

IMF's 'cure' may kill the Philippines

by Gail G. Kay

Round one is over in the year-old fight between the Philippines, its 483 creditor banks, and the International Monetary Fund. Government officials signed a letter of intent with the IMF on refinancing the Philippines approximately \$24.7 billion foreign debt on Oct. 12. On Oct. 17, agreement was reached with the bank committee, led by Manufacturers Hanover Trust, coordinating the debt refinancing with the creditor banks. The next step is securing the seal of approval of the IMF's Executive Committee, which is awaiting an okay from the creditor banks.

An initial burst of enthusiasm and relief greeted these accords, spurred by announcement that the United States, Japan, and South Korea have already agreed to an \$80 million "bridging" loan to the Philippines, to tide Manila over until the IMF's \$1.65 billion credit comes through. South Korea's participation in the short-term joint financing arrangement is a first, and signals the level of concern throughout Asia that the Philippines debt crisis be brought under control before it contaminates other outstanding debtors, such as Indonesia and South Korea itself.

For President Ferdinand Marcos, however, the IMF accord does not mean relief. The past year's haggling over the debt refinancing package was the major contributing factor to the worst political crisis his government has faced in its 18-year tenure, a fact that IMF negotiators and the U.S. State Department used to their advantage in repeatedly forcing concessions from Marcos, both with an eye to restructuring the Philippines economy and to restricting Marcos's political independence.

Even up to Oct. 12, the IMF sought to postpone signing the letter of intent until after the government's Agrava Commission released its report on the August 1983 assassination of opposition leader Benigno Aquino. The findings, long overdue, are expected to be explosive, suggesting collusion in the murder and its coverup at the highest levels of the Philippines military and, possibly, political allies of President Marcos. Therefore, Marcos himself broke the news of the financial agreement in an Oct. 13 nationally televised broadcast.

IMF assault on Marcos's base

It remains to be seen whether or not the Philippines will be able to pay the price demanded in the just-signed letter of intent. The "belt-tightening" measures mean sharp reduction in the standard of living of the population at large, specific targeting of the government-subsidized monopolies run by

Marcos's "cronies," and opening the Philippines to a looting binge at the hands of foreign financial interests hungry to pick up equity at rock-bottom prices. In particular, the agricultural monopolies, for instance, in sugar and coconuts are to be absorbed into the "vertical integration" global food-control plan of the multinational agribusinesses.

Specifically, the IMF accord calls for lifting price controls on such staple items as sugar, rice, corn, canned milk, eggs, and pork, in a country where inflation has risen to about 60% in the last year. Simultaneously, the government freeze on foreign exchange trading was lifted. In the first 30 minutes

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of foreign exchange trading on Oct. 15 the Filipino peso plunged 8.1%, approaching black-market rates of 20.40 to the dollar. This was the fourth major devaluation in the past year, for an overall decline of 63.3% in the peso's worth.

Similar measures, applied in other countries, have sparked food riots, verging on civil war. Often, the client government has simply been forced to retreat in the face of popular outrage against the IMF "conditionalities," or to seek "debt relief" by other means.

But the second important feature of the Philippines' IMF package is the underlying assault on Marcos's political base, through the lifting of subsidies to monopolies controlled by his "cronies." Subsidies in the form of tax exemptions totaling about \$110 million a year are to be eliminated.

As expected, the political opposition immediately howled in protest when the IMF accord was announced, self-righteously accusing Marcos of "acceding to the oppressive conditions of the IMF." Self-righteous, because no opposition leader has stepped forward to suggest any course other than that the Philippines should "prove its creditworthiness" to the international lending institutions, on terms prescribed by those institutions. There is, however, more than a grain of truth in

the statement issued by the opposition Liberal Party that "With this action of the regime . . . it may well have made civil strife in the country . . . irreversible."

Aquino murder: a time-bomb

The signing of the IMF letter of intent coincides with the most serious moment in the Philippines' political fortunes since the assassination of Aquino. By the end of this month, the official commission headed by former Court of Appeals justice Corazon Agrava has pledged to release its report on the Aquino murder. The country is rife with rumors that the five-person commission is torn over whether to pin the murder on a military conspiracy reaching up to and including Armed Forces Chief of Staff Gen. Fabian Ver, a relative and long-time companion of President Marcos.

Commission head Agrava is rumored to be the only naysayer, choosing only to link the conspiracy to Brig. Gen. Luther Custodio, chief of the Aviation Security Command assigned to protect Aquino at the Manila International Airport. General Ver is Custodio's commanding officer.

The political storm around the commission report is spinning off secondary and tertiary scandals, all circumstantially linking the military and political allies of President Marcos to the murder. Opposition leaders such as Jose Diokno, buddy of Khomeini backers Ramsey Clark and Richard Falk and head of the Anti-Bases Coalition, which is committed to ousting the U.S. military presence from the Philippines and ending the "U.S.-Marcos dictatorship," have the taste of blood and are moving in for the kill. Diokno has stated the obvious, charging that General Ver could not have acted "on his own without instructions from higher up."

One such scandal involving the leading Marcos "crony," coconut magnate Eduardo Cojuangco, erupted Oct. 16 as the attorney for the family of Aquino's alleged assassin, Rolando Galman, was arrested in connection with a \$6 million libel suit. Last July attorney Lupino Lazaro charged that Cojuangco, also first cousin to Aquino's widow, was tied to the Aquino murder. Lazaro has refused to pay \$90 bail so as to pressure the Agrava commission to release its findings. The libel suit promises to become a major media event because other defendants include a reporter, editor and vice-president of one of Manila's leading papers, *Bulletin Today*.

The Aquino scandal has brought to the surface dangerous fissures in both the political and military base of President Marcos, fissures that will require careful handling if the Philippines is not to become the next Iran. But political stability will never be achieved until the self-feeding economic and financial crisis imposed by the IMF is addressed. On its own, the Philippines cannot solve that crisis. It must become part of an effort between developing sector nations, the United States and Western Europe to overhaul the international monetary system. Such a proposal, independent Democratic president candidate Lyndon LaRouche has written in his "Operation Juárez" policy paper. That document is known to be under close study throughout the Philippines.

Medicine

The current status of AIDS research

by John Grauerholz, M.D.

In April of this year, the National Cancer Institute in the United States and the Louis Pasteur Institute in Paris announced results indicating that the cause of Acquired Immune Deficiency Syndrome (AIDS) had been found. The French scientists isolated a virus, the Lymphadenopathy Associated Virus (LAV), from a tumor in an AIDS patient in January 1983, and subsequently isolated the same virus from other patients. Dr. Robert Gallo, of the National Cancer Institute, subsequently identified a virus, known as HTLV-3, in blood and tissue of AIDS patients.

Both viruses are members of a group known as retroviruses, and recent testing indicates they are closely related, if not identical. Retroviruses are unique in not having their own genetic material (DNA); they utilize an enzyme, reverse transcriptase, which causes infected cells to reproduce the virus from their own DNA.

Gallo had pioneered work on these viruses, which are known to attack T-cells, the immune cells the lack of which is the underlying defect in AIDS patients. He had initially documented that a related virus, HTLV-1 (Human T-cell Lymphoma—Leukemia Virus), was responsible for human T-cell leukemia, the first proven virus-caused cancer in humans.

Since that time, National Cancer Institute scientists have developed techniques for growing large quantities of the virus, and have developed a test for detecting evidence of exposure to the virus in blood. The government is beginning to collect blood samples from 200,000 regular blood donors in four cities with high numbers of AIDS cases. The four cities are New York, San Francisco, Los Angeles, and Miami.

After testing, some donors with positive results and some with negative results will be asked to participate in a study to determine the significance of the test results. Donors with positive results will be informed, and offered additional test-