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THE KEY ROLE OF U.S. BASES IN THE PHILIPPINES

INTRODUCTION

The Republic of the Philippines always has occupied a special place in the foreign policy considerations of the United States. This is a product not only of the long historic association and substantial economic involvement in trade and investment between the two nations, but also of the importance of the military bases at Clark Field and Subic Bay in the strategic policy of the United States in the West Pacific.

U.S. access to those bases is critically important for at least five reasons. Such access (1) assures the security of the Philippines against external attack, (2) allows the Philippines and other friendly nations in Southeast Asia to pursue economic growth without disabling military expenditures, (3) offsets Soviet military initiatives in Southeast Asia, (4) adds stability to the South China Sea region, and (5) affords the U.S. the ability to project its military power quickly into both the Pacific and Indian Ocean areas.

Though there have been modifications in the original 1947 Military Bases Agreement that gives the U.S. the right to use Subic Bay and Clark Field, these have not essentially restricted American use of those major facilities. The trouble is that future access to these bases is less certain.

The Philippines today is experiencing one of the most acute crises in its modern history. There is serious opposition to the government of President Ferdinand Marcos because of his domestic policies as well as the special relationship between the Philippines and the U.S. This crisis threatens to bring a change in leadership that might seek to abrogate the bases agreement. The loss of these bases would be an incalculable setback for the U.S. from a regional and a global perspective.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

THE ORIGINAL BASES AGREEMENT

The 1947 agreement granted the United States "the right to retain the use" of 16 bases (including Clark Field and Subic Bay) in the Philippines and to use 7 other bases if Washington decided that "military necessity" required such action. Access to these 23 specifically named bases was provided rent-free for a period of 99 years (until the year 2045). The Philippine government also agreed to enter into negotiations with the United States, if the latter so requested, to expand or reduce such bases, to exchange those bases for others, or to acquire additional base areas. The agreement allowed the U.S. full discretionary use of the bases' facilities. Criminal jurisdiction over U.S. base personnel and their dependents was given to U.S. authorities irrespective of whether the alleged offenses were committed on or off the base areas.

In effect, some of the rights and privileges accorded the U.S. under the agreement evoked serious questions concerning violations of Philippine sovereignty. As early as 1951, Filipino Nationalist Senator Claro M. Recto assailed the U.S.-Philippines military and security arrangements charging that they made a mockery of Philippine independence. By the mid-1950s, it had become clear that the agreements would have to be amended to reduce the irritants to Filipino nationalist sentiments.

AMENDMENTS TO THE BASES AGREEMENT

In 1956, Philippine President Ramon Magsaysay and U.S. Vice President Richard Nixon sought to dampen some of the most serious Filipino objections. They issued a joint statement in Manila affirming inter alia full Philippine sovereignty over the base territories. Three years later, a "memorandum of agreement" was signed by U.S. Ambassador Charles A. Bohlen and Philippine Foreign Minister Felixberto Serrano which stipulated that operational use of the bases by the U.S. would require prior consultation with the Philippine government--except on those occasions when the bases might be employed in accordance with the U.S.-Philippines Mutual Defense Treaty of 1951 and the 1954 Southeast Asia Collective Defense Treaty (The Manila Pact). The Bohlen-Serrano Agreement also stated that the U.S. could not establish long-range missile capabilities on the bases without consulting the Philippine government. The terms of the lease governing the American bases were reduced from 99 years to 25 years, and U.S. operations were to be consolidated into four "active bases."

By the mid-1960s, the U.S. had become so sensitive to Philippine nationalist sentiments that during the Vietnam War the bases were used exclusively for logistical support purposes. Although the Manila Pact allowed the U.S. to launch combat operations from the Philippine bases, facilities elsewhere, notably in Guam, were employed for combat missions against enemy targets in Vietnam.

In 1965, the U.S. revised the criminal jurisdiction provisions of the bases agreement to conform to the NATO status-of-forces formula--an agreement that had fully satisfied the sovereignty concerns of American allies in Europe. The following year, U.S. Secretary of State Dean Rusk and Philippine Foreign Minister Narciso Ramos initialed an accord that formally ratified the Bohlen-Serrano understanding of 1959, thereby setting the termination date of the bases agreement for 1991.

Full Philippine sovereignty over the American bases was reaffirmed on two other occasions during the 1970s: the first, in a joint communiqué between Presidents Gerald Ford and Ferdinand Marcos dated December 7, 1975; the second in a joint communiqué between President Marcos and Vice President Walter Mondale issued on May 4, 1978. The latter communiqué also signalled forthcoming major revisions in the U.S.-Philippines Bases Agreement. What those revisions involved was revealed in the amendments that were made public on January 7, 1979.

One of the most enduring disagreements involved the issue of compensation to the Philippines for the bases. While the original agreement gave the U.S. use of the bases "rent-free," it was clear that the Philippine government expected to receive and, in fact, did receive some kind of "compensation." The U.S.-Philippine Military Assistance Agreement of 1947, signed just one week after the bases accord, was considered by Washington and Manila, at least in part, compensation for U.S. use of the bases.

Philippine officials nonetheless felt such arrangements were inadequate and unreliable. During the early 1970s, Thailand received over \$400 million in military assistance and South Korea received over \$600 million. The Philippines received only \$50 million in grant aid--at a time when the Filipino Communist New People's Army had recommenced its armed insurrection against the government.¹ At this time, moreover, the U.S. signed agreements with three Mediterranean nations on American basing facilities. These included: a 5-year agreement with Spain that contained a \$1.2 billion compensation clause; a 4-year agreement with Turkey that netted Ankara \$1 billion in compensation; and a similar agreement with Greece involving payments of \$700 million.

By the end of the 1970s it was clear that Manila would request far more substantial compensation. In fact, the January 1979 agreement involved a commitment on the part of President Jimmy Carter to make his "best effort" to obtain \$500 million in military and economic grants and aid to the Philippines over a 5-year period.

¹ Serapio P. Taccad, "Philippine-American Relations and the U.S. Bases: A Filipino Perspective," Naval War College Review, Spring 1978, p. 71, and United States-Philippine Base Negotiations (Washington, D.C.: Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, 1977), p. 10.

Beyond the compensatory changes, Filipino commanders were installed at the bases and security on the bases became a Philippine responsibility. The U.S. also returned large land and water tracts to Filipino administration. In fact, about 90 percent of the land area of Clark Field and 45 percent at Subic, in addition to most of the waters of the immediate Bay, reverted to Philippine control.² Finally, the U.S. agreed to review the 1947 U.S.-Philippines Bases Agreement every 5 years.³

On June 1, 1983, following nearly two months of talks, new amendments to the 1947 agreement were signed. The U.S. retained its "unhampered military operations" on the bases, qualified by the requirement that Manila be informed of the level of U.S. forces permanently stationed in the Philippines at any given time, and that the Philippine authorities be given prior notification of any "major changes in [U.S.] equipment and weapon systems." The U.S. affirmed that it would "take all measures within its authority to ensure" that all members of its armed forces, their dependents, and civilian employees, would respect domestic Philippine law.

The U.S. also agreed: (1) to promote suitable projects in the areas surrounding the base facilities; (2) to improve the social and economic conditions in regions adjacent to the bases; (3) to procure goods and services in the Philippines necessary for base operations to "the maximum extent feasible"; (4) to establish procedures for ensuring the equality of treatment of, and the extension of the right of collective bargaining to, the Philippine work force on the bases; and (5) to withhold Philippine income tax from the salaries of Philippine nationals employed by U.S. armed forces.

In substance, these amendments to the military bases agreement would seem to satisfy the most pressing Filipino concerns regarding their national sovereignty. The current arrangement between Washington and Manila is essentially the same as those between the U.S. and Great Britain, Spain, Portugal, Germany, Italy, Greece, Turkey, South Korea and Japan--on whose soil the U.S. maintains military facilities. The Philippine military bases are now under the command of Philippine military commanders who have access to all information concerning military activities on the facilities (except the most sensitive classified materials). American personnel are subject to Philippine law except in cases involving only Americans on the bases themselves. Prior consultation with the appropriate Philippine officials is required in all

² Alvin J. Cottrell and Robert J. Hanks, The Military Utility of the U.S. Facilities in the Philippines (Washington, D.C.: Georgetown University, 1980), p. 27.

³ Larry A. Niksch, Philippine Bases: How Important to U.S. Interests in Asia? (Washington, D.C.: Congressional Research Service, August 1, 1980).

instances involving military operations launched from the bases. And Philippine labor practices are extended to all Philippine nationals employed within the confines of the facilities.

THE BASE FACILITIES

The facilities at Clark Field include an 8,000-ft. runway, long enough to accommodate any aircraft in the U.S. inventory, and 3 million sq. ft. of storage area (one-half million under cover) containing stores valued at about \$100 million, including about 101,000 items ranging from portable control towers to transistors. Clark Field is also a major communications link, one of three such centers in the West Pacific (along with Yokota in Japan and South Korea). Wallace Air Station, north of Clark, provides a major radar facility that serves the entire region. In any general conflict, the Thirteenth Air Force at Clark would assume major responsibilities in the West Pacific and Indian Ocean, supporting the activities of the Fifth Air Force operating out of Japan, providing escorts for long-range bombers based at Guam, and resupplying the austere facilities on Diego Garcia in the Indian Ocean.

Subic Bay, 50 miles west of Manila, includes the Port Olongapo Naval Station, the Cubi Point Naval Air Station, and the Camayan Point Naval Magazine. The four floating drydocks at Subic Bay Naval Base can service all U.S. naval vessels other than carriers. The base also has a storage capacity for petroleum, oil, and lubricants of about 110 million gallons. The Naval Air Station at Cubi Point provides a further storage capacity of 1.68 million gallons and can service the entire aircraft complements of two aircraft carriers. The Naval Magazine provides space for almost 4 million cubic feet of ammunition storage. About 60 percent of all servicing and repair for the U.S. Seventh Fleet is done at the pier and harbor support facilities at Subic.

Without access to these naval facilities, the Seventh Fleet would have to be removed a minimum of four days "steaming time" from Southeast Asia. Such a distance could be critical in times of crisis and would require massive expansion in the seatriain and logistics capabilities of the U.S. Navy in the West Pacific if U.S. forces were to remain on station in Southeast Asia or the Indian Ocean for extended periods of time.

THE STRATEGIC FUNCTION OF THE PHILIPPINE BASES

Base functions have remained unchanged for nearly four decades: (1) to protect a friendly Philippines, (2) to provide a forward defense perimeter for the U.S., and (3) to establish support installations for supply, repair, and staging services for American forces in East and South Asia.⁴

⁴ See the statement of Paul McNutt, Congressional Record, July 3, 1946, p. A3922.

The strategic importance of the U.S. military bases in the Philippines has increased dramatically since the debacle in Vietnam. While the U.S. partially withdrew its forces from the Pacific region, the Soviet Union launched a massive military buildup.

Particularly noteworthy has been the growth of the Soviet Pacific Fleet. Once a modest coastal defense force, the Soviet Pacific Fleet today is the largest of its four fleets, deploying about 30 percent of Soviet naval assets. The Soviet Pacific Fleet now operates over 200 combat vessels in East Asia--including about 135 submarines, of which some 65 are nuclear-powered. This force is supplemented by approximately 2,200 combat aircraft. Among the 285 bombers in the region are some 70 Tupolev Backfires with an operational radius estimated at 3,400 miles (without refueling). Finally, Soviet theater nuclear capability has improved dramatically with the deployment of at least 100 SS-20 mobile intermediate-range ballistic missiles.

In countering the Soviet threat, a major U.S. advantage in the West Pacific is the Philippine bases. In any general conflict, U.S. forces in Japan and Korea would attempt to confine Soviet naval forces to the inland seas along the Asian mainland north and west of Japan and Korea. The U.S. and Japanese forces in Northeast Asia would be fully involved against any attempt by the Soviet Union to break out of the Sea of Japan and the Sea of Okhotsk.

A major weakness for the Soviet Pacific Fleet in such a situation would be its thin logistical infrastructure in Southeast Asia. Soviet basing facilities at Cam Ranh Bay, Haiphong, and Da Nang in Vietnam cannot now and will not be able for some time to maintain Soviet naval units at sea for extended tours, nor provide the service necessary to repair major battle damage. By contrast, as long as U.S. naval forces have use of the extensive repair, replenishment, and resupply facilities at Subic Bay, they will enjoy a significant combat advantage.

Soviet forces also lack adequate air cover in Southeast Asia. Thus, U.S. forces, having access to Clark Field and the Cubi Point Naval Air Station, could deploy air support that would provide them maximum battle advantage. The carrier-borne interceptor, strike and anti-submarine aircraft made available by the naval forces stationed at Subic Bay could influence decisively any conflict in the West and Southwest Pacific.

THE REGIONAL ROLE OF THE PHILIPPINE BASES

Even without a general conflict, U.S. bases in the Philippines constrain Soviet initiatives in Southeast Asia. All noncommunist nations of Southeast Asia, acutely aware of the Soviet threat, have indicated clearly that they want U.S. forces to deter further Soviet moves. The unstated premise of the collective defense

policy of the Association of Southeast Asian Nations (ASEAN), of which the Philippines is a founding member, is the continued presence of American armed forces at Subic Bay and Clark Field.⁵ Those forces provide the military shield that allows ASEAN nations to grow economically without disabling military expenditures. The Philippine military budget, for example, is among the lowest in Asia. Manila commits only about 1.7 percent of its gross national product (GNP) to defense. For the rest of ASEAN, this ranges from 3.5 percent (Thailand) to 5.8 percent (Singapore) of GNP.

CONFLICT IN THE SOUTH CHINA SEA

Over the past decade the situation in Southeast Asia, particularly in the South China Sea, has become increasingly tense. The Sea affords passage for the shipping that sustains the major trading nations of Northeast Asia as well as vessels that provide military resupply to Soviet bases in the USSR's Far Eastern provinces. The routes traversed by these ships pass through critical chokepoints, which could be sealed by mines and shore defenses in wartime. The control of those chokepoints and the waterways depends largely on who has possession of the islands, cays, banks, shoals, and reefs of the South China Sea.

This is particularly true of the Spratly Islands. Vietnam claims some of the Spratlys, while the Philippines claims six of the islands, having renamed them the Kalayaan Island Group and incorporated them as a municipality of Palawan Province.⁶ For its part, the Republic of China on Taiwan maintains a garrison on several of the Spratly Islands.

The Spratly Islands lie astride the principal trade routes through the South China Sea and any power that controls the islands can influence safe passage to the Indian Ocean and North-east Asia. For the Soviet Union, free passage through the region is essential for the maintenance and resupply of its Far Eastern forces. For the People's Republic of China, Soviet control of the waterways of the South China Sea would help to complete its "encirclement" by a power Beijing has every reason to fear.

Yet as long as the current circumstances apply, with the Republic of China on Taiwan occupying Itu Aba in the Tizard Bank, and the Philippines occupying the Reed Bank and Nanshan and Thitu

⁵ See Jusuf Wanandi, "Security in the Asia-Pacific Region: An Indonesian Observation," Asian Survey, December 1978, p. 1214, and "Conflict and Cooperation in the Asia-Pacific Region: An Indonesian Perspective," Asian Survey, June 1982, p. 513; Lee Boon Hiok, "Constraints on Singapore's Foreign Policy," Asian Survey, June 1982, p. 528.

⁶ Estrella D. Solidum, "Philippine Perceptions of Crucial Issues Affecting Southeast Asia," Asian Survey, June 1982, pp. 542-543.

islands in the Central Spratlys, the situation is defused. Continuation of present circumstances requires a dominant U.S. military presence in the region, without which the situation would become unpredictable. As such, the U.S. military forces in the Philippines help stabilize all Southeast Asia. The presence of major U.S. naval and air units in the immediate vicinity deters military adventure by any of the claimants of the islands. Any major withdrawal of U.S. forces from the Philippines could tempt Moscow or Beijing to "settle" the dispute over the islands and thereby involve the entire region in conflict. The ability of the United States to project its forces into the region, therefore, is a critical variable in the configuration of factors that shape events in Southeast Asia.

As the Soviet Union consolidates its position in Indochina, routinizing its use of military bases in Vietnam and Cambodia, the U.S. military presence in the Philippines becomes much more critical. The defense of Thailand, for instance, requires a credible U.S. response capability. The continued U.S. commitment to Bangkok necessitates base facilities close enough to make the commitment credible. The only realistic U.S. response to the inevitable Soviet military build-up in Indochina is a corresponding replenishment of its own forces in secure bases in the region--as much in the interests of the nations of the region (including the PRC) as its own. Although at one time it could have been argued that either ASEAN or the United States could put together a realistic security policy for Southeast Asia without basing U.S. forces in the Philippines, such a position no longer is tenable.⁷

PHILIPPINE BENEFITS FROM THE BASES ARRANGEMENT

For the Philippines, the presence of the U.S. armed forces not only is a security asset of significance, but it also constitutes an economic factor of major importance. President Reagan has pledged to make his best efforts to procure about \$900 million in security and economic aid for the Philippines as compensation for the use of the bases. Maintenance of the bases, meanwhile, pumps over \$300 million annually into the Philippine economy and provides full-time employment for over 40,000 Philippine nationals. U.S. compensatory aid and capital transfers for base maintenance make up about 7 or 8 percent of the Philippine GNP.

President Marcos has openly acknowledged the strategic global and regional importance of the U.S. bases in the Philippines. The negotiations over the new amendments to the agreement were concluded in June 1983 after only 17 sessions. It is clear that as long as the Marcos administration remains in office in Manila the United States will be assured access to the Philippine bases.

⁷ Lucien Pye, Redefining American Policy in Southeast Asia (Washington, D.C.: American Enterprise Institute, 1982), p. 32.

The immediate threat to a continued U.S. military presence in the Philippines emanates from the anti-Marcos opposition--whether the opposition characterizes itself as "moderate" or "radical."

THREATS TO THE MILITARY BASES AGREEMENT

The leftist opposition in the Philippines has long since clarified its position concerning the military bases agreement. It opposes U.S. equity investments in the islands as "exploitative," and the presence of the U.S. military there as "oppressive" and "neocolonial." The National Democratic Front--the united front organization of the Philippine Marxist left--calls the Marcos government a "full-blown fascist dictatorship" established at the "instigation of U.S. imperialism." The express policy of the radical left in the Philippines is to "nullify" all "unequal treaties and arrangements" with the United States.⁸ The "abrogation of all treaties, executive agreements and statutes" clearly involves the basing agreement with the U.S. armed forces. The Marxist anti-Marcos opposition is committed to a "campaign against the U.S. military bases" and all security relations between the Republic of the Philippines and the United States.⁹

The "moderate" opposition also takes this line. Not only have the current leaders of the United Nationalist Democratic Organization (UNIDO), the moderates' umbrella organization, taken a stand very much like that of the radical left against U.S. equity holdings in the Philippines, but UNIDO leadership explicitly has objected to the Military Bases Agreement. Salvador Laurel, the UNIDO leader has announced that the noncommunist "moderate" opposition to Marcos demands an abrogation of the bases agreement before its scheduled termination in 1991. The official platform of UNIDO now calls for an immediate removal of U.S. forces from the Philippines. In terms of U.S. security and economic interests, it is difficult to distinguish "moderates" from an anti-Marcos opposition that is "radical."

The entire anti-Marcos opposition has chosen to identify itself with an anti-American program that includes a redirection of the Philippine economy designed to diminish its trade and investment relations with the United States. Their goal is an inward directed economy based on the domestic market, closed to foreign capital flows and export outlets. UNIDO advocates a protectionist policy predicated on the shopworn theses of leftist "anti-imperialism."¹⁰

⁸ Manifesto of the National Democratic Front-Philippines (Mansfield Depot, Conn.: Philippines Research Center, n.d.), pp. 1, 3.

⁹ Programme for a People's Democratic Revolution in the Philippines (Boston: Philippines Liberation Press, 1975), pp. 14, 17.

¹⁰ "UNIDO Suggests 'Alternative,'" Bulletin Today (Manila), May 22, 1983.

In the past, U.S. officials have sought to maintain contact with the Philippine anti-Marcos opposition in case the Marcos government falls. At present, however, not even the "moderate" anti-Marcos opposition has anything to offer the United States, the anti-Soviet West, or the nations of the region. The "moderates" advocate a withdrawal of U.S. forces from the Philippines that would impose an onerous burden of self-defense expenditures on the noncommunist nations of the region. And the anti-Marcos opposition, even in its most "moderate" form, proposes a return to a policy of autarkic economic development that has proved disastrous wherever attempted.

Raul Manglapus, a leader of the "moderate" opposition, has referred to the U.S. as a nation that "no longer speaks the language of freedom but of profits..."¹¹ As early as 1964 former Senator Lorenzo Tanada, another "moderate" leader, spoke against continued "foreign" [i.e. U.S.] investments in the Philippines as "oppressive."¹² Former Senator Jose Diokno, another "moderate," has denounced the U.S. for maintaining a system of "colonialism" in which it exploits the Philippines for its own purposes. He advocated a withdrawal of U.S. "military supports" so that the Philippines could become "self-reliant."¹³

In sum, the present "moderate" opposition to the Marcos government is manifestly anti-American by conviction, and however much their overt behavior might be modified by the realities of power, their commitment to the security of Southeast Asia and to a realistic policy of economic development for the region is, at best, questionable. The leadership of the anti-Marcos opposition has been so long inured to the "anti-imperialist" notions of the neo-Marxist left that it is unlikely that the U.S. can ever have confidence in its behavior.

The crisis in the Philippines today threatens to bring a change in leadership that could very well seek to abrogate the bases agreement that has secured the stability of Southeast Asia since the trauma of Vietnam. The anti-Marcos opposition has so long opposed the presence of U.S. forces in the Philippines that it might find itself compelled to attempt their eviction. The consequences of any such attempt would be incalculably dangerous.

CONCLUSION

The crisis in the Philippines leaves the United States with few options. The accession to power of even a "moderate" anti-Marcos opposition could very well threaten U.S. security, economic,

¹¹ Raul Manglapus, Philippines: The Silenced Democracy (Maryknoll: Orbis, 1976), pp. 10, 60.

¹² See Jose Maria Sison, National Democracy and Socialism (Mansfield Depot, Conn.: Philippines Research Center, n.d.), p. 3.

¹³ Jose W. Diokno, Justice Under Siege: Five Talks (Manila: Nationalist Resource Center, October 1981), pp. 47, 50, 52, 60, 85-88.

and political interests. The "moderate" anti-Marcos opposition is sufficiently anti-American to make its advent to power in Manila a cause for considerable alarm--but it seems evident that the "moderates," attempting to secure and consolidate power, would have to tolerate the presence of some more radical elements in their midst. The history of such revolutions in Nicaragua, Iran, and Cambodia is too recent to allow Americans to be deluded about the probable outcome of a similar eventuality in the Philippines. The overthrow of Somoza, the Shah, and Lon Nol only succeeded in bringing the Sandinistas, Khomeini, and Pol Pot to power, who have proved not only more objectionable in terms of their human rights records and political policies, but assiduously anti-American as well.

In pursuit of its national interests--and in the service of its ultimate concern with the most fundamental human rights--the United States has few options other than to attempt to stabilize the economic and political circumstances in the Philippines to prevent any radical change. Such a change in the governance of the Philippines would trigger widespread disorder, protracted violence, and a critical instability throughout Southeast Asia. The only forces that would profit from such an outcome would be those committed to the destruction of political and economic democracy. At the very center of the unfolding drama are the U.S. bases in the Philippines. The future security and well-being of one of the most promising regions in the developing world depends on them.

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