

*Washington Times 14 Sep '88*

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**Shultz talks on bases  
in Philippines stymied**

By Richard Beeston  
THE WASHINGTON TIMES

Talks between Secretary of State George Shultz and Philippines Foreign Minister Raul Manglapus failed yesterday to break a negotiating impasse over extension of leases on key U.S. military bases.

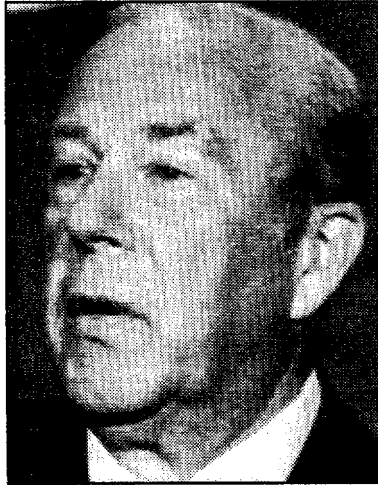
After a meeting at the State Department, Mr. Manglapus said the two sides were no closer and complained of historical injustices over rents for the bases. The negotiations deadlocked in July when Mr. Shultz visited the Philippines and quarreled over Philippine demands for a huge increase in compensation for continued U.S. use of Subic Bay Naval Base and Clark Air Base.

Philippine negotiators, citing the large aid sums paid by the United States to Israel and Egypt, have demanded an annual increase from the current \$180 million to \$1.2 billion. The United States has raised its offer to nearly \$500 million in rent and other aid.

Mr. Manglapus said yesterday that his government had modified its demands and the two sides were not very far apart. They were now looking for "creative ways" of reaching the level thought to be desirable but had not been able to agree, he said.

Asked if the Philippines were not behaving ungratefully after the support the United States has given the government of Corazon Aquino, Mr. Mangalapus replied "since 1986 the Philippines have been looking at things through clear, historical glasses."

"Filipinos have begun to realize we have not been getting what we ought to have been getting," he said. "Your bases have been there since the turn of the century. They have been there without any accompanying compensation up to the late 1970s, in contrast to your bases in other countries who were immediately, upon inception, given compensation. So the question of gratitude, I suppose, depends on the glasses



Secretary of State George Shultz

you are using."

Asked if the United States had not had a better deal with former President Ferdinand Marcos, he replied: "In the case of Marcos, they [the U.S.] got such an unstable fellow, who ran away with all the money."

U.S. experts, he said, had pointed out that the bases were in the Philippines principally for American global strategy and to protect vital sea lanes from the Middle East to Japan and the U.S.

"There is no external threat to the Philippines today and no direct relationship between the bases and the anti-insurgency effort in the Philippines," he said.

"There is a relationship only in that in the accompanying compensation enables us to acquire the weaponry with which to fight the insurgency. But let me point out that even more weaponry and more aid is being given to some countries that host no American bases."

Mr. Manglapus said what he had been discussing was the review of the terms of the present bases: "The future of the bases after 1991 is not under discussion. Our policy regarding that is that we are holding our options open until the time comes to make a decision."

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