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U.S. USE OF PHILIPPINE MILITARY BASES

BY

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16 JANUARY 1990

U.S. ARMY WAR COLLEGE, CARLISLE BARRACKS, PA 17013-5050
**The Military Base Agreement (MBA) between the United States and the Philippines becomes indefinite on 16 September 1991 with either nation able to end the agreement on one year's notice. Should the U.S. not be able to reach a negotiated extension of the MBA, use of the Philippine military bases which house Clark Air Force Base and Subic Bay naval facilities will be placed in jeopardy as would the ability of the U.S. to project military power into the strategic shipping lanes of the Persian Gulf, the Indian Ocean, and**
South China Sea, and the Eastern Pacific. In the past reviews of the MBA, the U.S. has prevailed in securing continued access to the bases with increased security assistance to the Philippines. Despite rising Filipino nationalism, a destitute Philippine economy and a threatening communist insurgency dictate a continued U.S. presence in the Philippines as long as increasing amounts of U.S. security assistance are provided, at least in the near term. Absent a change in Filipino public opinion, the long term may well see use of the bases fade away.
USAWC MILITARY STUDIES PROGRAM PAPER

U.S. USE OF PHILIPPINE MILITARY BASES

An Individual Study Project
Intended for Publication

by

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Carlisle Barracks, Pennsylvania 17013
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ABSTRACT

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The Military Bases Agreement (MBA) between the United States and the Philippines becomes indefinite on 16 September 1991 with either nation able to end the agreement on one year's notice. Should the U.S. not be able to reach a negotiated extension of the MBA, use of the Philippine military bases which house Clark Air Force Base and Subic Bay naval facilities will be placed in jeopardy as would the ability of the U.S. to project military power into the strategic shipping lanes of the Persian Gulf, the Indian Ocean, the South China Sea, and the Eastern Pacific. In the past reviews of the MBA, the U.S. has prevailed in securing continued access to the bases with increased security assistance to the Philippines. Despite rising Filipino nationalism, a destitute Philippine economy and a threatening communist insurgency dictate a continued U.S. presence in the Philippines as long as increasing amounts of U.S. security assistance are provided, at least in the near term. Absent a change in Filipino public opinion, the long term may well see use of the bases fade away.
U.S. USE OF PHILIPPINE MILITARY BASES

Time is fast approaching when the Military Bases Agreement (MBA) with the Philippines allowing use of Philippine military bases by the U.S. may come to an end. September of 1991 marks the earliest possible time when this event can take place. Whether it does or not depends on the successful conclusion of the current review of the MBA. How is the United States going to convince the Philippines Government that the U.S. should be permitted to continue its usage of the bases? By application of its national power?

National power, the aggregate strength or capacity of a nation-state to achieve its national interests, is composed of four "non-violent" elements according to U.S. Army doctrine: political, economic, socio-psychological, and technological and military. Although all elements are necessarily interrelated and interdependent, one element may predominate over the others in a particular situation. In the specific case of the U.S. use of Philippine military
bases, the economic element of power, i.e. security assistance through transfers to induce a desired outcome, has--up to the present--overshadowed the other elements to such an extent that even the U.S. military intervention in the latest coup attempt may not refocus attention away from the monetary aspects of the MBA negotiations.

To adequately address U.S. usage of Philippine military bases and the future outlook, it is first necessary to review the history of the Military Bases Agreement, the Filipino concern with the existence of the bases, the U.S. reasons for wanting to use the bases, and the internal Philippine problems which effect the MBA negotiations. Let's look first to the basic agreement.

History of the Military Bases Agreement

Clark Air Force Base and Subic Bay naval facilities (Figure 1) are America's largest and oldest overseas facilities. They stem from Admiral Dewey's triumph over the Spanish at the Battle of Manila Bay in 1898. By the 1930s, the U.S. was preparing for Philippine independence. World War II delayed independence until July 4, 1946. Official Independence Day was changed in 1962 to June 12 to
THE PHILIPPINES

Wallace Air Station

Hundred Islands

San Miguel Naval Comm. Station

Subic Bay Naval Station

Cubi Point Naval Air Station

Nichols Air Base

LUZON

- Bansue
- Baguio
- Clark Air Base
- Camp John Hay
- Manila

CORREGIDOR

- Tagaytay

MINDORO

- Batacay Island

PANAY

- CEBU

NEGROS

- BOHOL

PALAWAN

- Sulu Sea

SULU

- Zamboanga

MINDANAO

Figure 1
coincide with the date that independence from Spain was declared in 1898. July 4th is now celebrated in the Philippines as Philippine-American Friendship Day.⁵ On March 14, 1947, the Military Bases Agreement was signed giving the U.S. full control over the bases--Clark AFB, Subic Bay naval facilities, and several other minor bases--for 99 years, rent-free. Pursuant to the Bohlen-Serrano agreement signed on October 12, 1959, the U.S. is required to "consult" with the Philippines before using the bases in any combat role not associated with the defense of the Philippines, Thailand, or U.S. forces based in the Pacific. Note that the U.S. used Thai bases for bombing runs into Vietnam. The term of the bases agreement was reduced to 25 years on September 16, 1966, and will expire in 1991. On January 7, 1979, the bases became technically "Philippine bases" and the land areas under U.S. control were reduced significantly--Clark by 92% and Subic by 40%. The bases agreement must now be reviewed every five years and the U.S., under President Jimmy Carter, started the American pledge system of making its "best efforts" to provide specified amounts of economic and military aid to the Philippines over specific periods of time. Since the bases agreement is an executive agreement not ratified by
Congress like a treaty, it is not a commitment by Congress to fund any aid. The Executive can only promise his "best efforts" to obtain from Congress the necessary appropriations to support the aid. President Carter pledged $500 million over the first five-year period. On June 1, 1983, President Reagan pledged $900 million over the next five-year period and agreed to prior consultation with the Philippines before the U.S. installs long-range missiles on the bases. President Reagan concluded the U.S.-Philippines Military Bases Agreement Review, 1988 on October 17, 1988, and pledged $962 million over the next two fiscal years. The U.S. agreed, further, to purchase more Philippine products, to reconvene the Veterans' Claims Panel to look at Philippine veterans' claims, to hire more Filipinos, and to acknowledge Philippine ownership of non-removable buildings and structures on the bases. With the expiration of the Military Bases Agreement on September 16, 1991, it becomes "indefinite" with either nation able to end the agreement on one year's notice. With this basic review of the history of the Military Bases Agreement completed, a few comments directed toward the Filipino concern for the very existence of U.S. forces on bases in the Philippines is appropriate.
Filipino Concerns

Philippine dissatisfaction over the bases even pre-dates the basic agreement of 1947. Then President Emilio Aguinaldo of the Philippines led a war of insurrection against the United States in 1899. This "Philippine-American War" ended in 1902. The Philippine legislature declined acceptance of the first independence law in a 1933 Resolution which noted in part that the bases would give rise to misunderstandings or "irritants." In March of 1954, Herbert Brownell, U.S. Attorney General, opined that the bases were owned by the U.S., thereby triggering in the Philippines a campaign for the amendment of the Military Bases Agreement. In 1984, all prominent opposition candidates--including current President Aquino--signed a public statement opposing the presence of U.S. forces in the Philippines after 1991. That opposition stemmed from perceived U.S. support of the Marcos regime. The U.S. was and still is considered to be more concerned with retention of base rights than it is with support for civilian, democratic government. Filipino representatives do not believe U.S. security
guarantees are adequate, nor do they believe that the Philippines faces a real danger of external aggression. Subversion is their concern—an internal matter the U.S. is not going to deal with. Consequently, they are convinced that the U.S. forces presence in the Philippines does little or nothing for the Philippines while augmenting U.S. global and regional defense strategy. Filipinos complain that, despite the fact that the basic agreement of 1947 on the bases provides there will be no rent charged, the security assistance received by the Philippines is really "rent" in any case and should properly be called "rent." Adamant U.S. refusal to "recognize" that the security assistance provided the Philippines is "rent" annoys Filipinos and is considered evidence of a lack of respect for the Philippines on the part of the United States. To being appointed Foreign Minister by President Corazon Aquino, Raul Manglapus is quoted as saying "We have to cut the American father down to brotherly size if we are to mature. The bases agreement is part of what we must change. It has a profound effect on the psychology of our people." F. Sionil Jose, a Filipino author of some distinction, has stated that Filipinos have to "reject the tremendous cultural
domination of our country by the United States. At least in our minds, we have to kill the American father."

Philippine Defense Secretary Fidel Ramos has been quoted as saying in February of 1989 that he favors retention of U.S. basing rights until the centennial celebration of Philippine independence in 1998 when the "phaseout" of the bases would occur to "maximize the symbolism of any Philippine decision to terminate the arrangement on the bases." Ramos also hinted that Clark might have to go as early as 1991. Apparently, Filipinos—whether based on nationalism or pride—would prefer not to have U.S. forces stationed on the bases in the Philippines. Why then should the U.S. insist on a bases agreement?

U.S. Interests

American interests in the area center around the Philippines peculiar geographic location along the strategic routes of commerce between the Middle East, Japan, and the American West Coast. Control of access to the South China Sea, the Strait of Malacca, the Indian Ocean, and the Persian Gulf is vital to support of U.S. friends, allies, and interests in South and Southeast Asia.
The U.S. is also interested in maintaining institutions which indicate that democracy can prosper in Asia. Failure of democracy in the Philippines would be yet another blow to American leadership in the world. Since the loss of Cam Ranh Bay in Vietnam, the Philippine bases have served as a hub for U.S. strategic interests in the area. Principal interests include the protection of the Philippines from external aggression and the regional security of Southeast Asia. Other interests include power projection capabilities from the Persian Gulf to Japan and Korea, into the North Arabian Sea by way of Diego Garcia, and South to Australia. Clark's two-mile long runways can handle every type of American aircraft including the SR-71 Blackbird, which could easily conduct reconnaissance missions over North Korea and the Soviet Union. Subic Bay naval facilities with their extensive repair, maintenance, support, and training facilities allow the U.S. to maintain an active naval presence in the Western and Pacific Ocean, a feat unmatched by any other power. American interests are certainly very important, but could they be served in a location outside the Philippines?
Are There Other Options?

Are there other locations in the area that are suitable for our military forces in the Philippines? Alternative locations are, in descending order of ability to accommodate similar activities: Guam, the Northern Mariana Islands, Singapore, Western Australia, Japan, Micronesia, and Thailand. None are good alternatives. Guam is the best alternative and it is 1,600 statute miles east of Manila (Figure 2). The cost of moving the bases is variously estimated anywhere from $2-$8 billion depending on exactly which functions are moved. Understanding that it is clearly in the national interest of the U.S. to retain the bases in the Philippines, what can the U.S. use to motivate the Filipinos to agree to the presence of U.S. forces on the bases? What does the Philippines need from the U.S.?

Internal Philippine Problems:

Economy, Insurgency, Coup Attempts

Until recently, the Philippines had been experiencing a severe economic recession with a Gross National Product
(GNP) growth rate in 1986 of close to 1.5%.\textsuperscript{22} In March of 1986, a peaceful civilian-military uprising brought President Corazon Aquino to power.\textsuperscript{23} Economic reform movements and tax reform instituted by President Aquino, while having an impact—as evidenced by the GNP growth rate in 1987 of 5.7% and in 1988 of 6.4%—have yet to effectively take hold. If President Aquino is to succeed in her efforts to strengthen democracy in the Philippines, she will have to succeed in building the Philippine economy. The armed forces of the Philippines have almost tripled in strength since 1972 to 155,000 with the great majority of the increase brought about by the need to control a growing communist insurgency. Expenditures for this expanded force will likely continue for the foreseeable future.\textsuperscript{24} In addition to the problems of the economy and the communist insurgency, President Aquino has been confronted with multiple coup attempts since taking office—the last of which had to be put down with the direct military intervention of the United States.\textsuperscript{25} To state that the Philippines faces difficult problems would be an understatement.
Economy

Foreign investment is encouraged as a basis for economic development. Conservatively, U.S. investment in the Philippines is estimated at $1.5 billion. A study conducted by the National Defense College of the Philippines (NDCP) found that the bases contributed a minimum of $1.5 billion—in addition to the $1.5 billion in private investment cited above—to the Philippine economy during the 1980–1986 period, or equivalent to 5.16% of the Philippine GNP. Spending by the U.S. forces is an income contribution to the economy which is respent internally, stimulating more production and expanding economic opportunities. Expenditures by the bases resulted in direct and indirect employment of thousands of Filipinos—136,000 in 1986—with the U.S. forces and nearly 2000 local companies or individual Filipino entrepreneurs. In fact, the U.S. forces are the second largest employer in the Philippines with only the Philippine Government being larger. This same NDCP study found that the benefit side of the presence of U.S. forces was offset by costs to the Philippines, the two most important being land rental foregone ($493 million) and
differential labor costs ($379 million). Despite the questionable offset theory of the NDCP study, the U.S. does make significant economic contributions to the Philippines. It is the Philippines' largest foreign investor (over $1 billion) and the Philippines' largest trading partner (about 35% of Philippine trade). The U.S. facilities themselves would qualify as the Philippines' seventh largest trading partner were they considered as a foreign country. The U.S. is also a leader in organizing the Multilateral Assistance Initiative (MAI) for the Philippines—a multinational economic assistance initiative aimed at fostering the growth of democracy in the Philippines through encouragement of solid economic practices. A multi-year U.S. commitment of $1 billion for the MAI has been requested by President Bush from the U.S. Congress. For the first year of the program, the U.S. is hoping to provide $200 million in special grant assistance. This is in excess of other commitments already made in security assistance.
Insurgency

The continuing rural insurgency of the Communist Party of the Philippines (CPP) with its military arm, the New People's Army (NPA), and its front organization, the National Democratic Front (NDF), remains a serious threat to Philippine democracy. By U.S. reported accounts, the Armed Forces of the Philippines (AFP) has made great strides in combatting the problem. The AFP captured several top leaders, captured incriminating documents, and exposed a series of front organizations during 1988. Consequently, the insurgency was brought to a standstill, if not having the tide turned against it. Yet by some foreign accounts, over the same period of time, the AFP lost 14 out of 15 "decisive encounters" with the insurgents. Also an alarmingly high number of weapons were lost to the insurgents. Some of the documents captured in the 1988 raids showed a more sophisticated organization than previously thought with bank accounts throughout Asia with investments in a variety of money markets. Further, efforts were being directed at purchasing SAM-7 surface to air missiles and at obtaining training for NPA personnel in employing the SAM-7. The insurgency seemed to be taking a
more militant bent and to be organizing itself into a "regular army" versus an armed militia. Whatever the true state of affairs as regards the communist insurgency, it is a continuing threat to democracy in the Philippines and must be dealt with. U.S. security assistance is vital to the AFP in that it provides training and equipment while the presence of the U.S. facilities on Philippine military bases allow the AFP to direct their full attention to internal threats.

Coup Attempts

The Philippine government has been confronted by several coup attempts since President Aquino took office. It took U.S. military intervention the first part of December 1989 at her request to help put down the last coup attempt and to preserve democracy in the Philippines. Some believe that the U.S. action will have a positive effect on the MBA negotiations. Representative Stephen J. Solarz (D-NY), Chairman of the House Foreign Affairs subcommittee on Asia and the Pacific, predicted that the negotiations would be put "in an entirely different context" and should show the Filipinos that the U.S. facilities "are not there to
subvert but to save Filipino democracy."³⁷

The U.S. does wish democracy for the Philippines, but Filipinos may see the U.S. intervention as support for the current government which has been criticized for:

-Alleged graft and corruption by President Aquino's relatives.³⁸

-Slow implementation of land reform.³⁹

-Bottlenecks in the Philippine Government bureaucracy resulting in unspent dollars representing previously committed U.S. economic assistance (some $4 billion at the close of 1988).⁴⁰

-Massive foreign debt (over $28 billion).⁴¹

-Extremely low per capita income (less than $200 per year), high unemployment and underemployment (43%).⁴²

-President Aquino's perceived "passivity."⁴³

President Aquino, consequently, has to be particularly concerned with Filipino attitudes about her and the MBA negotiations. According to Mr. Robin Broad, a former economist with the Carnegie Endowment for International Peace who recently returned from a yearlong fellowship in the Philippines, the bases are a symbol of upsurging Philippine nationalism. "Philippine politicians on all sides of the spectrum are saying that the bases have
Filipino nationalists consider that Philippine ties with the U.S. are already too close and only serve to symbolize past colonialism. U.S. military intervention in the latest coup attempt will only serve to reinforce the nationalists' point of view that true independence is impossible as long as the U.S. military facilities remain in the Philippines. The reaction of the Manila media was unified by criticism of Aquino's request for American assistance. "Bush Saves Aquino" headlines in the Philippine Daily Inquirer implied that Aquino is now indebted to the Americans and her negotiating position on the bases has been compromised. Prior to the December coup attempt, Assistant Secretary of State Richard Solomon said that President Aquino had made no commitments during discussions with President Bush on the future of the MBA negotiations. He went on to explain that the U.S. knows that the negotiations are "going to be hard, that President Aquino has to justify this relationship (between the U.S. and the Philippines) to her people." President Aquino may now not just be reluctant to commit herself, she may well toughen any stand on the MBA negotiations.
Can Security Assistance Work?

The great importance of security assistance—with its potential for short term success and long term problems—is clearly seen against this backdrop of a proud but economically depressed country like the Philippines. The Philippines would prefer not to have U.S. forces on its territory. It wants to cut its ties of dependence on the U.S. much like a teenager who wants to stand on his own by rebelling against his parents. However, the Philippines cannot afford to stand on its own because it cannot earn its living yet, thus increasing the feeling of dependency as well as frustration and rebellion. While a tremendous concern over the protection and security of its own society from internal threats is real, it is not sufficient to cause the Philippines to want to retain U.S. forces on the bases. The fact that U.S. military presence frees the Filipino forces to concentrate entirely on its own internal security problems and its own economic development is not persuasive with the Filipinos. Apart from the argument of physical security, the U.S. is left with using its economic power to insure that the goal of retaining the
right to base U.S. forces in the Philippines continues. In the case of the Philippines, the U.S. uses its economic power in the form of security assistance through several conduits: Military Assistance Program (MAP), Economic Support Fund (ESF), Development Assistance and Food Aid (DAFA), and Housing Investment Guarantees (HIG). Of the $900 million in security assistance pledged for the 1985-1989 time period, $29.4 million in Foreign Military Sales Credits remained unused in 1988. President Reagan, as part of the 1988 review of the basic agreement, pledged to seek Congressional approval to forgive the $29.4 million in existing unused Foreign Military Sales credits.\(^5\) The U.S. has tried to coordinate usage of its economic element of national power with other elements of power, i.e. freeing up Filipino forces for internal security while the U.S. presence discourages external aggression\(^5\)\(^2\), providing support for the Aquino government\(^5\)\(^3\), and using other nations friendly to the Philippines to try to convince the Philippines to allow U.S. forces to remain on the bases.\(^5\)\(^4\) But none of these efforts has been particularly effective. Logical arguments centered around Philippine security and regional security seem to be discounted by the Philippine government as well as the
population in general. While the arguments concerning the merits of U.S. security assistance and the presence of U.S. forces in the Philippines are valid and important to the continuation of democracy in the Philippines, the U.S. has thus far been unable to convincingly present them to the Filipino people as a whole. As Representative Pat Schroeder (D-CO), Chairman, Subcommittee on Installations, House Armed Services Committee, has said when speaking of Philippine Foreign Minister Manglapus, "He thinks we will pay whatever amount, and he's trying to tell us what to make the check out for." Certainly this attitude impacts on just how effective security assistance is in this case. Whether or not President Aquino will provide any direct support to the U.S. in the MBA negotiations is doubtful—assuming she were so disposed. President Aquino's past reluctance to vocalize any support in public for a U.S. military presence in the Philippines could only have been reinforced by new criticism that she has become a pawn of the U.S. in return for its recent military intervention. Her domestic political concerns will almost certainly either keep her in the background of the MBA negotiations or cause her to take a tough public stance against the U.S. in the negotiations.
Analysis

Notwithstanding the Philippine Foreign Minister's attitude, security assistance is an effective tool for use in the Philippines. It is basically a question of how much Ooney the U.S. is willing to throw at the problem. The Philippines, despite its dislike for the U.S. forces' presence on the bases, has no practical alternative to allowing their continued presence over the next dozen years or so. Filipino pride can certainly gum up the works should the U.S. be unwilling to raise the amount of security assistance every time there is a MBA review, but everything considered, it is unlikely the U.S. will fail to increase the assistance provided. Although the U.S. may seek to have other allies in the area help provide assistance to the Philippines in some form as an indirect means of retaining usage of the bases, it would be difficult to retreat from the historical precedent in dealings with the Philippine government—that of providing more security assistance as time goes by. To change the precedent at this time might result in the downfall of the Aquino Government and the democracy it currently stands
Security assistance is most relevant in the Philippine situation. The country has a virtually destitute economy and a continuing communist insurgency. It would be difficult to refuse to allow the bases to remain at this time. The U.S. need for the use of the Philippine military bases and its ability to provide security assistance coupled with the Philippines truly desperate need of that assistance makes for a convenient—if strained—marriage of convenience. The successful resolution of the 1988 Review is evidence that the marriage works. Over time, however, with the Filipinos' desire for total independence from the U.S., that marriage is sure to hit the skids unless the Philippines remains economically depressed and does not go communist or the U.S. is able to work out a new treaty or executive agreement which receives widespread popular support in the Philippines. That popular support will not come easily. If Filipinos cannot see the advantages of an equal partnership with the U.S. toward a militarily stable and secure Asia in their current depressed state, it is doubtful they will recognize it should the Philippine government's economic reforms succeed.

The obvious merits of using U.S. security assistance in
the Philippines are that it works and that it is easy, requiring little effort other than the appropriation of the required funds. As in this case, it may well be the only thing that really works. The major shortcoming, at least the current one, is also obvious: If a party knows you absolutely have to have something, he will jack up the price. Absent other factors playing a major role, the U.S. may find itself being required to shell out a great deal of money in security assistance in order to get what it wants. Future shortcomings relate to Filipino nationalism and individual desires not to be subordinate to other countries. These factors mandate a concerted effort in the political/diplomatic area over the long haul--insuring that the Filipino people are provided all the facts, and not just opposition and insurgent rhetoric.

Conclusion

Security assistance is likely to be successful in the short term; but, standing alone, it will not rally public support for a continued U.S. military presence over the long term. Rather, it will be viewed as an undesirable dependence on outside support. Without a change in this
fundamental Filipino attitude, the U.S. will likely see its use of Philippine military bases slowly dwindle toward the close of the century and should begin now to make its plans accordingly.
1. I wish to express my appreciation to COL James R. Corcoran, Director of Asian Studies, U.S. Army War College, for his invaluable assistance in the preparation of this article.


6. Ibid., p. 20.


11. Ibid., p. 4.


15. Fallows, p. 22.

16. Ibid.


24. Ibid., p. 7.


28. Ibid., p. 41.


31. FBIS-EAS-88-070, p. 41.

32. Lambertson, David F. Future Prospects for the

33. Ibid.


35. Lambertson.


39. Ibid., p. 207.

40. Ibid., p. 209.

41. Lambertson.


47.  Oberdorfer, Don. "Bush Pledges Continued Aid to Philippines. President Welcomes Aquino to Capital." 


52.  Fallows, pp. 20-21.

