



A COLD WAR NARRATIVE OF DEPENDENCY: REVISITING PHILIPPINE COLLABORATION WITH AMERICA AND DIOSDADO MACAPAGAL'S NEO-REALIST RESPONSE

TYRONE JANN NEPOMUCENO

THE GRADUATE SCHOOL
UNIVERSITY OF SANTO TOMAS
tdnepomuceno@ust.edu.ph

Diosdado Macapagal, Philippine President from 1961–1965, whose career was made rich by working in the foreign service, belonged to a tradition of championing a Foreign Policy shaped under America's tutelage, adhering to democratic ideals, dismissive of Communism, and indifferent to neutralism and non-alignment. While various groups branded this policy as one of mendicancy that jeopardized Philippine Independence itself, President Manuel Roxas, who instituted it in 1946, was given little to no option but to side with America. The Second World War's apocalyptic results required prompt and massive reconstruction and industrialization, necessitating foreign aid.

This study reveals a chapter in the Philippines' Cold War History, which show instances of balancing the state of dependence on America with neo-realist postures. Macapagal worked for Land Reform to peacefully address Communism within and collaborated with America in the name of national security to counter possible foreign communist infiltration. In an anarchic world forged by Cold War developments, Macapagal secured US financial and military assistance and defended national interest in a neorealist posture to the point of championing views more orthodox and even contrary to that of America. Filipino's preference for collaboration with America made the neo-colonial situation manageable at that time, to still reap whatever the superpower is willing to give while it promoted its own global agenda. Macapagal worked within this neo-colonial setting by balancing dependency and neorealism.

Keywords: *Diosdado Macapagal, Cold War, Dependency, Neorealism, Communism*

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INTRODUCTION

The Cold War in the previous century presented a geopolitical reality of two spheres of influence—one dominated by the Soviet Union and China, and the other by the United States and its allies. For the West, the Cold War was a battle between the “free world” and the “totalitarian world” and for the other, was between imperialist-capitalists and communist-progressives. Indeed, there is truth in Bertrand Russel’s statement in describing the immensity of the Cold War’s repercussions that “whether the populations of the world are to live or die rests with the decisions of Kruschev, Mao Tse-tung, and Mr. John Foster Dulles, not with ordinary mortals like ourselves.”¹

This war coincided with the end of the Second World War and the recognition of Philippine Independence by America, the leader of the so-called “Free World” and the country’s self-proclaimed “tutor” in democratic governance. The Philippines developed an ardent preference for cooperation and desire for America’s aid at a time when the country was in dire need of financial support for its reconstruction plans. There were also expressions of discontent in the countryside at that time. The fight for land and opportunities by those in the peripheries of society i.e., the farmers and workers ensued. Communist ideologues were exerting effort to influence them.

Ramon Magsaysay, President from 1953-1957 wrote that the main thrusts of Post-war Philippine Foreign Policy are: national security, economic stability, and political and cultural relations with the free world.² He also stated that our “close relations with the United States is not a mere artificial creation of government

policy-makers and is not dictated exclusively by the accident of common purposes. It is the product of experience in serving the national interest.” Then Senator Manglapus went further to state that there has been built a constitutional structure patterned on that of the United States.³ It is worth noting that even before the recognition of Philippine Independence, America aided in establishing the Philippines’ foreign service. “A senior American Foreign Service officer, Richard P. Butrick, was detailed to Manila to assist in the creation of a foreign office, and a number of Filipinos were trained in the Department of State in Washington for the Philippine diplomatic and consular service. The structure of the Philippine foreign service is closely patterned on that of the United States.”⁴

The special bond between America and the Philippines did not last unscathed, for there were Filipino thinkers and politicians like Claro Recto, who adopted a brand of nationalism that attacked what they called the “mendicant foreign policy” that the Philippines pursued, citing onerous economic and security agreements concluded in 1946. America indeed extended a helping hand to the nation with whom it had a so-called “Special Relations” in the Asia Pacific, but not without the security and economic agreements geared to strengthen its presence in the region. These included: The Military Bases Agreement, the Treaty of General Relations, and the imposition of the Bell Trade Act. While a Rehabilitation Act was passed to aid the recovery of the Philippines, Parity Rights was demanded by the United States in exchange for aid which was a mere conciliatory gesture. Parity Rights gave American citizens and enterprises access like the level Filipinos enjoyed the country’s natural resources. It was then a choice Filipino

¹ Bertrand Russel, *Portraits of Memory and Other Essays*, (London: George Allen & Unwin, 1956) 48

² Ramon Magsaysay, *Roots of Philippine Policy*, *Foreign Affairs* 35, 1(1956): 29

³ Raul Manglapus, *The State of Philippine Democracy*, *Foreign Affairs* 38, 4 (1960): 623

⁴ Russel Fifield, *Philippine Foreign Policy*, *Far Eastern Survey* 20, 4 (1951): 33-34





leaders were forced to pick in order to obtain the much-needed American aid to push for post-war socio-economic recovery and industrialization.

This reality led other Asians to view Filipinos with contempt. “Derisive comments against Filipinos were heard in the corridors of international conferences about the “little brown Americans.””⁵ Recto called for an “Independent Foreign Policy” which emphasized: reviewing the so-called “Special Relations” between the Philippines and America, the view that the bases are magnets for attacks, the need to forge solidarity with Asian states, the concept of self-reliance, neutrality and non-alignment, and the need for a strong and credible state.

Social critics Teodoro Agoncillo and Renato Constantino shared Recto’s view that the so-called “Special Relations” jeopardized the reality of Philippine Independence, downgrading it to a mere ‘nominal independence.’⁶ Diosdado Macapagal, who was then a young Congressman and had served in various capacities in the foreign service, advocated for investments rather than loans, as he emphasized in his dissertation *Imperatives of Economic Development* in 1957, in an effort to lessen the weight of dependence on America.⁷

Macapagal, who served as President from 1961 to 1965, followed the tradition of siding with America, dismissed the options of neutralism and non-alignment that were chosen by some Asian nations, and rejected ties with communist countries. This was set by President Manuel Roxas’ in 1946 when America recognized Philippine Independence and the Third Republic

was inaugurated. In a speech Macapagal delivered before the Foreign Policy Association as Philippine Vice President and Liberal Party leader, he recollected Roxas’ legacy when he said:

“The cornerstones of Philippine Foreign Policy are (1) continuing partnership with the United States, (2) adherence to the United Nations, and reliance on collective security.” In its historical perspective and in the light of incontestable precept and example, our policy includes (4) resistance to communist expansion, (5) effective relations with our Asian neighbors, and (6) expanding relationship with the rest of the free world.”⁸

On the domestic front, Macapagal collaborated with Congress to produce the Land Reform Code of 1963⁹ “to neutralize the insurgency movements of the Communists among the Filipino farmers with their battle cry of “Land for the Landless.”¹⁰ Under Macapagal, “the insurgency problem started to fizzle out because the communist rebels’ “Land for the Landless” battle cry had been challenged by Macapagal’s Land Reform program. He treated the issue as a social problem, not as a military one” (Ruaya 37). Macapagal emphasized that “democracy must be a permanent political system over dictatorship, authoritarianism, or militarism and geared towards becoming also an economic democracy.”¹¹

Macapagal was, in fact, the last in this tradition of collaborating only with America and its allies, for his successor Ferdinand Marcos would recalibrate Philippine Foreign Policy, shifting from ideology to economy as its main consideration opening diplomatic ties with the Soviet Union, People’s Republic of China, and the Eastern European bloc. But the United

⁵ Rene de Castro, Historical Review of the Concept, Issues, and Proposals for an Independent Foreign Policy for the Philippines: 1855-1988, 1989, <https://www.asj.upd.edu.ph/mediabox/archive/ASJ-27-1989/decastro.pdf> Accessed: 13 May 2022

⁶ See Teodoro Agoncillo’s edited work: *Recto Reader* and Renato Constantino’s *The Nationalist Alternative*

⁷ Diosdado Macapagal, *Imperatives of Economic Development*, Unpublished Dissertation, University of Santo Tomas, 1957

⁸ Diosdado Macapagal, *Our Foreign Policy, The Common Man and Other Speeches*. (Manila: Bureau of Printing, 1961):95-96

⁹ Republic Act No. 3844

¹⁰ Rolando dela Rosa, Foreword in Diosdado Macapagal, *Constitutional Democracy in the World*. (Manila: Santo Tomas University Press, 1991): vii

¹¹ Diosdado Macapagal, *Economic and Social Justice—Philippine Experience, Unitas 64* (1991): 89





States' influence on Philippine affairs continued to hold ground to this day.

The Cold War, for most scholars, may have officially ended with the fall of the Berlin Wall and the Soviet Union, but it left indelible marks on world affairs and the conduct of foreign policy. There are countries that remain under communist rule with some adaptive deviations, like Vietnam and China. The conflict in the Korean Peninsula is still ongoing and is regarded as having the longest ceasefire in modern history. The challenges remained and merely evolved. Indeed, there is truth to the assertion of Italian philosopher Benedetto Croce that "every true history is contemporary history."

Historian E.H. Carr wrote that history cannot be written unless the historian can achieve some kind of contact with the mind of those about whom he is writing.¹² So, primary sources were utilized in this study to obtain data produced firsthand during the period being scrutinized. Included are speeches, memoirs, and related works during the Cold War. The ideas of the adherents of both Dependency and Neo-Realist Perspectives to contextualize and explain the state of Philippine Foreign Policy were used as well.

A PHILIPPINE NARRATIVE OF DEPENDENCY AND NEO-REALISM

This study utilized two distinct but compatible paradigms namely: Dependency and Neo-Realism, in order to arrive at a clearer understanding of the formation of indifference to communism and preference for collaborating with America in the Philippines.

¹² Edward Carr, *What is History?* (New York: Pelican Books, 1961): 24

Dependency Theory was originally used in the 1950s to explain the patron-client and mendicant stature of many Latin American countries in relation to America and the so-called "Free World's" machinations. It generally held the idea that poor countries exiled to the periphery of the world economy could not develop as long as they remained enslaved by the rich nations of the center.¹³ By dependence, posited "we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected."¹⁴ Describing the effects of free trade arrangements on the local stage, Dependency theorists maintained that under capitalism, the rich and poor alike could grow but would not benefit equally.¹⁵ Dependency Theory assumes that the world is in a state of inequality between two classifications of countries: the developed ones in the "Center" and the underdeveloped ones in the "Periphery" found in a deplorable exploitative relationship. While it is true that foreign relations are conducted primarily to champion national interest vis-à-vis the interests of other states, this view showed relations that are not of equal footing in their bilateral dealings.

Dependency Theorists also described a scenario where the country at the Center utilizes internal structures in the Peripheral country to shape the country's internal dynamics. The dependency paradigm further implies dependent social classes and dependent military organizations.¹⁶ It suggests modern imperialism at work with its "abiding agents--the transnational corporations, and their local allies among the elites."¹⁷ Such a scenario is indeed reflective of the Philippine

¹³ Andres Velasco, *Dependency Theory*, *Foreign Policy* 22 (Nov.-Dec, 2002): 44

¹⁴ Louis Perez, Jr., *Dependency*, *The Journal of American History* 77, 1 (Jun, 1990): 136

¹⁵ Velasco, *Ibid.*, 45

¹⁶ Perez, *Ibid.*

¹⁷ Randolph David, *Philippine Underdevelopment and Dependency Theory*, *Philippine Sociological Review* 28, 1/4 (1980): 81-87





case, with the establishment of American patterned structures even in the foreign service and the political leaders' cooperation with America in dealing with Cold War challenges.

This theory stood on solid ground for the period of colonialism in various parts of the globe and provided the red carpet for neo-colonialism. The ones in the Center subjugated foreign nations in the Peripheries, which included Latin America, Asia, and Africa for additional territories, sources of raw materials, supply of cheap manual labor, and additional markets, for their processed goods. The Philippine case, as this study shows, fits in the aforementioned scenarios. It was affirmed by Macapagal by writing in his dissertation to obtain his doctorate in Economics:

“In the face of the chronic, wide imbalance of trade and payments suffered by the Philippines in its commercial relations with the United States, which constitute the bulk of Philippine trade, it is imperative that this country seek other markets for its products than the United States. Indeed, the salient weakness of the Philippine economy is its dependence on a few export crops, like sugar and copra, which have been dependent on the preferential American market.”¹⁸

The international dynamics during the Cold War, which divided the world into the First World (The United States and the so-called “Free World”), the Second World (Soviet Union, Red China, and the rest of the Communist Bloc), and the Third World (countries caught in between them like the Philippines), gave birth to a version of Realism formulated by Kenneth Waltz that “downplays the idea of power and supposes that “in anarchy, security is the highest end.” This showed various narratives of interdependence and other twentieth-century institutions and procedures (e.g., the United Nations), which led to a revisiting and modification of Classical Realism. This resulted in Neo-realism, which “assumes that states are independent and self-serving actors that

must look after themselves, either through defense strategies, by balancing against larger and more powerful states, or by bandwagoning with them.”¹⁹

The state of anarchy does not provide other alternatives for smaller states. Classical Realism, while emphasizing the ideas of emasculating state power and resorting to hot wars²⁰, became more obsolete for the Cold War also became a period of Neo-colonialism when countries like the Philippines, which could not afford to make displays of sheer power, remained subjugated by former colonizers. The Cold War called for a new form of Realism, i.e., Neorealism, which placed more emphasis on safer options like negotiations, forging alliances for maintaining peace, and dialogue. Governments may be compelled to accommodate conditions of interdependence by adjusting their responses and avoiding provocative action, but the competition continues nonetheless.²¹

Macapagal, while recognizing the importance of aid in the equation of the Philippine-American “Special Relations”, pointed out some disadvantages of depending solely on it. He wrote that uncertainty and the temptation of being constrained to accede to conditions might jeopardize the national dignity, independence, and welfare.”²² In this scenario, neo-colonialism propagated dependency and gave states in the periphery neo-realist options.

MACAPAGAL ON PHILIPPINE PREFERENCE FOR COLLABORATING WITH AMERICA

Historical experience, an American-molded educational system, the attractiveness of

¹⁹ Leszek Buszybnski, Realism, Institutionalism, and Philippine Security. *Asian Survey*, 42 3 (2002): 484

²⁰ Direct armed conflict

²¹ *Ibid.*, 485

²² Diosdado Macapagal, *A Stone for the Edifice: Memoirs of a Philippine President*. (Quezon City: MAC Publishing): 286

¹⁸ Macapagal, *Imperatives of Economic Development*, 80





democratic principles, the Christian-Catholic orientation of most Filipinos, the reliance of the Press on Western sources, and experiences of unrest were viewed by Macapagal as molders of Filipino's preference for collaborating with the Americans even during the post-war period.

Macapagal firmly believed in the idea that Filipinos preferred democratic ideals. Echoing historian Nicolas Zafra, he wrote that "the Malolos Constitution had one thing for which the framers could well be proud, namely, "its democratic spirit and ideal."²³ He also mentioned "the magnetism that the democratic promise radiates" as the reason why even dictators try to utilize the distortions for the word democracy to suit their own interests.

He recognized the huge role of the United States in developing democratic Filipino learnings. Under the Americans, Macapagal pointed out that the established Philippine Commission gave the Filipinos a training in democracy, citing the 1907 elections to form the Philippine National Assembly, which started the continuous national and local election processes, the 1916 elections when the Filipinos elected members of a bicameral Congress, and the 1935 Presidential Elections."²⁴ One of the factors for Philippine growth is "the continued availability of foreign savings as the United States continues to recognize her self-interest in seeing that 'democratic capitalism' works in the Philippines, and to participate effectively in Philippine economic development."²⁵ Macapagal wrote that America envisioned the Philippines which it swore to help, the "showcase of democracy in Asia."²⁶

Macapagal lambasted "the claim that the American or Western democracy is not suited to the Philippines. He wrote that such claim "must be seen in its bare falsity and sophistry."²⁷ He wrote that the distinctions being done to democracy are mere propaganda devices of various dictators like the Ayub Khan "basic democracy," Sukarno's "guided democracy," and Fulgencio Bautista's "disciplined democracy." "What has been deficient as "without relevant to the future" is not liberal democracy but "liberal capitalism."²⁸ He also emphasized democracy's universality for freedom and consent are boundless principles.

Macapagal also highlighted that in a democratic Philippines, the quest for social justice became even more attainable, citing the institutionalization of the Government Service Insurance System and eight-hour Labor Law under Quezon, the Minimum Wage Law, the right to collective bargaining and to strike under Quirino, the Social Security System and Rural Health Law under Magsaysay, and the Agricultural Land Reform Code of 1963 abolishing tenancy under his administration.²⁹

The educational system Filipinos obtained from America, in Macapagal's view, led to this Filipino attitude of collaborating with the former colonizer. Citing Gyunnar Myrdal's *Asian Drama*, he wrote that "Filipinos were outstandingly an educated people at the end of the colonial rule...The Philippines was already ahead of most other colonies in popular education."³⁰ Indeed, the Philippines is one of the Asian countries with the highest literacy rates and knowledge of English for the former colonial master prioritized the establishment of the Department of Public Instruction in 1901.

²³ Diosdado Macapagal, *Constitutional Democracy in the World* (Manila: Santo Tomas University Press, 1991): 182

²⁴ *Ibid.*, 182

²⁵ *Ibid.*, 191

²⁶ *Ibid.*, 197

²⁷ *Ibid.*, 186

²⁸ *Ibid.*

²⁹ *Ibid.*, 188-189

³⁰ *Ibid.*, 183





It mandated that all primary instruction in all schools shall be free. “The act also provided: English language shall, as soon as practicable, be made the basis of all public instruction.”³¹ “Give them a common language which they could communicate readily with each other”, wrote former US Governor-General W. Cameron Forbes; “this was regarded as an essential step in making them capable of nationality.”³²

The system of education molded not only the minds of Filipinos but also their hearts and spirits, for “the American teacher brought with him the American spirit. He was the apostle of progress...and the children carried this spirit back into the homes, where it made its impress upon the parents.”³³ This slowly transformed not only the students but society at large, Filipino externally, but increasingly becoming Americanized within. Americans relied on the products of their imposed system of education to impose their ways in almost all aspects of life, including governance. While reaping the blessings of education, their ability to utilize it towards full freedom is another issue. Renato Constantino lamented that “education and cultural domination were subtly instituting a form of thought control in the name of democracy and altruism.”³⁴ He further stated that this led to very little original thinking in many fields. The “academic and technocratic policymakers were prisoners of American methods and norms.”³⁵

Macapagal also affirmed the press as a vital institution in any democracy and is responsible for shaping the public’s opinion and preferences. He shared the view of rightfully calling it the “Fourth Estate.” He wrote: “It has virtually the

position of a Fourth Branch in our democracy, together with the Legislative, Executive, and Judicial Branches of the Government.”³⁶ But it should be noted that the Philippine Press, during the Cold War, was heavily reliant on the American owned *Associated Press* (AP) and *United Press International* (UPI) for foreign news. There were also other foreign news sources, like the *Agence France Presses* and the *Reuter* of Britain. The *Reuter* was viewed to be more objective than its American counterparts since these were supplemented by UPI and AP releases. Only the major dailies, *Times* and the *Mirror*, use *Reuter*, while the *Chronicle* and the *Roces* papers use AP.³⁷

This circumstance led Rosalinda Pineda-Ofreneo, among others, to describe the Philippine Press as subservient and at the mercy of pro-American information. It is unfortunate to discover that the press became a tool for American propaganda, as proven by how the press, except for the *Chronicle*, reported on the fiascos and hoaxes regarding the so-called invasion of Laos by the Vietnamese between 1959 and 1960, and the so-called landing in the Bay of the Pigs of “Cubans supported by the US” which turned out to be a CIA operation.³⁸ The state of the press is very crucial in any policy formulation for by reading the newspapers, the people are able to “determine to what side they belong. It is of the utmost importance that a foreign policy is supported by the people, for in the final analysis, they are the ones that back it up through thick and thin.”³⁹

Macapagal also viewed the predominance of Christianity in the Philippines, with Roman

³¹ W. Cameron Forbes, *The Philippine Islands*. (Cambridge: Harvard University Press, 1945): 174

³² *Ibid.*, 178

³³ *Ibid.*, 175

³⁴ Renato Constantino, *Identity and Consciousness: The Philippine Experience*. (Quezon City: Malaya Books, 1974): 42

³⁵ *Ibid.*, 49

³⁶ Diosdado Macapagal, *A Stone for the Edifice: Memoirs of a President* (Quezon City: MAC Publishing, 1968): 407

³⁷ The papers owned by the Roces brothers were:

³⁸ See Rosalinda Pineda-Ofreneo’s *A History of Philippine Journalism Since 1945*. (Mandaluyong: Cacho Hermanos): 1984

³⁹ Josias K. Guinto, *A Study of Philippine Foreign Policy*. Unpublished Dissertation, University of Santo Tomas, 1955, 181





Catholicism being the largest group, as a contributory factor to Filipinos' preference for collaboration with America. Aside from the magnanimous role the Church played in educating the Filipinos, he wrote that the Christian faith of most Filipinos is most compatible with democracy.⁴⁰

It was evident in Pope Pius IX's 1848 encyclical *Qui Pluribus*, which stipulated that: "Communism, radically contrary to natural rights itself; this doctrine, once accepted, would be the complete ruin of all rights, institutions, properties and of human society itself." Along with the intensification of anti-religious activities of the communists in Russia and other parts of Europe, Pope Pius XI issued in 1937 the encyclical *Divini Redemptoris*. The Pontiff wrote: "Communism is intrinsically evil, and no one wishing to save Christian civilization can collaborate with it in any conceivable enterprise." Succeeding popes were guided by these pretexts but with varying tones, others being more pacifist in their words, like John XXIII's *Pacem in Terris*, which emphasized peace, cooperation, and rejection of nuclear arms which threatened world security during the Cold War.

It should be noted that there were charismatic groups within the Church that worked and accepted funds from the CIA, like Fr. Patrick Peyton's Family Rosary Crusade. It was viewed to be an effective deterrent to the spread of communist ideology in Latin America.⁴¹ The organization was able to establish itself with radio and later, a television program in the Philippines through the efforts of Fr. James Reuters, SJ.

Macapagal, like Magsaysay, also attributed the Filipino's agitation toward communism to

the so-called "program of terror and violence", especially in rural areas like Central Luzon. During Magsaysay's stint as Defense Secretary, "a comprehensive military and farm resettlement program was launched by the Philippine government with American assistance" to offset communist gains.⁴² During Macapagal's presidency, along with land reform and other social measures championed by the government, the capture of Jesus Lava on May 21, 1964 was viewed as an indicator of possible success in the domestic fight against communism. But it did not deter the movement for "during the sixties, they launched a new united front, directed particularly at the student and intellectual communities, along with traditional trade union and peasant supporters."⁴³

These realities of the Cold War left leaders of peripheral countries with the option to just cope and strategize, even in small ways possible, of making the most out of the relations with the country at the center. A combination of historical circumstance and deliberate intervention by America resulted in a tradition of both preference and dependence. Macapagal inherited a dependent state of the country but exerted effort to push for national interest whenever possible, as the next part of the study reveals. In Macapagal's view, while there were obvious consequences of Filipino leaders' decision to side with America, democracy which happened to be re-learned and further developed under America, remained to be the most compatible with the universal human goal of freedom.

⁴⁰ Diosdado Macapagal, *Constitutional Democracy in the World* (Manila: Santo Tomas University Press, 1991): 9

⁴¹ See Richard Gribble's *Anti-Communism*, Patrick Peyton, CSC and the C.I.A., *Journal of Church and State* 45, 3 (2003).

⁴² Justus M. van der Kroef, *Communism and Reform in the Philippines*, *Pacific Affairs* 46, 1 (1973): 32

⁴³ *Ibid.*





MACAPAGAL'S BALANCING OF DEPENDENCE AND NEO-REALISM

During the Cold War, the Philippines, in the name of security in a constantly anarchic world, maintained close ties with the United States and for national survival by strategically reaping what the United States was willing to give.

It should be noted that major legislation further cemented Philippine Cold War policies that made Philippine-American relations even stronger. The Philippine Congress enacted Republic Act 1700 in June 1957, which outlawed the Communist Party of the Philippines and similar associations and made it a matter of national policy to fight communism, as then President Garcia commented. The law described the Communist Party as “an organized conspiracy to overthrow the Government of the Republic of the Philippines not only by force and violence but also by deceit, subversion, and other illegal means, to establish in the Philippines a totalitarian regime.”⁴⁴ But this contributed to the image of the Philippines being a mere bridge of America to the region and in cultivating a sort of indifference of other Asian countries which embraced non-alignment and neutralism.

In accordance with this, Macapagal continued to keep Filipinos from going to Red China, the Soviet Union, and other communist countries and rejected the visas of possible visitors from communist-leaning countries. This was exemplified by the controversial but brave move of refusing to grant visas to Yugoslav basketball players supposed to play at the FIBA (now International Basketball Federation) scheduled to be hosted by the Philippines in 1962. As a matter of national interest in Macapagal's view, the Philippines rejected even the slightest

possibility of communist infiltration from the Eastern European bloc.

In close contact with the White House, Macapagal was able to push for the US Congress' approval of the \$73 million war damage claims, which authorized payments of the balance of the war damage reparations for some 88,000 claimants. This was eventually achieved after the drama of its initial rejection resulted in the cancellation of Macapagal's State Visit to the United States scheduled for June 1962. There was also speculation that the initial rejection was a major factor in pushing Macapagal to replace July 4, the date America recognized Philippine independence, with June 12, the day independence was proclaimed at Kawit.

America also increased the Philippine Sugar Quota, which resulted in “higher export earnings for the sugar industry and additions to our international reserves.”⁴⁵ In return, Macapagal support for the United States to the Cuban Missile Crisis of 1962, a commitment in the name of “common security and the defense of mutual ideals and interests.”⁴⁶

Macapagal secured assistance from America for his various modernization initiatives. Funds from foreign loans and reparations were used to make the projects more successful and wider in coverage. US President Lyndon Johnson offered financial assistance for a nationwide electrification program in the country. The modernization and improvement of the Manila International Airport were also achieved, with funds coming from a loan from the Export-Import Bank of Washington, DC. Macapagal's Administration, in its aim to weaken the internal threat of the communist movement, collaborated with the US

⁴⁴ Diosdado Macapagal, *A Stone*, 162

⁴⁵ Diosdado Macapagal, *1963 State of the Nation Address*, Manila: Old Legislative Building

⁴⁶ *Ibid.*





Agency for International Development (AID), assisted by United Nations Agencies, and the Philippine Rural Reconstruction Movement (PRRM) to foster large-scale economic and social rehabilitation program in Central Luzon.⁴⁷

Macapagal also secured the conclusion of a Tax Treaty for the Avoidance of Double Taxation and the prevention of Tax Evasion and the American donation of 25,000 tons of grain to help alleviate the rice shortage problem. Furthermore, he also noted the pledge of then US President Lyndon Johnson “to make available 100,000 tons of rice to be purchased under the United States’ Pacific Law 480.”⁴⁸ The shipment, however, never came. The conclusion of the Bilateral Cotton-Textile Agreement between the Philippines and the United States, which raised the quota for manufactured and processed textiles of the Philippines entering the United States, was also achieved by the Macapagal Administration.⁴⁹

For further industrialization of the country, Macapagal proudly secured loans from the United States and West Germany. With the Loans and Investments Council’s help, which his administration established in early 1963, Macapagal secured a more effective negotiation process with foreign governments and banks. He said that it made possible the approval of the \$62.3 million loan by the United States Export-Import Bank to the Iligan Steel Mills and has facilitated the negotiations now going on between the Sta. Ines Steel Corporation and the Kreditanstalt of Germany. These two major projects were expected to supply the economy with 520,000 tons of steel products annually and reduce steel importations by 80%.⁵⁰

⁴⁷ The region at that time is experiencing active campaigns of the communist inspired *Huks*, which was originally a movement that fought the Japanese during the Second World War and later resorted to armed revolt against the American instituted status quo.

⁴⁸ Diosdado Macapagal, *1965 State of the Nation Address*, Manila: Old Legislative Building

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*

Macapagal wrote in his memoir that the “collaborative effort with America on security did not mean supporting the United States on other matters whenever a different course was necessitated by our national interest.”⁵¹ His conviction to safeguard national interest amid an environment of dependency was tested early. Upon assuming office, he was faced with the Virginia Tobacco Importation saga, involving Php 70 million tobacco from the United States, a part of the 4.5 million kilos of tobacco leaves authorized by the Garcia Administration for entry, and in Macapagal’s view, violated the prescribed conditions in Republic Act 1194. While Macapagal was firm in not releasing the shipment and returning it to America, the Supreme Court allowed its release in the Philippine market.⁵²

He also opposed the United States’ inconsistent policy and eventual support for a neutral Laos under Prince Souvanna Phouma on May 29, 1962. With the visit of anti-communists Prince Boun Oum and General Phoumi Nosavan to Malacañang, Macapagal declared that “neutralism is the gateway to communism.”⁵³ His stand reflected a neo-realist stature that desired regional cooperation for security, especially of his own nation.

Macapagal should be credited for abrogating in 1963 a provision of the Treaty of General Relations and Protocols with the United States, which stipulated that it will represent the Philippines in countries where the latter has no established diplomatic relations. He also addressed a constant irritant in the relations concerning its Military Bases. Some public lands in Tarlac were returned to the Philippines, and the “long-pending dispute on military

⁵¹ Diosdado Macapagal, *A Stone*, 312

⁵² *Ibid.*, 313

⁵³ See Official Week in Review, *Official Gazette* (May 27-June 2, 1962)





jurisdiction over offenders” was addressed.⁵⁴ It limited US jurisdiction only to offenses against American military persons and instrumentalities. He also promoted closer ties with other Asian countries, including former aggressor countries, Japan and the Republic of China (Taiwan). These ties were worth keeping for both are friendly countries and bastions of the anti-communist cause in Asia.

Decades after his presidency, Macapagal wrote that he never subordinated Philippine interests when at variance with those of the United States. He stated examples proving this point. To mention some were his decision to change the day of Philippine Independence Day, changing Dewey to Roxas Boulevard and Camp Murphy to Aguinaldo, and McKinley to Bonifacio; established Maphilindo and promoted closer ties with Sukarno-led Indonesia; and filed the Philippine claim to Sabah despite American support for Britain.⁵⁵ He also did not adhere to the practice of having a state visit first to America, instead he went to Spain.

Renato Constantino, in *The Nationalist Alternative*, branded Grants and Loans as being denominated “foreign aid.” He argued that any aid coming from countries like the United States is designed to benefit more the giver in the long run. He called for self-reliance and control by locals of their own resources to supply their needs, and that aid must be accepted only when these were already utilized to their maximum. Constantino also mentioned Macapagal’s decision to impose decontrol and devaluation of the peso in 1962, which he described as the demolition of “the initial gains of economic nationalism (alluding to Garcia’s ‘Filipino First Policy’) and setting the economy firmly on a

neocolonial path of development charted by the International Monetary Fund and the World Bank.”⁵⁶

While it is an ideal vision for the Philippines to firmly stand on its own, the Cold War realities show a country so ravaged by war attempting to alleviate the suffering of the people and venture into reconstruction but was given little to no option. While being subjected to a state of dependency, being a country pushed by multifarious historical instances to the periphery, the Philippines must take even the little steps to make the most out of what it can obtain from the center, to safeguard its national interest and ensure survival in an anarchic world. It is a reality in international relations that nations, either in the center or the periphery, would deal with others with national interest as the top, if not the only priority.

SUMMARY AND CONCLUSION

The Second World War caused so much damage to the very structures of a budding nation desiring independence by 1946. The ravages of war led to the dependence of the Philippines on America for aid. To make matters worse, the anxiety of falling into the hands of either the Soviet Union or Red China also contributed to this dependence. The need for monetary aid to fund post-war reconstruction became enough reason for America to give the Philippines no choice but to subject itself to multifarious unequal treaties leading to other forms of dependency seen in the very psyche of the people. Some referred to this relationship between America and the Philippines as “Special Relations”, while nationalist politicians like Recto regarded it as one of mendicancy that ultimately transformed the Philippines from a colony to a neo-colony.

⁵⁴ Diosdado Macapagal, *A Stone*, 310

⁵⁵ Diosdado Macapagal, *From Nipa Hut to Presidential Palace: Autobiography of President Diosdado Macapagal* (Quezon City: Philippine Academy for Continuing Education and Research): 118

⁵⁶ Renato Constantino, *The Nationalist Alternative* (Quezon City: Foundation for Nationalist Studies): 89





The Philippines was placed in the 'periphery' due to the uncontrollable circumstances and conditions set by the 'center', which only acted by the instinct of championing its own national interest. Due to this kind of situation, Dependency Theory was also observed, became a direct critique of Capitalism, and attracted Marxist thinkers of the 60s and 70s.

Filipinos preferred the democratic system that their forebears chose in 1898 and further promoted under American rule. It has been embedded in their psyche due to their Christian-Catholic orientation, the system of education implemented, the sources of the press in informing and molding public opinion, their political experiences, and their becoming witnesses of social unrest viewed to be influenced by communist ideologues. Macapagal faced this reality as the leader of the young Philippine Republic on both the local and the world stage.

Macapagal belonged to a post-war tradition of siding with the so-called "Free World," a path paved by the former colonizer responsible for allowing once and for all the Philippines to govern itself, regardless of its viewed to be onerous impositions evidenced by security and economic agreements in 1946 and beyond. He merely inherited this tradition from his predecessors.

In the name of cooperation for national security and economic development, which became very crucial in an anarchic state worsened by the Cold War, Macapagal balanced the dependent state of the country with ways where the Philippines can be heard and gain benefits from America even if meager. While receiving aid that would benefit, especially his socio-economic programs, Macapagal, in many instances, was able to express postures more orthodox or even contrary to that of America, as seen in the case of Laos.

While the so-called "Special Relations" between the United States and the Philippines remained unequal, the Philippines, after all, remained to be a work in progress under Constitutional Democracy during Macapagal's Administration. His successors inherited the task of responding appropriately, as they see fit to the challenges brought by the dependent-neo-realist character of the Philippine situation.





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