not exceptionally high as compared with those of many other countries. Remittance of profits and repatriation of capital seem not to have caused major difficulties despite a tight foreign exchange position in part of the postwar period" (p. 4).

bases, a difficulty largely precipitated by extreme U.S. demands. In March 1954 the U.S. attorney general announced that Washington held title to the military bases in the Philippines, that these were not simply Philippine lands leased for ninety-nine years to the United States. The reaction in the Philippines, reported the State Department, “has bordered on the hysterical”: “With the exception of one member of Congress (who does not enjoy an admirable reputation) every public figure in the Philippines . . . is in agreement that our position is completely unacceptable. . . . Newspaper editorials and news writers and columnists have been even more violent in their reactions.” A “not unfriendly columnist” wondered whether this was the price demanded of Magsaysay in exchange for U.S. support during his election campaign.²⁹

In this atmosphere—the Assistant Secretary of State for Far Eastern Affairs reported that “according to his sources the Philippine people were psychopathic on the subject of base negotiations”³⁰—it is no wonder that Magsaysay was unable to satisfy U.S. demands, either on the question of title to the bases or on other sensitive issues. One concession that the Pentagon was eager to obtain was blanket Philippine agreement for the United States to have full authority to grant third countries access to the bases. The State Department noted, however, that “if President Magsaysay were to agree. . . , we would expose him to the most vicious sort of attack,” and that it was preferable to deal with the situation on an ad hoc basis, which had proven “quite workable and satisfactory.” Admittedly the Pentagon might be trying to assure U.S. rights during some future period “when a government perhaps not so friendly was in power,” but, pointed out the State Department, “an unfriendly government could find many other ways, if it wanted to be technical, to harass us in the operation of our bases.”³¹ Cullather says that State Department officials “imagined a power struggle” between Magsaysay and leading nationalists, but he gives no evidence to show that the officials were wrong.³² Ultimately, U.S. officials believed they would have to wait until after the 1957 election—when Magsaysay could decisively defeat the nationalists—before Magsaysay could resolve the bases problem.³³ But Magsaysay died in a plane crash on 17 March 1957, and what he would have been able to do remains a matter of conjecture.

Cullather is no doubt correct to draw our attention to imperial arrogance that assumes Washington to be the center of the universe, and thus the tendency in the internal record to overstate U.S. influence. On the other hand, imperial arrogance

sometimes shows up the other way, considering the slightest hint of independence as a blow to U.S. influence. For example, a U.S. official complained in 1956 that Magsaysay “sees very few Americans and apparently has no American friends of any intimacy”³⁴—as if this were outrageous behavior for a Philippine president.

Cullather discusses one other area in which he claims U.S. influence proved illusory: promoting reforms. U.S. officials, Cullather states, “overestimated” Magsaysay’s commitment to reform. Magsaysay “did not challenge” the status quo, “he profited from it.” The Magsaysay administration did not become “the reformist government Dulles wanted” (II, p. 99, II, p. 104, II, p. 119). But why assume that Washington cared about reform?³⁵ To be sure U.S. officials supported those social reforms that were necessary to undercut pressure for even more radical social change. But whatever interest the United States had in Philippine land reform in 1950, when the Huks threatened the survival of the Philippine state, dissipated by 1954 when the Huks were quiescent.³⁶ So Magsaysay’s nonaccomplishments in the area of serious social reform hardly prove the illusory nature of U.S. influence.

Likewise, Cullather seems to consider it ironic that U.S. policies during the Quirino years did not undermine the power of the Philippine elite:

By helping to defeat the Huks, guaranteeing external security, and promoting industrialization, the United States protected the oligarchy and helped it modernize. (II, p. 89)

Rather than undermining cacique [local political] power, oversight by the United States in many ways reinforced it (II, p. 91). U.S. policies strengthened not only Quirino’s regime, but the entire patrimonial structure, allowing caciques to transform themselves into crony capitalists. (II, p. 95)

But there is no reason to think that these developments were contrary to U.S. intentions. U.S. policy makers did not favor economic democracy for the Philippines any more than they did for the United States. So while Washington opposed members of the elite who blocked U.S. goals or who were so corrupt or repressive that they incited rebellion, it certainly did not oppose the elite as a whole; indeed, its members were its closest allies.

Philippine Nationalism

Cullather has some valuable things to say about Philippine nationalism. He notes that Philippine nationalism was combined with an anti-Chinese prejudice. This prejudice was aimed pri-

29. Bell to Bonsal, 25 March 1954, FR, 1952–54, vol. 12/2, pp. 586–87. U.S. officials asserted that while claiming title, the United States made no claim of sovereignty, a distinction not understood in the Philippines “because of popular confusion” (see Robertson to Dulles, 12 Feb. 1955, FR, 1955–57, vol. 22, pp. 583, and 583, n. 2). But at a minimum veteran diplomat and ambassador to the Philippines Charles E. Bohlen shared this confusion (see Bohlen to Dept. of State, 10 April 1958, FR, 1958–60, vol. 15, p. 844).

30. Memorandum of Discussion, Dept. of State-Joint Chiefs of Staff meeting, 14 Jan. 1955, FR, 1955–57, vol. 22, p. 580.

31. Robertson to Davis, 10 Apr. 1954, FR, 1952–54, vol. 12/2, pp. 601–3. Cullather notes that the “Americans worked around the obstacle” (MN, p. 65, n. 9).

32. II, p. 139. Also II, pp. 119–20.

33. NSC Meeting, 22 Feb. 1957, MN, p. 94.

34. Assistant Secretary of State Walter Robertson, memorandum of Discussion, Dept. of State-Joint Chiefs of Staff, 30 Mar. 1956, FR, 1955–57, vol. 22, p. 644.

35. Cullather makes this very point when talking of “development”: it is unwarranted to assume that the United States sought Philippine development and failed; rather development failed because the United States viewed development as secondary to its military bases (II, p. 152). The relation between “reform” and “development” in Cullather’s analysis is unclear.

36. II, pp. 125–26. The new U.S. “land reform” adviser in 1954 reported that minor reforms could keep dissent under control, thus no land redistribution was necessary. See Al McCoy, “Land Reform as Counter-Revolution,” *Bulletin of Concerned Asian Scholars* 3, no. 1, (winter–spring 1971): 29.

marily at "resident" Chinese who were not Philippine citizens, but many of these individuals were denied citizenship on a discriminatory basis. As residents the Chinese were less likely than foreign investors to take their capital out of the Philippines, yet they suffered the brunt of the country's "nationalization" decrees, a term that in the language of Philippine elite nationalism meant not a taking over by the government for the benefit of the people, but rather assuring that key sectors of the economy were in the hands of private, wealthy, non-Chinese Filipinos.

With this sort of nationalist agenda, Cullather points out, parity could play a useful role, for it allowed the elite to discriminate against the Chinese without unduly worrying U.S. investors, a source of needed capital. Thus the elite railed against parity for years, but when it came time to renegotiate the Trade Act, after getting all the mileage they could out of it in terms of trade concessions, they actually extended it in return for a cosmetic reciprocity.³⁷

As members of the Philippine elite moved into manufacturing in the 1950s their previous congruence of interests with the United States declined. Their profits no longer depended solely on access to the subsidized U.S. market, but on being able as well to manipulate and monopolize a protected domestic market. Cullather is right to identify this as a source of elite nationalism: under the guise of protecting the national interest the elite wanted to continue enriching itself, while the great mass of the Philippine population languished in abject poverty.

One cannot overstate the greed and opportunism of the elite. Nevertheless, to say that Philippine nationalism was "primarily a nationalism of the elite" (MN, p. 194) or that discrimination against the Chinese "was nationalism" (II, p. 187) is overly simplistic.

For example, Cullather states: "Outrage against the military bases fastened on issues related to money—mineral rights, wages, land title, and compensation—issues incomprehensible to most Filipinos but of immediate and understandable concern to those whose power rested on controlling land and other sources of wealth" (MN, p. 190). But in fact the criminal jurisdiction issue was much more divisive than any of these other issues—and the Filipinos likely to be shot while scavenging on the bases were unlikely to be well-heeled caciques. Likewise, there was discord over third country use, medium-range missiles, and which flag should fly where: again, not of unique interest to the elite. Even the issue of land title can scarcely be seen as of immediate economic concern to the oligarchy, given that the alternative to Philippine title was a ninety-nine-year lease. Finally, the wages issue was probably contrary to elite interests, for high base wages probably had the effect of raising wages off the bases, and it was the elite who paid these.

37. II, pp. 130–31, II, p. 147, MN, p. 11. n. 13. This would seem to suggest another criticism of parity: it enabled Filipinos to discriminate against the Chinese with either U.S. encouragement (MN, pp. 160–61) or indifference (II, p. 131).

38. Quoted in Aurelio B. Calderon, *The Laurel-Langley Agreement: A Critically Annotated and Selected Bibliography* (Manila: Research Council, De La Salle University, 1979), p. 58.

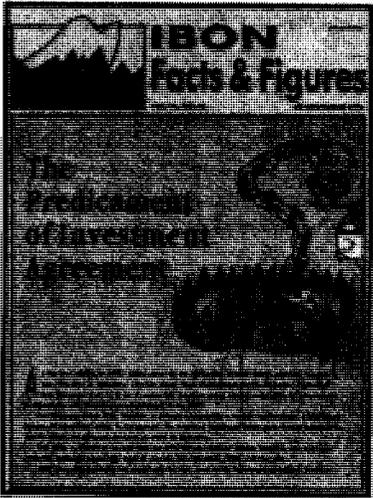
39. Constantino, *Making of a Filipino*, pp. 221–24.

40. *Ibid.*, pp. 214–15.

In his account of the parity renegotiation, Cullather quotes a telegram from Recto to the head of the Philippine panel calling parity "our trump card." And, comments Cullather, "neither Recto nor any of the members of the Philippine mission had any intention of eliminating parity" (II, p. 147). Recto's telegram was actually rather ambiguous, for he also congratulated the head of the mission (on the basis of erroneous press reports) for his "uncompromising stand for the abolition of parity."³⁸ In any event, in January 1955 Recto publicly called for the outright abrogation of parity, in February he denounced the revised parity provision (negotiated by his longtime political allies), and in April he spoke out against and voted against the new trade agreement.³⁹ It is hard to see this as simply a reflection of narrow self-interest, either economic or political (Recto had not yet split with Magsaysay).

To say, as Cullather does, that Recto "advocated national dignity and a neutralist foreign policy, but as his positions on the Southeast Asian Treaty and the 1955 trade agreement revealed, he readily sacrificed those goals to his primary aim of advancing Philippine economic interests" (II, p. 139), seems rather unfair given that Recto voted against the trade agreement. Cullather is right that Recto's criticism of the Southeast Asia Treaty Organization was not really on grounds of neutralism (since he preferred strengthening the bilateral mutual-defense treaty with the United States to make U.S. intervention automatic in the event that the Philippines was attacked,⁴⁰ but the economic motive here is remote.

Recto was a conservative, and his opposition to things like land reform was no doubt a reflection of his self-interest. But to dismiss the nationalist awakening of these years as nothing but elite greed is to miss the growing nationalist sentiment in nonelite circles. It is to resort to an economic determinism far more simplistic than that Cullather claims to find in other historians. And it makes incomprehensible the nationalist upsurge of the 1960s and beyond that drew inspiration from Recto, while transcending him, developing into a mass movement both for genuine independence and social justice.



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