

## Dilemma Over the Bases

During the "exploratory talks" over the future of US military facilities in the Philippines last May, the Philippine government played to an increasingly nationalist domestic audience.

The evening before the talks began, President Aquino went on television to assure her constituency that the Philippines shall insist on the observance of constitutional provisions pertaining to the bases. The 1987 Constitution, ratified overwhelmingly, specifies the date of termination of the Military Bases Agreement (MBA) as September 1991. The same document makes clear that foreign troops may stay beyond that date only under a treaty, duly recognized as such by the contracting parties.

The assurance was welcomed by anti-bases militants who feared the Constitution shall be mangled to suit US preferences.

The US government interprets the wording of the MBA quite differently. They have insisted that the notice of termination shall be served in September 1991 and the facilities may legally stay one more year thereafter.

Washington also balks at submitting to the treaty requirement of the Philippine Constitution. Opposition to the extension of the bases' stay is quite strong in the Philippine Senate and Washington fears an arrangement acceptable to the US may not be ratified. Further, Washington is not too sure that the US Congress would subscribe to a treaty that commits it to a compensation package negotiated entirely by the Executive Branch.

The American negotiating panel, however, saw the wisdom of avoiding a head-on con-

frontation with the Philippine government. Such would have put the new Constitution at the center of the debate and forced the Philippine government to harden its stance.

The Philippine negotiating panel, following a strategy that allowed it to hold the initiative, delivered the formal notice of termination on the second day of the negotiations. On the third day, the Philippine panel pressed the Americans on shortfalls in the compensation package.

The Philippine negotiating strategy was, by every measure, well executed.

The clear constitutionalist posture adopted by the Philippine government averted a groundswell of nationalist opposition to the on-going negotiations. At the same time, the Philippine government set the premises for a new arrangement on the bases well outside the iniquitous framework of the MBA.

The Philippine negotiating strategy responds, above all, to the nuances of the domestic political situation. The bases question threatens to polarize public opinion and facilitate the emergence of a nationalist pole of opposition to the Aquino government. It is to the political interest of the present administration to preempt this outcome.

At the same time, the social and economic costs of immediately closing down the US facilities are likely to be high. While attending to the highly emotional demands of nationalists, the Aquino government must try to prevent a backlash on the other end of the bases debate.

This consideration encourages the Philippine government to work out a new arrangement

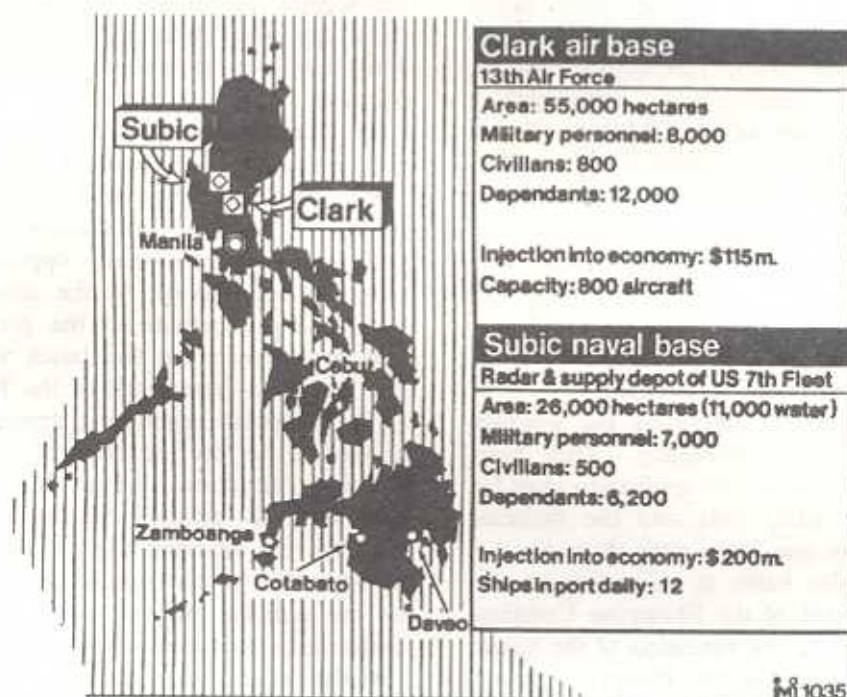
with the US that is somehow acceptable to a major section of the nationalist constituency, but which, at the same time, minimizes the scale of economic dislocation that shall unavoidably accompany a bases pull-out. Large-scale dislocation shall, no doubt, impose stiff political penalties on this government.

Although the Aquino government has set up the mechanisms for designing and implementing an economic conversion plan, this shall not suffice to contain the dislocation an early US pull-out shall generate. Under the most favorable conditions, an effective re-use of the

facilities shall require a minimum of three to five years to complete.

An adequate conversion process should have been started at least a decade ago. At this point, there is nothing the Aquino government can do to contain the dislocation that shall be caused by an immediate bases pull-out. And there is little point in pinning the blame on years of official neglect.

Here lies the dilemma that confronts the Aquino government on the bases question: it can neither sufficiently please the demands of anti-bases militants, nor avoid the penalties of an early US pull-out.



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