

## A FRAMEWORK FOR PHILIPPINE FOREIGN POLICY: SOME SUGGESTIONS\*

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The study of international relations and foreign policy is fundamentally an American-evolved branch of the social science and for this reason the theories and paradigms of the discipline were strongly influenced by the national and strategic interest of the United States during the Cold War and the era of multi-polarism.<sup>1</sup> It is not hard to understand then why Third World political and economic relations have seldom been the sympathetic concern of the discipline.

This inevitably makes the usefulness of the prevailing paradigms doubtful in satisfactorily explaining Third World external relations. The prevailing paradigms or approaches (namely, the realist paradigm, systems theory and the decision-making approach) have not really given Third World international relations the importance and understanding that it deserves for the sake of balance and fairness in the discipline. If this is true of international relations as a whole it is equally true of the study of foreign policy.

Further, the artificial division of disciplines in the social sciences is inevitably reflected in international relations. Political relations are treated separately from economic relations both in the domestic and international level. This probably makes the present discipline of international relations more distant to the interpretation of Third World relations and the approaches to the study of foreign policy brought even farther away from reality, not to speak of the needs, of Third World nations.

In this context, this essay will attempt to sketch a more relevant framework of Third World foreign policy as it relates to the domestic needs of a developing country. The framework will be based on Bahgat Korany's situation-role model<sup>2</sup> and Franklin Weinstein's model

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<sup>1</sup> Stanley Hoffman, "An American Social Science: International Relations", *Daedalus*, I, Summer 1977.

<sup>2</sup> Bahgat Korany, *Social Change, Charisma and International Behaviour: Toward a Theory of Foreign Policy-making in the Third World*. (Genève: Institut Universitaire de Hautes Etudes Internationales, 1976).

of foreign policy.<sup>3</sup> Foreign policy is *not* a separate part of the total politico-economic scene of underdevelopment, in spite of what some people may want us to believe. Therefore, such relevant model must be related to the problem of political stability and consequently to the problem of development to show that foreign policy is in fact a useful instrument in the preservation of a regime and/or state which is ultimately the bearer of the burden of development (regardless of whether the regime and/or state is revolutionary or not).§

Space limitation only allows a critical appraisal of the foreign policy decision-making approach. After this, an alternative framework will be presented through a critical synthesis of Korany's and Weinstein's models. Then, two events in Philippine diplomatic history will be presented to see how the model could possibly be useful. At the end, a number of suggestions will be made on how foreign policy relates to the problem of political stability and development.

#### *Critique of the Foreign Policy Decision-Making Process Approach*

The foreign policy decision-making approach attempted to correct the basic shortcomings of the realist paradigm and the systems theory which both neglected the vital internal processes of actors in the international system. The latter suffered from the additional defect of ahistorism in the form of "systems tyranny" and isomorphism trap. The decision-making approach proposes that the internal processes of nations be classified for study under the broad categories (or "clusters of variables") of: 1) "Internal Setting of Decision-Making with three *main* variables; 2) "Social Structure and Behavior" with six *main* variables; 3) "External Setting of Decision-Making with four *main* variables; 4) "Decision-Making" and finally, 5) "Decision-Makers". In other words, there are five clusters of variables with about 15 variables all in all. The main objection to this ap-

<sup>3</sup> Franklin Weinstein, *Indonesian Foreign Policy and the Dilemma of Dependence: From Sukarno to Soeharto*. (Ithaca: Cornell University Press, 1979). See also his "The Uses of Foreign Policy in Indonesia: An Approach to the Analysis of Foreign Policy in the Less Developed Countries", *World Politics*, XXIV:3, April 1972 and *Indonesia Abandons Confrontation: An Inquiry into the Functions of Indonesian Foreign Policy*, monographs, (Ithaca: Cornell University, 1969).

§ At this point, some definitions are in order. The term "development" here is taken to mean transformation of status in the capitalist world economy of a nation from peripheral status to that of a semi-periphery and the attempt of a periphery to achieve core status, all *regardless* of whether that nation is socialist or not. This definition is based on Immanuel Wallerstein and the political economy of the world system approach. It avoids a number of Aesopian and ideological myths woven around the concept of "development".

Also, the term "Third World" is used only for convenience. Increasing heterogeneity and differentiation among nations of the Third World in the past decade makes the term both theoretically and empirically questionable.

proach lies here: the large number of variables is simply discouraging if not impossible to study. No amount of industry can solve this problem. Even if it were possible to study all the variables satisfactorily there is still no indication in the approach of the order of significance of the variables (assuming that order of variables is indeed indicative of their significance, a doubtful proposition according to some). Further, the approach was also intended to deal with a once-and-for-all decision which is seldom faced by any nation. Also, contrary to what the approach implies, issues are seldom faced in a clearcut fashion.

These weaknesses of the approach apply to both developed and developing countries. For developing countries, however, these weaknesses are even compounded because the approach assumes the existence of complex organizations and communication channels engaged in decision-making. Korany calls this the "interchangeability of eggs in the same basket" error, meaning that nations as diverse as the United States, the Philippines, France, Togo or Somalia could be studied using exactly the same approach. This taxes the imagination. It should be added too that the assumption of complex organizations implies a certain symmetry of nations in the international system, which we know does not exist. This makes the approach's relevance doubly doubtful since it will inevitably ignore the problems of inequality and underdevelopment.<sup>4</sup>

The flaw of unresearchability (i.e., the excessive number of variables) is rendered beyond salvage by the fact that there are limitations on the freedom of information in "closed" developing societies. There is also the difficulty of getting an insider's view of the process that led to a decision. This is worsened by time and failure of memory. An insider's account, if available and still fresh, will inevitably be biased and be the opinion of one man; it cannot be the "whole truth". Scantiness of documents and disorganized archival materials are also major obstacles. Consequently, if the decision-making approach is ever used in a developing country it will require data that are simply not available or non-existent. Decision-making processes in such countries are less structured and communication channels obscure. Furthermore, as Weinstein has observed, the decision-making approach leads away from more fundamental questions of interaction between politics, external pressure and "idiosyncracies".<sup>5</sup> This is true not only of the decision-making approach but also of other approaches to the study of foreign policy of developing countries. Foreign policy in these countries is often presented as something irrelevant to the domestic needs or as a game played by an "adven-

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<sup>4</sup> Korany, p. 65.

<sup>5</sup> Weinstein, 1972, p. 360.

turous", "mercurial", "irrational", "erratic" or "unpredictable" leader or elite. The same adjectives are used to describe the resulting policies. Such policies have also been called "nuisance strategy".<sup>6</sup> (The colorfulness of the adjectives even seems to be a function of how discordant such policies are with overall U.S. global strategy.) "Idiosyncrasy" is almost seen as a disease of Third World leaders but not of the leaders of the major actors. Weinstein states:

Foreign policy in less developed countries takes on an appearance of pathology—an effort to explain why leaders act in such apparently irrational ways.<sup>7</sup>

*Korany's Situation-Role Model  
and Weinstein's Model*

Considering the criticisms formulated above, it is natural that those aspects unsatisfactorily treated by the prevailing paradigms should be the starting point of a more relevant framework in the study of foreign policy of developing countries. These aspects are:

1. The existence of specific ends of foreign policy orientation *and* behavior of developing nations.

2. The existence of internal determinants of these foreign policy orientation and behavior. These determinants must be more simple and with a *focus*, i.e., the handling of these determinants will benefit a group and class of people in the domestic society.

3. The existence of asymmetry in the international system.

4. Specification of the exact role of "idiosyncrasy" or the personality.

These neglected aspects find its way into the assumptions of Korany's situation-role model to which, in this essay, Weinstein's model is critically integrated. These assumptions are:

1. The asymmetry in the international system: this asymmetry is reflected in positions of "weakness" and this position is correlated with perceptions of the international system and ultimately, foreign policy orientation and behavior. Weinstein defines weakness as the extremely limited capacity to deal with overwhelming national problems.<sup>8</sup> In this essay "weakness" will be equated with peripheral (or semi-peripheral) status as defined by the dependencistas and Wallerstein. This assumption indicates the main concerns of policy-makers and they are how to make "weakness" more palatable and simul-

<sup>6</sup> See for example Robert Rothstein, *The Weak in the World of the Strong*, (New York: Columbia University Press, 1977).

<sup>7</sup> Weinstein, 1979, p. 24.

<sup>8</sup> *Ibid.*, 1972, p. 364.

taneously solve its political and economic causes. Here, Nos. 1, 2 and 3 above are subsumed.

2. The model must show the psycho-societal variables which constitute the subjective essence of underdevelopment (No. 2 above). These variables are the presence of disintegrative forces in domestic society caused by the clash of "modernity" and "tradition" which can lead to a weakening, instability and lower legitimacy of the state. The objective aspect of this subjective phenomenon is that it undermines the ability of the state to deal with "overwhelming national problems", i.e., the peripheral or semi-peripheral status. This assumption also implies that the model is not ahistorical since a peripheral status is historically rooted. Moreover, the resulting and evolving structure of dependency must constantly be kept in mind since it interacts with the psycho-societal variables. Space limitation here does not allow treatment of historical causes and evolving structures.

3. A less obvious assumption is *the complementarity of levels of analysis*. Korany correctly rejects the distinction between levels of analysis in international relations, i.e., there is no need to choose inflexibly between subjective and objective levels (the two levels of analysis in social science) and the national and international level dichotomy (as the supposed controversy is manifested in international relations) but "one can *emphasize* one component rather than the other depending on (a) *what issues* in (b) *which situation* we are *investigating*."<sup>9</sup> Here, at the subjective level, the role of personality is subsumed.

The first two of these assumptions are shared by Korany and Weinstein while the former contributes the third. In simplest terms, Korany's situation-role model can be stated as follows: behavior is a function of the interaction between actor and his environment.<sup>10</sup> The actor and environment are two sets of variables with each set composed of interdependent factors.<sup>11</sup> It shows the objective external events and the equally important meaning (i.e., psychological factors) which actors attach to them. All these comprise the *situation*. Korany's contribution lies in his bringing to the forefront the phenomenon of the colonial experience as it relates to the *definition of the situation*, or as an "input" in foreign policy. The model presents a different empirical referent and a different situation of nations with different stakes and ends in the international system.

#### *The definition of the situation*

The definition of the situation, i.e., the factors in the environment and the meaning attached to them, has two main components: the

<sup>9</sup> Korany, p. 70. Emphasis in the original.

<sup>10</sup> *Ibid.*, p. 22.

<sup>11</sup> *Ibid.*

*international system* or the *systemic component* and the *national component*.

Foreign policy orientation is a function of perceptions of positions in and of the structure of the international system. Developing countries perceive major structural characteristics of the international system in varying ways and adopt strategies and policy orientations to fit and/or as a reaction to this systemic structure. It is the parameter in the choice of foreign policy and it has a subjective and objective aspect. The orientation of the developing countries towards the international system is their perception of how its characteristics affect their situation of underdevelopment and global inequality. In spite of similar orientation towards the systemic component, there are differences in foreign policy behavior and this is determined by the *national component* and/or the personality in the definition of the situation. Behavior, as distinguished from orientation, is largely internally determined.

The national components are the universal elements of geographical location and topography, capability, organizational values, national historical experience, domestic public opinion and personality. The developing countries have as their national historical experience the modern colonial experience in or integration into the capitalist world economy, an experience which differentiates them from the major actors. Weinstein calls long-term internal givens a similar aggragation of elements. Korany collapses the national component into a summary variable which he called the "prismatic political system" and singles out personality which accounts for behavioral specificities inspite of common policy orientation.

The prismatic political system is simultaneously the result and process of social change triggered by the colonial experience. It is social "disorganization" caused by the implantation of foreign economic and political institutions, attitudes and ideas (or structural distortions as a result of integration of "pre-capitalist societies" into the capitalist world economy) and a general lack of group cohesion. This is concretely manifested in an "identity crisis" on the individual level. In the societal level it is manifested through any combination of geographically, class, ethnically, religiously and linguistically-based disintegrative forces. Integration into the capitalist world economy ("modernization") and transformation of social relations tends to intensify these disintegrative forces in a nation. From here it can be deduced that the political problem of development is how to deal with such disintegrative forces which can result in systems-threatening demands such as the overthrow of the state (regardless of whether the state is revolutionary or not) or ethnic autonomy and how to consolidate a coherent society out of a fragmented one. In the case

of revolutionary regimes, such distintegrative forces may be ethnic or "counter-revolutionary elements", "agents of imperialism" or even "capitalist roaders".

Disintegrative forces are usually dealt with by a combination of legitimacy, consensus and coercion. But the problem with the developing countries is precisely that legitimizing symbols and institutions are underdeveloped or absent. Charismatic personalities are only effective in the short-run. In this kind of social context foreign policy orientation and behavior helps fulfill a legitimizing function for the state, i.e., it contributes to sysetms maintenance through the manipulation of symbols related to the national historical experience or myth.<sup>12</sup>

The systemic component and the prismatic political system element of the national component set the general direction of foreign policy. To this, the variable of personality (Korany) or elite perception (Weinstein) react. The elite's view of the world account for behavioral specificities in that it creates impulses for the uses of foreign policy. Once this is set, "idiosyncrasy", or better still, *style* comes in and through a feedback process "the country's real capabilities, reflecting actual domestic and international conditions rather than elite perception of them are brought to bear on policy-makers. . ."<sup>13</sup>

The importance of personality, according to Korany, is also manifested in the following way: the personality and his conception of his national role links the international system to the national system. This formulation was based on the reification of the state into its representatives. This essay departs from Korany and proposes a distinction between personality and his regime and the state. The reification of the state into its representatives is useful in the analysis of actors at the international level. At the national level, however, it tends to ignore the long-run structural changes brought about by the leader and his regime not only on the state apparatus but also in the citizens' perception of the central authority and the very structure of society. (Internally, it also gives rise to the danger of reducing political issues to personalities.) The leader and his regime shall pass away ("in the long run we are all dead") but the state apparatus will remain with all the structural changes the leader brought about. The leader will account for the manner or style by which the changes were brought about in the international system. But after that, what? The leader is dead or changed and the structural changes in the state and society remains to be handled by the next leader and regime. For this reason, the state which is more

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<sup>12</sup> *Ibid.*

<sup>13</sup> Weinstein, 1979, p. 375.

lasting, should be the focus of analysis at the national level. The state is the only entity that remains in the long run.

The matrix of the situation-role model can now be presented. Korany originally made the matrix to represent the situation of the members of the non-aligned movement.<sup>14</sup> It has been modified here to show the contemporary situation of Southeast Asian nations:

	<i>External Situation (Systemic Component)</i>	<i>Internal Situation (National Component)</i>
General	1. Multi-polarization 2. Détente (US, China, USSR)	1. Former Colonies 2. Economically Developing 3. Politically Prismatic 4. Geo-political Asian
Particular:	1. Contiguity to China, Indo-china, & Japan 2. US Policies in the Region	1. Leadership National Role 2. Intra- and/or Inter Elite Conflict & Regime Stability

The external/internal and general/particular dimensions can give rise to the following combinations of determinants or variables: 1) general/external; 2) general/internal; 3) particular/external and 4) particular/internal. The advantage of this scheme is that it incorporates and classifies in a manageable form the varieties of foreign policy determinants of developing countries, as well gives insights into the dilemmas and contradictions of these policies. It helps prevent the error of interpreting the behavior of developing nations as mere reflections of western paradigms. Depending on which of the combinations of squares is emphasized, results of studies will differ. The model also shows that interchangeability of internal determinants is dysfunctional beyond a certain point. The question of which variable is primary is also rendered irrelevant since results of studies depend on which square is emphasized.

Integrating Weinstein's model with Korany's matrix, the functions of foreign policy in the particular situation of developing countries can be deduced together with the position that the state occupies in the framework.

From the fundamental situation of weakness (economically developing, politically prismatic or peripheral status) and in the context of the contemporary systemic component foreign policy has three main uses which illuminate the relations of the variables or squares. According to Weinstein, these are: 1) the defense of the nation's independence against perceived threats; 2) mobilization (or cutting off) of external resources for internal development; and 3) achievement of a variety of purposes related to domestic political

<sup>14</sup> Korany, pp. 93-95.



competition. Foreign policy in developing countries then is an interplay, complementation and contradictions of independence, development and political competition.

The uses of foreign policy for political competition apart from the issues of independence and development is not peculiar to developing nations but it does take on a specific form in such nations. The colonial experience and foreign penetration give relationship with the great powers a more significant bearing on internal affairs than it might otherwise have.<sup>15</sup>

Weinstein points out the uses of foreign policy for political competition and the *inverse relations* between independence and development, i.e., emphasis on independence by the elite decreases as emphasis on development increases and vice-versa (e.g., the transformation of Sukarno's independent foreign policy into Suharto's emphasis on dependent development). This formulation on the uses of foreign policy can be modified in two ways.

First, Weinstein's function of foreign policy for political competition seems to consider a short-run function of foreign policy like the lifetime of a party or faction as was the case with Korany's emphasis on the charismatic personality. What of the long-run? In the long-run one must see a continuity from one leader, regime or "period" to another in terms of the structural changes in society, the manner of integration of the nation into the capitalist world economy and the state apparatus. Legitimacy fluctuates but while a state still enjoys legitimacy with the aid of foreign policy, the very nature of the state and society is changed. If legitimacy disappears, new state controllers will take over the very same state and society, build up a new legitimacy and the state and society continue to change. Hence, there is no such thing as a "break" in history; there are only continuities. Change of policy, party or leader is not a break since the state and structure of society continue to change. Whether such changes are regressive or progressive depends on one's ideological stance.

Secondly, in the long run it is the state, which is never neutral, that will always preside over changes and continuity in society. Therefore, the handling of the situation must never be seen as an endless interaction of environment and actor but in relation to a continuing social transformations in the state which presides over the society and situation.

Here, it becomes obvious that foreign policy is not separate from the total situation of underdevelopment. Foreign policy may

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<sup>15</sup> Weinstein, 1972, p. 366.

fulfill a legitimizing function in the long run but so do other economic policies designed to solve underdevelopment, or to be more accurate, start a transformation from a peripheral to a semi-peripheral status. Obviously, foreign policy alone can never legitimize a state but the national symbols that it can manipulate has a wide psychological impact considering the socio-psychological variables of the situation.

The psychological impact of foreign policy (e.g., as a symbol of independence) also has a structural effect similar to the effect of an economic policy designed to pursue development through a massive redistribution of surplus against a policy encouraging a concentration of surplus. Foreign policy symbols appeal to the middle class, specifically the attentive public among them. Their "attentiveness" is a function of their social position.<sup>16</sup> The structural significance of this fact is that it is this sector which *fulfills a stabilizing function in any society in the sense that its ambiguity towards radical redistribution of surplus or even interest in the state prevents the rapid polarization of society*. In some societies this "attentive public" could be the large number of cadres of the central authority.

### *Two Cases in Philippine Foreign Policy*

Two cases in Philippine foreign policy will be presented to see how the framework above can be useful in gaining insight. These two cases are the normalization of ties with China on June 1975 and the ratification of the Philippine-Japan Treaty of Amity, Commerce and Navigation, the old one in 1973 and the new one in 1979.

#### *Normalization of Ties With China*

It seems that the internal situation of the Philippines, specifically the prismatic political system, geo-political Asian, national role and regime stability elements were the primary considerations for normalizing ties with China. This is to say that foreign policy served the purpose of demonstrating independence and as a tool of political competition. The external situation played a secondary role *at the moment* of normalization.

The establishment of diplomatic ties with China took place in the era of détente, multi-polarization, the "North-South confrontation" and the Arab oil strategy (general/external). Contiguity to China was of course a permanent given but the reunification of Vietnam and the withdrawal of U.S. forces from mainland Asia were probably contributing factors in the final push for normalization (particularly/

<sup>16</sup> See Johan Galtung, "Foreign Policy Opinion as a Function of Social Position", James Rosenau, *International Politics and Foreign Policy: a Reader in Research and Theory*, (New York: The Free Press, 1969).

external). China as a source of oil and consumer goods as well as market for Philippine products were motivated by the economically developing element of the situation although this did not seem to be the main function of foreign policy towards China. The geo-political Asian element of general/internal situation took the form of a continuation of the Asian foreign policy of the Philippines. In the past, this Asian foreign policy, i.e., the advocacy of closer ties with free Asia for the purpose of asserting an Asian identity of a former U.S. colony in the iron grip of excessive American "cultural" influence probably served as the independence function of Philippine foreign policy. This Asian foreign policy was pursued within the clear framework of the security alliance with the U.S. and the doctrine of containment with a non-aligned stance being out of the question. This changed by the mid-1970s and while U.S. security arrangements remained, containment was transformed into the doctrine of balance of power in the region. The Asian foreign policy continued to perform an independence function but with the normalization of ties with China, this policy took on a broader function in demonstrating independence. Establishment of ties with China, while demonstrating independence and "Asianness", also served to deflate criticisms of nationalists and oppositionists of the martial law regime for the continuation of its excessive identification with the Western alliance system. Regime support and stability was probably enhanced not only with this demonstration of independence but by the pledge of non-interference by China in its relations with the underground Communist Party of the Philippines' program of armed revolution.

The Philippines was the 101st country to establish diplomatic relations with China and the second ASEAN member to do so (after Malaysia, which normalized ties in May 1974). As early as 1964 former ambassador to the United Nations Salvador P. Lopez was already advocating the establishment of diplomatic relations with China. In early 1969 the Department of Foreign Affairs indicated that it was studying the possibility.

In May 1972 President Marcos signed Executive Order No. 248 regulating trade with the eastern bloc. In later 1972 a Philippine table tennis team participated in a tournament in China and was received by Madame Mao. In March 1973 a group of Chinese doctors and officials of the Chinese Health Ministry visited the Philippines; the visit was returned by a mission of the Department of Trade. The most important event was the state visit of Mrs. Imelda Romualdez Marcos to China on September 1974. She met with Premier Zhou En Lai in his hospital bed as well as with Chairman Mao. With this, normalization was only a question of time.<sup>17</sup> A trade agreement was

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<sup>17</sup> *Bulletin Today*, June 3, 1975.

signed during the state visit providing for 750,000 tons of crude oil a year for the Philippines in exchange for coconut oil, sugar, lumber and copper.

After the visit, Mrs. Marcos attended a joint meeting of the Foreign Policy Council and the National Security Council. It seems that the formal decision to normalize ties with China was made during this time. By April 1975 trade with China was \$47.3M, making it the No. 16 trading partner of the Philippines but still the most important socialist trading partner.

In early 1975 Marcos announced that he would make a state visit to China to normalize relations. The date of the state visit was set from June 7 to 11. Diplomatic ties with Taiwan would be cut although a commercial office would be retained in Taipeh. Department of Foreign Affairs officials called the normalization as the "incontrovertible signs of our arrival", obviously referring to the new independent posture of Philippine foreign policy. In the same breath however, the same officials added that ties with China would have no effect on security relations with the U.S., particularly with the U.S. bases in the Philippines. Marcos also announced that diplomatic relations with the Soviet Union would immediately follow. (It did not actually materialize until June 1976.)

The projection of an independent posture was obviously a major consideration in the normalization. Such a posture was defined as "befriending all nations in order to expand economic and political options of the nation."<sup>18</sup> The cutting off of ties with Taiwan differentiated Philippine policy towards China with that of the U.S. which at that time was largely undecided about Taiwan. In this point the Philippines truly had an independent posture.

However, one point must be made about normalization of ties with China. While normalization was undeniably an innovation in Philippine foreign policy that demonstrated its new measure of independence it must be kept in mind that the idea of independence among Third World nations by the mid-1970s was still largely measured in terms of the ideological backlash of the non-aligned movement and the Cold War, i.e., independence was having a different policy from U.S. policy both for objective economic and political reasons as well as subjective symbolic reasons. This created an ideological demand on the Philippine national polity. The Philippine official stand in the mid-1970s was a sort of "redefinition" of independence as befriending all nations, an unassailable stand. Even if the Philippines had a different stand with the U.S. vis-a-vis Taiwan (a minor difference since the Philippines did not have security ties

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<sup>18</sup> *Ibid.*

with Taiwan) and that the Philippines was five years ahead of the U.S. in recognizing China, the overall Philippine stand did not differ from that of the U.S. stand in the Pacific region as manifested in the continued presence of the bases.

The bases are a potent symbol of dependency and its abolition, the symbol of independence. But by the mid-1970s while the potency of the symbol remained the systemic component of the situation had already changed and the U.S. presence in the Pacific region took on a different dimension with the emergence of a new balance of power in the region. Vietnam has been reunited and the doctrine of containment transformed into the balance of power. The security consideration of the Philippine elite inherent in this doctrine gained a measure of justification in the late 1970s with the Cambodia-Vietnam and Vietnam-China wars as well as Soviet penetration of the region and the Indian Ocean. These were the perceived systemic components of the Philippine situation by the mid-1970s. This perceived systemic component and the U.S. bases as its concrete manifestation was diametrically opposed to the ideological demands of a non-aligned movement and Cold War-based definition of independence. While befriending all nations is a sound orientation in a multipolar world, the U.S. bases and the ideological demands of the non-aligned movement and Cold War-based concept of such independence militated against the full use of the possible independence function of foreign policy. This of course assumes the acceptance of that particular concept of independence. But Philippine officials themselves have at certain times indicated that the Philippines is tending towards a non-aligned policy associated with Cold War politics. They were aiming for that kind of independence and the presence of U.S. bases, dictated by perceptions of the new systemic component, conflicted with it. This was a dilemma of dependency in a multipolar international system or systemic component.

Further, multi-polarism in Asia was inaugurated by China-U.S. détente. After détente, normalization of ties with China was a foregone conclusion for most of free Asia. It is doubtful that the Philippines took the cue from the U.S., as it were, but the changed systemic component brought about by the détente made it *appear* that the Philippines' independent China policy was intended to fit U.S. strategy in Asia. This only made the Philippines more "unable" to meet the ideological demand of the non-aligned movement and Cold War-based definition of independence. Hence, from the point of view of the external situation there was a strong ideological demand for a

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<sup>19</sup> Leon Ma. Guerrero, *Prisoners of History* (New Delhi, 1972 quoted in Man Mohini Kaul, *The Philippines and Southeast Asia*, (New Delhi: Radiant Press, 1978).

certain kind of independence, the reality of multi-polarism and the balance of power in the region were all in conflict with each other as the Philippines tried to use foreign policy to demonstrate its independence.

It is useless to argue that the Philippines should have recognized China when an ideological and policy difference with the U.S. still spelled independence as it did during the Cold War. The very national situation of the Philippines did not allow this: the prismatic political system to which independence was to be demonstrated was wracked by communist insurgency which always made China suspect of internal subversion (hence opposition of diplomatic ties by the military), rabid anti-communism as a result of the U.S. colonial experience and ideological influence as manifested in a "hysterically pro-American" public.<sup>19</sup> Considering the post-war national and systemic component of the Philippines it can be surmised that the country "missed" as it were a certain historical and ideological conjuncture in the international system which could have allowed the full use of the independence function of foreign policy to counter a regressive psycho-societal variable in the form of pro-Americanism.

Who is responsible for this "missing" of the conjuncture? To hazard an answer: the elite. To explain further: the source of legitimacy of the Philippine state, according to Remigio Agpalo,<sup>20</sup> was the continuity of the prewar U.S.-trained elite who were carriers of the American liberal democratic ideology. Their "counterpart" was a pro-American and anti-communist middle class and public. The memory of an independence movement or national revolution has been obliterated by an American educational system. (The reaction of the elite to this kind of situation was to exploit this source of legitimacy for political competition. In foreign policy, this found expression in "special relations" with the U.S. Thus, at a time when independence and its full use as a foreign policy orientation was the preoccupation of the former colonies of the Third World, the Philippines has this myth of special relations with the U.S. No Philippine president departed from this position by force of circumstance, considerations of political career or ideological affinity. Marcos, at times, was able to question the myth and by the mid-1970s the strong state structure allowed him to do so in a better way than his predecessors. But by this time the systemic component was such that the full use of the independence function of foreign policy was already muted.

Still, the regime was undeterred in projecting this innovation in foreign policy as an "independent posture" in June 1975. This could

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<sup>20</sup> Remigio E. Agpalo, "Legitimacy and the Political Elite in the Philippines", *Philippine Political Science Journal*, No. 2, December 1975.

be gleaned partly from the timing of the normalization. It can safely be said that the timing was deliberate: the president was to return from China on the eve of Independence Day (June 12). The symbolism and impact of the timing was not lost to the leadership and the attentive public. This analysis is consistent with the style of Marcos—a penchant for the dramatic as manifested, for example, in his state visit for the U.S. in 1966 as well as other occasions. Not surprisingly, the whole independence day speech of Marcos was devoted to normalization with the Peoples Republic of China.

On June 4, with what clearly was the economic development variable in the situation, leading Filipino bankers, businessmen and industrialists arrived in Peking to discuss a trade agreement. By 1975, three years into the authoritarian regime, most of these men were already associated with the state controllers. On June 6 Marcos signed Presidential Decree No. 730 giving permanent status to the 1,785 overstaying Chinese in the Philippines for the purpose of integrating them into the national community. From the perspective of removing an irritant between the Filipino and Chinese community, this was undeniably a positive step. (The overstaying Chinese have always been exploited by corrupt judges and immigration officials.)

With a clear eye on the tremendous prestige and independent credentials of the “New Society”, Marcos left for China amidst newspaper announcements that a “rousing welcome, expected to exceed those extended to previous chiefs of state” was to greet him.<sup>21</sup> On June 8 the First Couple “unexpectedly” met with the late Chairman Mao.

Philippine perceptions of the systemic and national component were reflected in the speeches which Marcos delivered in China. Philippine interest in the post-Vietnam era was regional stability and security, which Marcos referred to as the obverse side of the coin of development. In such a stable region, areas of cooperation between communists and non-communists could be expanded and “small nations of the area can develop.”<sup>22</sup> Marcos attributed instability in the region to power politics and added that the Philippines “realize the futility of seeking absolute security but we do understand also that we require a measure of it.”<sup>23</sup> The root of security and independence was identical as the “creation of the institutions of solidarity” and the caution “not to become proxies for three power competitors.”<sup>24</sup> Reflecting Philippine concern with the balance of power in Asia, Marcos also

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<sup>21</sup> *Bulletin Today*, June 6, 1975. Hereinafter referred to as *BT*.

<sup>22</sup> *BT*, June 8, 1975.

<sup>23</sup> *BT*, June 9, 1975.

<sup>24</sup> *BT*, June 11, 1975.

said that China's national interest would be "a force of stability and peace in the region."<sup>25</sup>

The act of normalizing ties with China was an independent posture in itself. This posture was further emphasized during the visit through 1) the assertion of the Philippines' Asian and Third World identity; 2) indirect criticisms of the U.S.; and 3) criticism of foreign intervention and domination. In a speech at the Great Hall of the People, Marcos said that this is the "age where the most subtle forms of foreign domination or intervention must disappear."<sup>26</sup> ASEAN members, including the Philippines, have become "truly and genuinely independent, capable of being friendly with all nations."<sup>27</sup> China, he added, is the "natural leader of the Third World."<sup>28</sup> Criticizing the U.S. in the same speech Marcos also said, in obvious reference to special relations with the U.S., that the Philippines is a reliable ally and friend but there were times that its friendship as such was "repeatedly depreciated or taken for granted that we make an effort to do what is distasteful to us, to act as if selfishly, with a singular devotion to our strict national interest."<sup>29</sup> This was followed through with a call for Filipinos "to be more objective and less emotional."<sup>30</sup> If ever Filipinos must be emotional, Marcos said, it should be based on an Asian identity which should be the basis of remodeling Filipino thoughts and policies.<sup>31</sup> Marcos best summarized contemporary Philippine foreign policy as being "apprehensive of Japan, frightened of China, watchful of Indonesia, aggravated by India."<sup>32</sup> In another speech later in the visit of Marcos also commented that the dangers in the world "derive from the destructiveness of Western civilization and the arms race among the predatory powers; second, the terrible wars have not been brought about by the poor people but by the rich countries."<sup>33</sup> In another speech in Shanghai Marcos again asserted Asian identity as a form of independence by saying that "China's challenge is to be true to ourselves—to build our new societies not on alien forms indiscriminately borrowed, but on our own unique historical experiences and cultural identities."<sup>34</sup>

First Vice-Premier Deng Xiaoping's response was naturally collaborative with the perceptions of the Philippine president. He referred to the "unyielding and heroic struggle against imperialism"

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<sup>25</sup> *Ibid.*

<sup>26</sup> *BT*, June 8, 1975.

<sup>27</sup> *Ibid.*

<sup>28</sup> *Ibid.*

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.*

<sup>31</sup> *Ibid.*

<sup>32</sup> *BT*, June 9, 1975.

<sup>33</sup> *BT*, June 10, 1975.

<sup>34</sup> *BT*, June 22, 1975.



of the Filipino people and the Philippines' development of "relations with Third World people, support for their economic rights and [opposition] to hegemonism and power politics".<sup>35</sup>

One of the most important and concrete results of normalization for the Marcos regime were the separate statements by Zhou and Mao disclaiming support for the Communist Party of the Philippines and assurances that China was not seeking to overthrow or exploit the Philippine government. This assurance of non-intervention was incorporated in the communiqué, the contents of which were only announced after the return of Marcos to Manila "to coincide with the June 12 national celebration in the Philippines."<sup>36</sup> The communiqué contained provisions for the establishment of diplomatic ties, principle of peaceful coexistence, peaceful settlement of disputes, opposition to hegemonism, subversion and interference, a one-China policy, single citizenship for overseas Chinese, trade and cultural exchange and exchange of ambassadors.

Upon arrival in Manila on June 11 Marcos immediately assured old allies that "this new friendship" would not affect existing alliances with the U.S. The national and systemic component that were probably responsible for this kind of stance has already been discussed. If the Independence Day speech of Marcos was a gauge of the significance the regime attached to normalization, then ties with China were indeed one of the most important events of Philippine diplomatic history—the whole June 12 speech was devoted to it. Marcos considered normalization as the most important event that reflected the "changed character of our nation" because it "liquidated a political past."<sup>37</sup> This was a clear reference to the independent posture of the country. More concretely, the gains for the regime's stability were pointed out in the form of the non-intervention clause of the communiqué, and verbal assurances from Zhou and Mao that the Philippines "would be free to deal with any insurgency, subversion or rebellion. . ."<sup>38</sup>

Then came what some may consider the most astonishing part of the speech. Marcos gave assurances that diplomatic ties with Peking did not mean that the Philippines would "become communist" or change its social system, and that the system of free enterprise would remain.

Marcos then proceeded to say that there would be no uncritical awe or naiveté towards China and that the Philippines did not enter the relations on China's terms. Relations with the U.S. remains

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<sup>35</sup> *BT*, June 9, 1975.

<sup>36</sup> *Ibid.*

<sup>37</sup> *BT*, June 13, 1975.

<sup>38</sup> *Ibid.*

undiminished and controlled "entirely by its own set of circumstances."<sup>39</sup> The U.S. would remain a "good friend and firm ally"; nothing should be "construed as an effort to diminish our historical relationship" with the U.S.<sup>40</sup> (The *Bulletin Today* editorialized on June 12 that "Filipinos just do not turn their back on old friends after years of kinship."<sup>41</sup>) Finally, Marcos said that normalization demonstrated that the Philippines had the boldness of (imagination) and intellect in exploiting areas of positive cooperation "to enhance not only its national security but also its integrity and self-respect."<sup>42</sup>

Lastly, normalization of ties with China was a boost to the integration of the Chinese community into the Philippine national polity, a positive contribution by any count. On June 19, 1975 Marcos announced that Chinese in the Philippines must either become Filipino or Chinese citizens, thus concluding the dilemma of dual citizenship. Those who failed to choose a citizenship would become stateless persons. Members of the Chinese community were encouraged to become Filipino citizens. At the same time, the foreign office ordered a ban on the continued operation of Chinese schools that had not yet Filipinized their curricula or registered as Philippine corporations. Some 60% of the 131 Chinese schools had become Philippine corporations, i.e., 60% Filipino-owned. These schools had a total of 50,000 students and 3,093 teachers, 60% of whom were Chinese. Legally, according to the foreign office, these schools should have been closed down with the establishment of ties with China. A fully Filipinized curricula became a requirement, while Chinese language and art became optional subjects.

As a fitting end to that hectic June of 1975, the Philippine embassy pulled out of Taiwan on June 21.

*Philippine-Japan Treaty of Amity, Commerce and Navigation: 1973 and 1979*

There were two Philippine-Japan Treaties of Amity, Commerce and Navigation: the first was signed on December 9, 1960, immediately ratified by Japan but ratified by the Philippines only in December 1973, more than one year after martial law was declared. This treaty expired on January 1977, was renegotiated, ratified in May 10, 1979 and took effect on June 1980. As Dr. Josefa M. Sanieel described the 1973 agreement: "No diplomatic document of

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<sup>39</sup> *Ibid.*

<sup>40</sup> *Ibid.*

<sup>41</sup> *BT*, June 12, 1975.

<sup>42</sup> *BT*, June 13, 1975.

the Philippines has perhaps undergone closer scrutiny and discussion for an extended period of time than this treaty."<sup>43</sup>

There were clearly two functions of foreign policy in this case: independence defined as defense against economic threats, and development as defined earlier in this essay, both having a clear inverse relations with each other. Political competition seems to have played a minor role. (There was a case of opposition to the treaty that seemingly arose out of nationalist consideration. Congressman R. D. Antonio vehemently opposed the treaty in his speeches at the House, invoking Japanese economic invasion. After a while he stopped attacking the treaty, disappeared from the scene for a few months and then reappeared in the newspapers as the exclusive distributor of Suzuki motorcycles in the Philippines!)

The independence use of foreign policy was most prominent from 1960 to 1972, after which the development use of foreign policy completely overshadowed the former. The imposition of martial law precluded any use of the treaty for political competition after 1972. The reorientation of the Philippine economy to an export-oriented industrialization policy and the open-door policy for foreign investments put the accent on developmental considerations as the basis of the treaty and relations with Japan. There is little political symbolism that could be used in relation to Japan except for some remnants of anti-Japanese sentiments that could always be exploited.

### *The 1973 Treaty*

The first draft of the treaty was submitted in July 1959 to Pres. Carlos P. Garcia, whose reaction was "cautious".<sup>44</sup> At that time the Philippines was nearing the limits of its import substitution policy (internal/particular) and the Japanese prime minister Nobusuke had announced an Asian Economic Development Plan (general/particular, i.e., Japan as economic power in Asia) which encouraged greater economic cooperation with the Philippines after conclusion of the treaty. Negotiations started on February 1960; the treaty was signed in Tokyo on December 9, 1960. One member of the Philippine delegation, Lorenzo Sumulong, refused to sign the treaty because of some unequal provisions. The treaty, having been concluded before an unportentious presidential election year, was placed in "deep freeze".<sup>45</sup> This prevented the use of the treaty for political competition. Garcia lost the election and it was Diosdado Macapagal, his successor, who took the first step in considering the treaty.

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<sup>43</sup> Josefa M. Saniel, *The Philippines-Japan Treaty of Amity, Commerce and Navigation: An Overview*, monograph (Quezon City: University of the Philippines, 1972).

<sup>44</sup> *Ibid.*, p. 32.

<sup>45</sup> *Ibid.*, p. 35.

In the 13 years that followed, the objections to the treaty fell along two main lines: 1) fear of Japanese economic invasion and 2) the issue of territorial waters with Japan subscribing to the 3-mile principle while the Philippines held on to the archipelagic doctrine.<sup>46</sup> The treaty was the first international agreement of the Philippines with a most-favored nation (MFN) clause. Three committees were formed to study the treaty as Macapagal launched his Five-Year Socio-Economic Development Program on January 1962 calling for economic growth with the help of foreign investors in exploiting natural resources with due "regard to public interest".<sup>47</sup>

On the basis of the document itself, the fear of economic invasion arose out of the extension granting of the MFN clause in all provisions concerning trade and investments. The MFN clause has a dual characteristic: while it prevents discrimination of a national product it also exposes the home market and industry to external competition.<sup>48</sup> Given the peripheral status of the Philippines and the core status of Japan, it could only lead to a loss of autonomy and independence on the part of the peripheral economy; it is a concession to international interest.<sup>49</sup> Because of this contradiction the MFN clause can be severely restricted, subjected to strict reciprocity and renounced in a few days' notice. (In the 1930s the practice of granting MFN treatment was practically abandoned.<sup>50</sup>) A possible response to loss of autonomy is the abandonment of positions as component parts of the unified world market<sup>51</sup> (or semi-mercantilist withdrawal from the capitalist world economy in the words of Wallerstein.) The Philippine-Japan treaty provides for no such restriction on any grounds; it has no list of products to be excepted, no instant renunciation clause and no escape clause. Instead, it has a consultation clause. This clause provides that the initiative of remedying injuries to the national economy *belongs to the exporter of manufactured products* (clearly, Japan) after the aggrieved party has presented reasonable evidence.<sup>52</sup> If this consultation fails, the matter could be brought to the International Court of Justice, a time-consuming process. Clearly, there were perceived and real threats to independence in the form of an economic invasion.

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<sup>46</sup>*Ibid.*

<sup>47</sup> *Ibid.*, p. 36.

<sup>48</sup> Elpidio R. Sta. Romana, *Dependency and the Philippine-Japan Treaty of Amity, Commerce and Navigation: Focus on Trade and Investments*, unpublished MA thesis, (Quezon City: University of the Philippines, 1976), Chapter 1.

<sup>49</sup> *Ibid.* See also Richard Carlton Snyder, *The Most-Favored Nation Clause: An Analysis with Particular Reference To Recent Treaty Practice*, (New York: King's Crown Press, 1948).

<sup>50</sup> Snyder, p. 246.

<sup>51</sup> *Ibid.*, p. 245.

<sup>52</sup> Sta. Romana, p. 37.

As for territorial waters, there were fears that Japanese fishing vessels would enter the Philippine inland sea. The treaty, as former ambassador Juan Arreglado said, was simply a set of rules that did not envisage any concrete benefit for both parties, nor did it have any loan component.<sup>53</sup>

The three committees that were formed by Macapagal were: 1) the Inter-Agency Technical Committee on Economics; 2) the Cabinet Committee on Foreign Economic Policy and 3) a committee headed by former ambassador Juan M. Arreglado who later became a rabid opponent of the treaty. All the committees submitted recommendations suggesting strong caution in view of the perceived threats of Japanese economic invasion.

A combined report of the Inter-Agency Technical Committee and the Cabinet Committee of January 1963 recommended that Macapagal maintain the *status quo* while working out a *modus vivendi* with the Japanese on specific agreements concerning technical assistance, taxation, shipping and other aspects of commercial relations. (At that time trade with Japan was growing, and Japanese technical assistance and economic activities in the form of liaison offices in Manila were increasing.) The two committees also suggested that before ratification, laws to serve as safeguards covering immigration, business operation of aliens and dumping should be passed by Congress. The report also suggested that the Philippines use its position on civil and air transport as leverage for a liberation of the interest rate of the Reparations Agreement's loan component. Finally, if the treaty was to be ratified, the Senate should provide certain reservations.

The Inter-Agency Committee also pointed out that the treaty does not exempt any future regional groupings that the Philippines may join and that the treaty had no escape clause or any provision against dumping and other malpractices, or any agreement on loans. The Committee also believed that national treatment of Japanese vessels could be prejudicial to the Philippines.

The Arreglado Committee recommended that the Securities and Exchange Commission continue its vigilance in licensing Japanese corporations. Japanese investments should be restricted to the exploitation of natural resources and operations of public utilities. It also recommended that after the tenth year if reparations (1966) the Philippines should work out an arrangement for shortening the payment period of the loan component as well as liberalization of its interest rate. It was also suggested that the treaty be used as a leverage to attain the above recommendations and a bilateral airlines agreement with fifth freedom rights for both countries beyond Tokyo

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<sup>53</sup> Saniel, pp. 34-35.

and Manila. In the opinion of the Committee, Japan should lift its ban on the importation of Philippine banana and frozen shrimps.

The three committees recommended two courses of action: submit the treaty to the Senate for ratification, subject to any reservation that the Senate may impose; or delay its submission but provide measure as safeguards against any ill-effects of the treaty. Macapagal chose the latter course of action. Apparently, Macapagal too was concerned with the threat that Japan posed to the Philippine economy. However, the hypothesis cannot be precluded that the remnants of anti-Japanese sentiments in the public which the oppositionists could exploit (together with real fears of economic invasion) played a role Macapagal's decision. Had he submitted the treaty to the Senate, opposition would be instantaneous (as was the case when Marcos submitted the treaty). He would be giving his political enemies ammunition which could be combined with a measure of anti-Japanese sentiments among the public. But in the main, caution was due mainly to the desire to protect economic independence.

Marcos certified the Treaty to the Senate for ratification on March 17, 1970, four years after assuming the presidency and a few months after his unprecedented reelection. (As early as September 1966 Marcos had given the Japanese assurances on a quick ratification of the treaty.) From 1967 to 1970 Congress passed laws which it considered as safeguards as well as stimulants to the economy. These laws covered entry of foreign traders, residence of professionals, amendments in the tariff code, the Foreign Business Law which aimed at regulating foreign investments, a law regulating awards of government contracts, the Investments Incentives Act of 1968 and the Export Incentives Act of 1970. These laws, specially the last two, were not, however, particularly aimed at the Japanese but were already part of the gradual transformation of Philippine economic policy from that of import substitution into export-oriented industrialization.

The Senate failed to act on the treaty until early 1972. On January 13 of that year Senate President Jose Roy, who was also Chairman of the Senate Committee on Foreign Affairs, announced that as long as he was committee chairman the treaty would never be reported out. There was no indication at that time that he would be replaced. Opposition in the House and Senate was instantaneous, persistent and bi-partisan from the time the treaty was submitted. In February the Foreign Affairs Committee decided to report out the treaty in spite of the negative consensus by the members of the Committee, apparently out of fear of economic invasion. Marcos

said that the flaws of the treaty could be the subject of future negotiations. This was not reassuring to the Senate.<sup>54</sup>

Finally, on March 1, without actually reporting the treaty out as decided earlier, the Senate Committee on Foreign Affairs rejected it through a unanimous vote and opened the door for a new pact.<sup>55</sup> Japanese representatives calmly claimed that trade would increase but investments might become sluggish.

Fears of economic invasion, intrusion into Philippine territorial waters, alleged malpractices of Japanese liaison offices and dummies, dumping and smuggling of Japanese products and the excessive concentration of Japanese capital in the extractive industries were the underlying reasons for the rejection of the treaty.<sup>56</sup> At the time the treaty was rejected, a hearing was actually underway on the activities of Japanese liaison offices by the House Committee on Commerce and Industry upon the complaint of the Philippine Chamber of Industries and the Chamber of Commerce of the Philippines. Two weeks after the rejection, the Committee decided to prosecute 47 Japanese firms for conducting illegal business in the country.<sup>57</sup> Independence was then the primary consideration in the opposition of the treaty while the government was constantly pushing for the development angle.\*

Not much was heard of the treaty since its rejection. With the imposition of martial law in September 1972, the Senate was disbanded and the mass media supervised. Suddenly, on December 26, 1973 the newspaper announced the forthcoming ratification of the treaty. The next day the instruments of ratification were exchanged in Manila, together with an exchange of notes concerning a \$17M loan.

The independence use of foreign policy in terms of protecting the country against perceived threats was clearly predominant in the case of the 1973 Philippine-Japan treaty from the period 1961 to 1972. The development use of foreign policy became predominant after the imposition of martial law, with independence being reduced to a minimum. Japan, in 1973, was the No. 2 trading partner of the Philippines (30% of total foreign trade) as well as a source of foreign investment. That independence was clearly sacrificed for the

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\* It would be interesting to compare the fate of the Philippine-Japan and the Laurel-Langley Agreement (1955) and see how anti-Japanese sentiments were manifested in the former and pro-Americanism in the latter, if these factors were at all crucial. This point, however, is beyond the scope of this paper.

<sup>54</sup> Sta. Romana, p. 10.

<sup>55</sup> *Ibid.*, p. 11.

<sup>56</sup> Saniel, pp. 64-77.

<sup>57</sup> *Ibid.*, pp. 76-77.

sake of dependent development becomes clear if we look at the process by which the 1973 treaty was renegotiated, signed and ratified in 1979.

### *The 1979 Treaty*

On July 11, 1976 Japan and the Philippines agreed to renegotiate the treaty not only because it was expiring in January 1977 but also, according to Philippine officials, because of the Philippines' new ideological stance of identifying with the Third World and its desire to develop a customs union in ASEAN. It was even claimed by officials that the Philippines actually suspended the treaty in early 1976.

That independence was clearly sacrificed for dependent development now appears as an official admission on the part of the Philippines. Foreign Ministry officials stated that the treaty "has worked against the interest of the Philippines" and that the new treaty is expected to do "away with certain provisions which the President himself considers lopsided and in favor of Japan."<sup>58</sup> Finance Minister Cesar Virata also made the astonishing statement that "the Philippines signed the old treaty just the same, hoping that Japan would not take advantage of the lopsided provisions." Equally dumbfounding was the reason he gave; according to him the Philippines signed the treaty since Japan "had a strong bargaining strength at that time (1973) as a world economic superpower and one of the country's main trading partners."<sup>59</sup> Some of the fears expressed over the old treaty materialized. The recession of 1974 and 1975 resulted in a rash of complaints by Filipino businessmen of Japanese business malpractices such as requiring Philippine banana exporters to use only Japanese-made cartons (a persistent complaint even before the 1973 treaty), breach of contract regarding copper concentrations, and dumping. Foreign Minister Carlos Romulo also admitted that national treatment of Japanese shipping in the old treaty was onerous.<sup>60</sup>

The first negotiation session took place on March 22, 1977. There was a plan to finish the first draft by the time of the state visit of President and Mrs. Marcos to Japan on April 25 to 28, 1977. This deadline was not met and five negotiation sessions were conducted from June 1977 to July 1978. On April 19, 1979 Romulo went to Tokyo on an official visit and initialed the new treaty the following day. The actual signing took place in Manila in May 1979 with the state visit of Prime Minister Masahiro Ohira. Details of the treaty were kept undisclosed until the visit of Ohira.

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<sup>58</sup> *BT*, March 23, 1977.

<sup>59</sup> *Ibid.*

<sup>60</sup> *BT*, May 11, 1979.



Foreign Ministry officials claimed that in the new treaty Japan agreed to abolish national treatment of Japanese business and changed it into an MFN treatment. Thus, MFN treatment became more extensive. The consultation clause was also abolished; instead, a prior system of notification was set in case either party decides to impose restriction on certain products. There are also restrictions to prevent deceptive practices as well as practices that encourage monopoly. Romulo claimed that the new treaty provided for equitable sharing of cargoes in shipping as well as provisions for amending the treaty while in force. There was also an exchange of notes concerning a \$166M credit at the time of ratification. A tax treaty was signed during ratification providing for criteria of taxable income in the two countries. Incentives (lower taxes on dividends, interest and royalties) were also given to Japanese capital to enter Philippine pioneer areas. Taxes for shipping and aircraft for the two countries were also reduced.

It is hard to find where all these supposed new provisions are in the treaty. An examination of the treaty will reveal a virtual verbatim reproduction of the old treaty. Ex-Speaker of the House Jose B. Laurel has charged that all the claimed changes were minimal and were done only for the sake of style with no effect on the essence.<sup>62</sup>

In contrast to the 1973 treaty the new treaty was negotiated, signed and ratified with virtually no opposition on the basis of any threat to economic independence. This was possible because of a strong state apparatus and the silencing of the critics of the martial law regime. It certainly precluded the use of the treaty for political purposes but it also removed the consideration of independence.

It was said earlier that the independence, development and political competition uses of foreign policy are most effectively used among the middle sector of society. In the case of normalization with China the impact was basically *psychological*; its structural impact could probably be found in the promise of non-intervention by China, thus giving the Philippines greater freedom in dealing with insurgency. In the case of the two treaties with Japan and closer economic ties with Japan, the impact was mainly *structural*—these ties with Japan benefited the upper and middle sector of the society as they pursued a path of dependent development.

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<sup>61</sup> BT, April 22, 1979.

<sup>62</sup> *Business Day, Special Report on RP-Japan Relations*, XIV: 106, July 24, 1980.

### *Conclusion*

We saw that normalization of ties with China by the Philippines served a double purpose: to demonstrate a measure of independence of the regime and to enhance its stability by pre-empting external support of subversion. The independence function of foreign policy was however muted because of the changed systemic component in the case of the Philippines. This however did not prevent a "celebration" of the new independent posture of the regime in a typically dramatic style. Ideally, it would take a survey to measure the exact psychological impact of the normalization of ties with China. While this is beyond the scope of this essay, it could be hazarded that such impact was confined to the Philippines' middle sector, a sector which in any society fulfills a stabilizing function.

In the case of the two treaties with Japan, foreign policy was used to protect national independence from external economic threats. The independence function of foreign policy (as well as its uses for political competition) was overshadowed with the coming of martial law, and foreign policy towards Japan fulfilled mainly a development function (and a dependent development at that). If the benefit of ties with China was basically psychological and politically symbolic among the middle sector of society, the benefit of closer ties with Japan was material among the same middle class.

At a higher level of abstraction it can also be hazarded that the ultimate beneficiary of foreign policy in a developing country is the state through its psychological and material manipulations that allows the middle sector of society to gain. *Internally*, foreign policy is meant by the state for that sector. The state and the middle sector overlap but the state has greater political power since it is more organized with its own cadres and instruments of coercion. *Externally*, the measure of regional security that foreign policy can bring will only allow a nation to pursue development which in many instances reconcentrates surplus in the same middle sector. In both instances the state is preserved.