THE PROBLEM OF THE PHILIPPINES
FOR U.S. SOUTHEAST ASIAN SECURITY POLICY

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I certify that this sub-thesis is my own original work and that all sources used have been duly acknowledged.

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Introduction

Since the end of World War II, the Philippines has shared a unique relationship with the U.S.; it has been a relationship based on unequal mutual interests but it has, nevertheless, been beneficial to both sides. For the Philippines, the importance of the U.S. stems from several factors: the U.S. has been a major trading partner, a main source of foreign investment, a strong military ally, origin of a large part of her political tradition, and cultural model for many of her people. For the U.S., the importance of the Philippines has been the strategic location for military bases, a source of primary goods for the U.S. economy, and a military and political ally in a region noted for its historical background of domestic unrest and hostile foreign relations.

Specifically, U.S. policy towards the Philippine Islands since 1945 has been mainly concerned with three issues: removal of the vestiges of American sovereignty, economic rehabilitation and stability, and defence against external aggression. After nearly fifty years of colonial-style rule, the U.S. assisted the Philippines in making the transition from a colony to an independent state, and in 1946 the islands received the status of an independent republic. The U.S. maintained close relations, however, and even agreed to assist in the restoration of the national economy coming as a result of the war and three years of Japanese occupation. Defence agreements with the Philippines were signed permitting the continuation of American military bases and guaranteeing the defence of the Philippines from outside aggression. The U.S. also gave large amounts of military aid and assisted the fledgling Philippine government in resisting the Huk rebellion.
In recent years, however, a long smouldering rift has ignited U.S. and Filipino policy makers over the dependency and lack of a national identity the Filipino people feel they have incurred as a direct result of the relationship with the U.S. One of the major conflicts has been over the degree of American presence in the Philippines as manifested by the U.S. military bases. Another has concerned economic development and the amount of economic aid and investment promised by the U.S. A third and more recent conflict has been over U.S. support for the now deposed despot Philippine ruler, Ferdinand Marcos, before his ouster from government in 1986.

Throughout the post-war alliance, the extent of U.S. security and economic interests in the Philippines dictated to a large degree U.S. policy towards the Filipino government. As a result, U.S. concern for its own interests, in the minds of some Filipinos, took precedence over the best interests of the Filipinos as a whole. They point out that even when it was clear that President Marcos was suffocating the democratic ideal, the U.S. actually increased aid to the Marcos regime. This was done to assure U.S. interests remained intact, at the expense of the Filipino people living under the Marco government. In the transition to the Aquino government, the Filipino people have not forgotten U.S. support for Marcos, who brought suppression and authoritarianism to the Philippines.

Consequently, in the early post-war years of the U.S.-Philippine relationship, there was enough mutuality of interests between the two countries, in spite of the economic disagreements, that the Philippine government could still be counted upon to support U.S. objectives and policy in Southeast Asia. In more current times, however, the growing Filipino resentment of ties with the U.S., coupled with the recent political
developments within the Philippines, namely the ousting of President Marcos and the continuing domestic unrest under the Aquino government, has cast a shadow over future U.S. relations with the Philippines. This, in turn, has cast U.S. strategic security interests in relation to the Philippines and Southeast Asia in an uncertain light as well. The purpose of this study, therefore, will be to examine how American policy towards the Philippines has affected U.S. security interests in the past, both in Southeast Asia and in the Philippines, and what the future holds for U.S. security interests in the region, especially in regard to the continuing unrest in the Philippine domestic political scene.

I will pursue essentially three primary questions in the course of the study: 1) exactly what were the factors that influenced and/or enhanced security relations between the Philippines and the U.S. during the immediate post-war period, and, more specifically, what this relationship entailed in relation to U.S. defence and strategic doctrine; 2) what internal and external factors within both countries upset this previously harmonious relationship; and 3) what the shift in U.S. support from Marcos to Aquino, and also the political shift in the Philippines itself from dictatorship to factionalized "democratic" rule under Aquino, means for U.S. security interests both in the Philippines and the surrounding region.

The first chapter will begin with a brief historical overview of the U.S.-Philippine alliance beginning with the U.S. acquisition of the Philippines from Spain in 1898. Vestiges of the great-power rivalry played a determinant role in U.S.-Philippine relations, as did the indigenous situation with the Philippines itself, and these factors will continue to influence future relations. Therefore, a clear understanding of the treaties and defence agreements between the two countries, and the
place of the Philippines in U.S. defence doctrine in a historical perspective will allow for a clearer contrast with the current political relationship.

The second chapter will deal specifically with U.S.-Philippine security relations during the Marcos regime. Sovereignty and jurisdiction over the U.S. military bases first became a major point of conflict under Marcos and remains a prominent issue in the Aquino government. During Marcos's tenure as President, internal factors within the Philippines such as the domestic political turmoil involving the communist rebellion and the disintegration of centralized political authority affected the U.S.-Philippine security relationship. External factors such as U.S. trade and investment in the Philippines and new relations with other countries, most notably the Soviet Union, have also affected this relationship and have set in motion feelings and demands concerning the U.S. presence in the Philippines that have carried over to the Aquino government.

The third chapter will discuss current U.S. and Philippine security interests. These security interests include the naval and air installations on the Philippine Islands themselves (as well as the upcoming lease re-negotiations), the stability of Southeast Asia and U.S. defence agreements, the ASEAN countries and their security concerns, and the containment of a growing Soviet presence in the region, especially in light of the Soviet military bases in Vietnam.

The concluding chapter will deal with the consequences of past U.S. policies and how those will influence future relations, especially the upcoming military base lease negotiations. It will assess the U.S. position in the Philippines, in the light of its past relationship, in an attempt to determine the implications for future U.S. strategic interests. I will also attempt to discern, based on the past U.S.-Philippine relationship, whether
the current and future relationship will remain beneficial to U.S. security interests, or, conversely, if the Philippines in its current state of political and domestic unrest, poses a "Central American Dilemma" for U.S. policy decisions.
The opening of U.S.-Philippine relations began in the late 18th century when American merchant vessels first called into Manila Harbour en route to China. In 1780, the Spanish government, which had been the imperial power in control of the Philippines for nearly three hundred years, announced a new trading policy which allowed foreign merchants to visit the Philippines during the height of the trading season. Spain wanted to increase its foreign trade revenue, and this legislation was intended to end Manila's isolation from the other trade centers of Asia. American vessels were quick to take advantage of the newest access port on the China trade route with the first recorded voyage sailing through Manila Harbour in 1784.¹

U.S. trade with the Philippines increased during the 19th century, and, although, Philippine goods never became a dominant factor in the U.S. economy, U.S. trade was vital to the fledgling Philippine economy. For example, from 1880-1899 the U.S. was the principle buyer of Philippine export goods, accounting for 39 percent of the total annual average value of all Philippine exports, buying 59 percent of all sugar and 44 percent of all hemp exported.² Therefore, long before any political or military relationship evolved with the U.S., the Philippines had come to signify a small, but strategically important factor in economic terms; primary goods such as sugar did help supplement the growing U.S. domestic industry, but more importantly, the expanded visitation rights to Manila Harbour itself guaranteed continued access to the rich China market and
also secured a foothold for future U.S. trade in the region.

The U.S. colonial relationship with the Philippines began on December 10, 1898, with the signing of the "Treaty of Paris" which ended the Spanish-American War. With the defeat of the Spanish fleet in Manila Harbour and the subsequent signing of the peace treaty, Spain officially ceded control of the Philippines to the U.S. for $20 million, and the treaty marked the formal acquisition and implementation of American sovereignty in the islands. The ending of the war did not, however, signal the end of hostilities for the Filipino people. The U.S. had merely assumed the role of Imperial Master from the Spanish, and this, in turn, did little to appease Filipino resentment of colonial rule.

Filipino nationalism and resentment of foreign colonial domination dates back to the beginning of Spanish rule over the islands and is not merely a manifestation of U.S. policy since 1898. By the latter half of the 1800's, Filipino nationalism was unifying the anti-colonial sentiment throughout the Philippines, and active resistance against the Spanish was increasing. Revolutionary figures, such as author José Rizal, were instrumental in focusing Filipino nationalism against the Spanish. Rizal's revolutionary novel El Fílibusteringo (1891) did much to open his countrymen's eyes to Spanish misrule and articulated the idea of a Filipino national community.

Rizal, who was later executed by the Spanish in 1896 for having fomented the revolution, became a martyr for the Filipino cause, and his revolutionary works became the inspiration for Filipino resistance propaganda. Gen. Emilio Aguinaldo, as de facto head of the Filipino resistance forces, worked to unify the various factions which rose up in opposition to the increasingly repressive Spanish authority, especially in
the wake of Rizal's execution.

When the U.S. entered into war with Spain, Admiral Dewey, who was in charge of the U.S. naval forces, enlisted the support of Aguinaldo and his forces to help fight the Spanish. Aguinaldo, with Dewey's consent and aid, armed and organized the revolutionary forces and, after numerous victories against the Spanish, laid siege to Manila itself. On June 17, 1898, Aguinaldo proclaimed the independence of the Philippines and on June 22 proclaimed the Constitution of the Provisional Government, of which he became head. President McKinley's enunciation of the "Benevolent Assimilation Proclamation" soon after the signing of the "Treaty of Paris" on December 10 was firm proof, however, that the U.S. was not going to recognize Philippine independence and that the U.S. intended to annex the islands and provide Filipinos with "good government and security in their personal rights."

One view holds that Aguinaldo's consent to assist the Americans against the Spanish was based on the belief that "after defeating Spain, witnessing the valor of Filipino troops, and ascertaining the capacity of the Filipinos for self-government, the U.S. would decide to withdraw its forces and recognize the independence of the Philippines." Although the author of this view believes no deliberate deception was made on the part of Dewey, the formal annexation of the Philippines into U.S. domination nevertheless fueled already intense Filipino nationalism.

The Philippine-American war followed immediately after McKinley's proclamation since General Aguinaldo and his revolutionaries would not acquiesce to returning the Philippines to what they interpreted as a colonial possession- only this time under U.S. domination. For the Filipinos fighting for independence, the transfer of control of the
Philippines from the Spanish to the Americans meant simply that the enemy now had a different name.

Despite the fact that the U.S. had first intervened against the Spanish on behalf of the Filipinos, President McKinley was adamant that the Philippine revolution be subdued. Before this was accomplished in 1901, however, 4,234 American and more than 16,000 Filipino lives were lost.8

For the next quarter-century, the Philippines existed as the only colonial possession of the U.S. Because of the U.S.'s relative inexperience in colonial administration, annexation of the Philippines seemed to create more problems for the U.S. than it solved. Consequently, due in part to American isolationism after WW I and Woodrow Wilson's adamant dislike of colonialism, and, due in part to the lack of experience in basic colonial practice, in 1934 the U.S. Congress passed the Philippine Independence Act which provided for Philippine independence after a ten-year transitional period.9 One of the main provisions of the Act was implementation of a Philippine Commonwealth, a preparatory to independence. Three years of Japanese occupation during WW II delayed the intended 1944 target date, but on July 4, 1946, the Philippines formally received independence.

It is interesting to note that the Philippines chose to celebrate its official independence day, not on the anniversary of the day in 1946 when the U.S. fulfilled its promise to free the islands, but rather the date of June 12, when, in 1898, General Aguinaldo proclaimed the independence of the Philippines in the aftermath of the Spanish defeat by the combined U.S. and Philippine forces.10 Although a large portion of Filipinos held relations with the U.S. in high regard, especially following the extremely emotional liberation of the Filipines by the General MacArthur during WW II, and enthusiastically welcomed closer relations in the future, a small-
albeit vocal minority of Filipinos resented the remaining vestiges of the American presence. This sentiment was based on the claim that the previous U.S. colonial relationship, in which political parties had been outlawed, had discouraged and stunted the development of a healthy nationalism which would have been the appropriate foundation for future self-government. Future relations with the U.S., therefore, according to this view would only continue to suppress Filipino nationalism, and a sense of a Filipino community would always be tainted by the American presence.

Nevertheless, from 1901 when the resistance forces were finally subdued, the Philippines began a unique relationship with the U.S. which continued to grow closer in economic, political, and military terms even after formal independence was declared. After 1946 the Filipino people had, on paper, sovereign independence, but in reality were far from being able to form a self-sufficient state; they could not assure their national security nor establish a stable government or economy. The Philippines was forced, therefore, even with lingering animosity over its colonial history, to seek even closer relations with its previous master, the U.S. The U.S. policy of "benevolent assimilation" begun under President McKinley was to become the cornerstone for future U.S. relations with the Philippines; a policy of idealism intermixed with self-interests, with the self-interests taking precedence, as we shall see, over the idealism when the U.S. deemed it in its best interests to do so.

1.2 Economic Relations
In the wake of the destruction wrought by WW II, the U.S. knew that Philippine stability, with its faltering economy and communist-inspired insurgency, known as the Hukbalahaps, depended on huge influxes of economic and military aid. The "Tydings Rehabilitation Act" and the "Bell Trade Relations Act" (later revised as the "Laurel-Langley Agreement") were the first major economic steps towards reconstruction of the Philippines. Both measures together committed the U.S. to provide upwards of $620 million in rehabilitation aid and war compensation, in spite of the fact that Filipinos had estimated their needs at $1.1 billion.\textsuperscript{13} Specifically, the "Tydings Act" appropriated $400 million as compensation for war-damaged private property, $120 million for the restoration of damaged public property and facilities, and $100 million worth of U.S. surplus property for the use of the Philippine government in the task of rehabilitation.\textsuperscript{14}

In return for this aid package, however, the U.S. stipulated that certain conditions be accepted by the Philippine government. The first condition was a system of absolute, as well as duty-free, quotas for certain Philippine products entering the U.S.; the second, a system of preferential tariff reciprocity; a third, that the value of the Philippine peso be set at the ratio of 2:1 to the American dollar; and the fourth, "parity rights" for U.S. citizens- essentially the right to own and operate public utilities and to develop natural resources in the Republic of the Philippines on an equal footing with Filipino citizens.\textsuperscript{15} The Philippine government acquiesced to these conditions, which were intended to safeguard the privilege of American investment in the Philippines, since at the time it was considered the only way to ensure the continued influx of badly needed
American capital into the Philippine economy.

Ever since these first economic and rehabilitation agreements were signed in 1946, U.S. financial interests in the Philippines have steadily increased and have involved all aspects of trade and commerce. At the time when the Marcos regime came to an end in 1986, U.S. trade accounted for one-third of the Philippines' total imports; U.S. banks were owed roughly sixty percent of the Philippines commercial debt, and direct U.S. investment totalled $1.2 billion, approximately fifty percent of the total foreign investment. Protecting these huge interests has been of paramount importance to U.S. policy-makers throughout the history of U.S.-Philippine relations and, accordingly, has been a source of ill feeling towards U.S. policies intended to protect these interests.

Even though the aid promised by the original "Tydings and Bell Acts" was desperately needed to assist in the Philippines recovery, the conditions imposed by the U.S. contradicted the Filipino sense of justice and fair play. The parity rights, and, at least from the Filipino view, low level aid and war compensation were seen as an attempt by the U.S. to further its own economic interests under the guise of rehabilitation and philanthropic assistance. Moreover, the amount of U.S. investment and subsequent economic control in the Philippines and the protectionist policies enacted by the U.S. have become a major irritant in recent U.S.-Philippine relations. These ill feelings have been exacerbated in fact, given that the U.S. actually increased aid to the corrupt and despotic government of Ferdinand Marcos in order to assure that U.S. economic, and as we shall later see, important military interests were protected at what the Filipinos considered to be at their expense.
In the immediate post-war period, the security interests of the U.S. were primarily oriented toward meeting the perceived threat of communist hegemony, under the monolithic Moscow leadership, not only in Europe but also in Asia. In Asia itself, the immediate concern revolved around the occupation of Japan and the need to restore a sense of stability within the region especially in those countries that had endured Japanese occupation. The U.S. was aware that the overriding threat to its objectives was the infiltration of communists into these countries whose cities, economies, and food production capacities had been devastated by the war. The U.S. realized that to prevent the communist movement from gaining momentum in these countries it had to provide aid for their people and investment capital for their economies.

In the particular case of the Philippines, here was a country that was in desperate need of aid and military assistance. The Japanese occupation had left the country devastated, incapable of defending itself, and with its economy in shambles. The Philippines did have several advantages to offer, however, and the U.S. saw numerous benefits in forming an alliance with the Philippines in the post-war period.

The first benefit was the economic stimulus offered the U.S. economy because of the primary goods available in the Philippines. Thanks to the previous colonial policy of "mutual free trade", the Philippines had become highly specialized in primary production for export to the industrial market in the U.S. The U.S., therefore, saw a dual economic benefit from
closer ties in the post-war period: the U.S. economy would benefit from
the influx of primary goods, especially sugar, but more importantly, the
amount of actual post-war aid could be lessened if the Philippine economy
could be made to in effect "pull its own weight".

The second benefit was that, although the Philippines did not offer
much in the way of aggregation or addition of military power to the U.S.,
the Philippines did offer a strategic location for the exercise and
projection of naval and air force power which the U.S. had found useful in
the past. The U.S. had used the Philippine bases to some degree since
acquiring them in 1898, and more extensively during periods of the second
World War, and believed the Philippines bases were a vital part of U.S.
strategic defence doctrine in the post-war period. Hence the "Military
Base Agreement" of 1947.

The third benefit was that making an alliance with the Philippines
would assure that the U.S. had a large measure of control over the
direction the Philippines took in regard to its national defence, economy,
and in its relations with other countries. In this sense it was a preclusive
alliance; if the Philippines was aligned with the U.S., other powers,
especially the Soviet Union, would have less opportunity for influence
within the Philippines.

By the late 1940's, however, the threat of communist China, and not
simply communist insurgency and the occupation of Japan, had taken over
as the main policy concern for the U.S. A strong and friendly China had
been considered to be an important future ally in the western Pacific, but,
as the Kuomintang lost ground to the communists despite considerable U.S.
assistance, U.S. policy underwent a rapid shift in priority. Insurgency
had been seen as the real threat, especially to the war-torn countries such
as Japan, but now an entire country was on the verge of succumbing to communism. As the communists gained ground within China, and later won control in 1949, the focal point of U.S. policy shifted to the rising threat of Chinese communism. The U.S. came to believe that the security of U.S. interests now rested on the political and physical security of those states which bordered on Communist China, the Soviet Union, and their Asian satellites. This shift in perspective meant that the alliance with the Philippines took on an even greater importance.

Since 1945, the U.S. objective had been global opposition to communism; yet, despite its harsh anti-communist rhetoric, the U.S. was powerless to stop the communist takeover in China. But when the North Koreans attacked South Korea in June, 1950, the U.S. was presented with the opportunity to halt the advance of communism with force instead of mere words. The start of the Korean War shocked the non-communist world into believing the communist menace was very real indeed, and this view became a driving force behind the U.S. desire for the "Mutual Defence Treaty" between the U.S. and the Philippines signed in 1951. The anti-communist "containment policy" of Truman and, later, the "roll-back policy" of Eisenhower were both contingent and relied heavily upon a strong U.S. military presence in Asia. The "stability" of the Philippines and the strong American presence there were seen as essential in the fight to contain this communist aggression, and the Philippines figured heavily not only in U.S. force projection, but also as an example of democracy at work in the face of the communist threat. The important question of whether the main concern of the U.S. policy-makers was democratic stability, or simply the stability of the Philippines government regardless of adherence to democratic principles, will be addressed in the next
1.4 Defence Agreements

The actual mutual security relationship between the U.S. and the Philippines hinges on four separate agreements. The "Military Bases Agreement" (1947), the "Military Assistance Pact" (1947), and the "Mutual Defence Treaty" (1951) are bilateral agreements; the "Manila Pact" (1954), which created the security organ, the "Southeast Asia Treaty Organization" (SEATO, which was later disbanded), is multi-lateral.  


Roxas signed these treaties primarily as security against any future invasion and occupation such as his country had recently endured at the hands of the Japanese. The "Military Base Agreement" formalized the U.S. right to bases in the Philippines; when the U.S. relinquished sovereignty over the Philippines in 1946, military base areas had been excluded. The agreement stipulated that the U.S. had the right to continue to use, operate, control, and have access to twenty-three army, navy, and air force bases in the Philippines which it had operated sporadically throughout the course of the war.  

This base agreement was essential to both countries: for the U.S., the bases were vital for force projections of American military power and essential for the ordinary operations of its air force and the naval Seventh Fleet and for the conduct of hostilities.
from Korea to Indochina; for the Philippines, the bases represented the essential components in a joint system which enabled the U.S. to provide for the defence of the Philippines against external attacks and provide the Philippine government with the strength to put down the Huk communist insurgency in the 1950's.25 The bases were so extensive and covered so much territory that they were highly visible targets and thought to assure almost automatically the involvement of the U.S in any insurgency situation.26

The "Military Assistance Pact" "committed the U.S. during the period immediately following the independence of the Philippines to provide her armed forces assistance in training and development...[and]... to furnish the Philippine armed forces certain essential services, arms, ammunition, equipment, supplies, and certain naval vessels."27 The Pact meant, in practice, that the U.S. was to provide the basic needs of the Philippine national defence.

The "Mutual Defence Treaty" of 1951 was signed on the one hand because of the Philippine fear of a resurgent Japan, and on the other to provide a secure line of defence against what the U.S. believed to be a rising tide of communism. Beginning in 1951, therefore, the U.S. began to forge a system of political-military alliances in the Asian Pacific area to provide some security for the developing countries of the region, and, by linking them to the U.S., to ward off or counter the threat of Chinese communist aggression.28 The Philippines, also concerned with halting the spread of communist influence and still reeling from the Huk insurgency, needed little encouragement from the U.S. to sign the defence treaty.

In committing itself to a military alliance with the U.S., the Philippines essentially placed the responsibility for its national security
and the rehabilitation of its economy under the auspices of the U.S. The
signing of the first defence agreements in 1947, therefore, was a logical
step given the past U.S.-Philippine colonial relationship. Since 1898, the
Philippines had been under U.S. control and influence; their economy was to
a large extent dependent on the U.S. economy, especially in regard to
export income (sugar), and the U.S. had a firm control over the foreign
affairs of the Philippine government. The Philippines was integrated into
the society and economy of its great power ally long before the formation
of the defence alliance, and the previous colonial relationship actually
facilitated the economic and defence agreements.

1.5 U.S. Base Facilities

The U.S. currently maintains enormous security interests concerning
the Philippine Islands manifested by the presence of two primary military
facilities, Subic Naval Base and Clark Air Force Base. These bases, located
just north of Manila, are the largest U.S. military installations on foreign
soil and are the preeminent links in the U.S.-Philippine military
relationship.

Subic Bay was first developed as a major port and defence outpost by
the Spanish in 1868. Following the establishment of U.S. administration in
the Philippines in 1901, President Teddy Roosevelt designated Subic Bay,
along with 70,000 hectares of adjacent land, as a U.S. military
reservation, and in 1907 Subic Naval Station became operational. The
present U.S. facility at Subic covers some 15,000 hectares and consists of
port facilities, communication stations, dry docks, and its own airfield for use in conjunction with the U.S. naval air arm. The naval base itself provides a wide range of services for the U.S. Seventh Fleet, ranging from administrative to logistical support, and also provides training facilities in all phases of naval warfare for American and Philippine forces. Cubi Point Naval Air Station provides the primary land base for the Seventh Fleet's carrier strike force while the ship repair facilities can handle any repair job required of the Seventh Fleet with its three floating dry docks. The San Miguel Communications Station provides communication links for the U.S. Navy while the Naval Supply Depot, Public Works Center, Naval Magazine, hospital, and marine barracks provide the necessary support services for the operation of the Naval station.30

Clark Air Base was originally two separate military outposts catering to different military needs. Fort Stotsenburg was established by President Teddy Roosevelt in 1903 as an outpost for U.S. cavalry troops during the Spanish-American War. Clark Air Field became operational during the second World War, and, following the end of the war and the signing of the "Military Base Agreement" in 1947, Fort Stotsenburg and Clark Air Field were combined to form Clark Air Base.31

The current U.S. facilities at Clark Air Base cover some 53,000 hectares and are the headquarters of the U.S. Thirteenth Air Force. The base is the home base of numerous squadrons and fighter wings whose main area of responsibility is the Western Pacific Air Defence Region, which includes the Philippines, Taiwan, the rest of Southeast Asia, and a portion of the Indian Ocean. Clark also houses the Regional Medical Center, which comprises the principle health care and medical airlift support facility for U.S. forces in the Indian Ocean and the Western Pacific.
Clark base is also the staging point for strategic airlifts into the Indian Ocean and allows for constant surveillance of strategic "choke points" such as the Malacca, Sunda, and Lombok Straits.32

In addition to these main bases are several additional facilities: a joint air-defence radar complex at Wallace Air Station in La Union, Camp O'Donnell transmitter station with installations in Capas, Tarlac, two air communication stations, and an atomic test monitoring station on the southern island of Mindanao.33

Clark and Subic bases employ approximately 46,000 full-time Filipino employees and, consequently, play a very substantial role in the Philippine economy. Salaries for these workers make for the second-largest payroll in the Philippines after the Philippine government itself. Moreover, U.S. military expenditure exceeds $350 million per year and approximately 75% of the supplies needed for Clark and Subic are purchased from local Philippine contractors. According to a 1971 Rand Corporation study, U.S. base facilities for the year 1966 accounted for a net total of $556 million to the Philippine Gross National Product- nearly 3.52% of GNP- and created jobs for nearly 400,000 Filipinos. Using the same Rand formula for present-day spending, estimates are that the U.S. facilities account "for 3.5-4% of the Philippine gross national product, the annual infusion of over 1,000 million dollars into the Philippine economy and the direct or indirect employment of about 500,000 Filipinos.34

As in the case of aforementioned U.S. economic and political interests in the Philippines, the military installations just discussed have posed additional problems for U.S.-Philippine relations. The bases symbolize the vestiges of continuing U.S. influence within the Philippines and are the perfect rallying point for the fervent Filipino nationalism of recent years.
The bases represent the ever-present remnants of U.S. colonialism and self-interests which, in some Filipinos' view, have superseded the idealism of "good government and protection of personal and national rights" first espoused by McKinley in 1901. The following chapter will address security relations during the Marcos regime and how these relations were affected by the rising tide of Filipino nationalism.
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33 Kessler, Richard. op. cit., p. 5
34 Bosworth, Stephen W. op. cit., p. 7
One issue that arises concerning Marcos's tenure as president of the Philippines is to what extent domestic affairs and internal unrest dictated the course of Philippine relations with the U.S. Although Marcos and his followers controlled the military and most of the economy, was Marcos in firm control of domestic affairs, or were internal forces and domestic unrest actually influencing events to the extent that Marcos had to alter his foreign relations policies in order to maintain his hold on the government? And, in a related sense, was the breakdown of democracy during the Marcos tenure the primary concern of U.S. policy makers, or was the stability of the regime as a whole, regardless of a democratically based system of rule, the overriding priority of U.S. policy makers? The breakdown of democracy and subsequent domestic turmoil in the Philippines and the U.S. priority of order over democracy greatly affected relations between Manila and Washington while Marcos was in office. Consequently, examining these issues will help to answer the question of what upset the previously harmonious security relationship between the U.S. and the Philippines during the Marcos years.

2.1 The U.S.-Marcos Relationship

From independence until the late 1960's, the Philippines was the oldest continuously independent democracy in East Asia and was regarded
as one of the most stable of all the nations freed from colonial control after World War II.¹ During this time Filipino leaders embraced closer relations with the U.S. as economic and political ties with the U.S. increased the standard of living of individual Filipinos and protected the national security of the Philippines as a whole. But when Ferdinand Marcos was elected to a second term of office in 1969, the democratic processes of the Philippines can be seen to have begun an inexorable decline, which in turn, affected Philippine relations with the U.S.

In 1972, after having been elected President in 1965 and again in 1969, Marcos proclaimed martial law in response to what he deemed as government stagnation and the spread of lawlessness.² His "constitutional authoritarianism" was deemed the only way to restore law, order, and prosperity to the Filipino people. The end result of martial law was actually threefold: 1) while the short term saw some reforms and re-establishment of public order, the long term saw democratic institutions compromised and the resulting centralization of power and the further concentration of wealth gradually alienated elements of the rural population as well as the middle class³; 2) pressure for political liberalization increased—from both domestic opposition and abroad—especially in the wake of specific events such as the later Aquino murder and suspected election fraud; and 3) relations with the U.S. became strained and at times, uncertain, given that the U.S. had to capitulate on certain defence issues in order to appease Marcos and thus protect U.S. interests. By not distancing the U.S. from Marcos sooner, successive administrations arguably lost important leverage in influencing future Philippine events, especially in areas viewed as vital to U.S. interests.⁴

During Marcos's twenty-year reign, successive U.S. administrations
supported Marcos for differing, yet related, reasons. Each U.S. President from Johnson to Reagan viewed the Philippines as essential to some form of defence or security issue relating to U.S. global security interests. Johnson wanted Philippine participation in the Vietnam war, which resulted in Marcos sending two engineering battalions to assist the U.S. effort. Nixon, by enunciating the Guam Doctrine, wanted America's "Asian friends" to take responsibility for their problems of internal security and to assume a larger defence role. Ford's policy was to enhance the Guam Doctrine by increasing security assistance for U.S. Pacific allies. Carter wanted to retain the Philipine bases at all costs since his "Carter Doctrine" of keeping the Persian Gulf open, and thus the West's supply of oil from the Middle East secure, as well as the protection of Israel depended upon the ability to project U.S. military power from near the Indian Ocean. And "Reagan's fear of Soviet regional expansionism made support of Marcos, a friendly authoritarian leader, seem imperative."\(^5\)

Continued access to the U.S. military bases, therefore, from the 1960's onward, was the pre-eminent interest upon which U.S. policy in the region rested, and U.S. policy was formulated with this clearly in mind. Secretary of State Henry Kissinger stated the importance of the bases when, in July, 1976, he said unequivocally, "....[T]he linchpin of our Asian security effort must be a strong and balanced U.S. military posture in the Pacific."\(^6\) This sentiment could very well have been applied to U.S. policy since the beginning of the Vietnam War.

Access to the Philippine bases, therefore, has assured the global U.S. military posture, but Filipinos have not always been happy with the U.S. military presence in their country. Several divisive issues concerning the bases came to a head during Marcos's reign, which prompted changes
within the military and security relationship with the U.S. The root causes of these changes will be discussed in a later section; but first, here is a brief explanation of the various changes made to the military and security agreements between the two countries during the Marcos presidency.

2.2 Amendments to the Military Base Agreement

Tension over the bases first surfaced soon after the "Military Base Agreement" (MBA) was signed in 1946. The first issue was the length (99 years) of the lease agreement. To many Filipinos this was tantamount to permanent rights to the bases, with no chance for renegotiation this century. Although the MBA had been amended many times prior to 1965, in 1966 the "Rusk-Ramos Agreement" shortened the fixed term of the original agreement from 99 years to 25 years, after which the agreement was to have an indefinite term, subject to one year's notice of termination by either party.7

The most controversial issues, however, concerned the sovereignty and jurisdiction over the U.S. military installations and their personnel. Upon signing the MBA in 1947, U.S. officials had declared that the land occupied by the bases was in fact U.S. soil and, therefore, subject to U.S. jurisdiction. To many Filipinos, this was what the late Philippine Senator Claro M. Recto referred to as the "humiliating extraterritorial rights enjoyed by Americans in the bases." Sacrificing Philippine sovereignty over military bases within Philippine territory, Recto declared, and
allowing U.S. ownership of the base lands, made a sham of Philippine
independence.\textsuperscript{8} Recto argued that the land was merely on lease regardless
of the length of the lease. Ultimately, Recto and his followers prevailed,
and in 1956, the U.S. conceded that actual sovereignty over the bases
belonged to the Philippines; although, no official action was taken to
change the MBA.\textsuperscript{9} It was not until 1979 that the U.S. acquiesced to
restructuring the wording of the MBA, and, only then, did all the bases
revert to Philippine control; Philippine commanders were put ostensibly in
control of the base lands on which the U.S. facilities were located.\textsuperscript{10}

Restructuring of the MBA also lessened tensions over other
base-related issues. Under the revised agreement, U.S. facilities were
re-created within Philippine base lands, and this greatly reduced the area
designated for use by U.S. forces: at Clark from 53,036 to 4,517 hectares
and at Subic from 14,800 to 6,303 hectares.\textsuperscript{11} Filipinos had long thought
the amount of land the bases covered took valuable rice-growing area
away from the local farmers. Reducing the actual land areas of the bases,
therefore, minimized the tension over the amount of land the bases
encompassed.

Having Filipino commanders ostensibly in control of the base lands
also helped to placate the discontent over the issue of criminal
jurisdiction involving U.S. military personnel outside of the base areas.
According to many Filipino leaders, U.S. servicemen committing crimes
outside the base areas should have come under Filipino jurisdiction and
should not have been taken back to the bases where U.S. military courts
had jurisdiction. Filipino participation in base administration, however,
made the U.S. policy of bringing servicemen back to the bases for trial
and/or incarceration by U.S. military courts somewhat easier for Filipino
leaders to accept.

The shortening of the lease on the bases was the first major revision of the MBA, and it was done to placate the calls for a complete renegotiation, or even outright termination, of the MBA by opponents of the U.S. presence. Marcos had come under increasing pressure in the early years of this administration to readdress the U.S. presence in the Philippines, and reducing the length of the lease mollified, if only in the short term, the anti-base Filipino sentiment. Although changes in the MBA were made to ease "tensions" over the bases, the underlying problems concerning the bases actually concerned more deep-seated issues such as domestic unrest and political opposition to Marcos. Since Marcos had, for the most part, close relations with the U.S., opposition to Marcos tended to foster opposition to the U.S. Opposition to the U.S. presence, however, did not result entirely from opposition to Marcos; the economic and military policies of the U.S. obviously played a large part as well. The following sections will address the roots of Philippine domestic unrest, which precipitated a good deal of the anti-U.S. sentiment, and how those domestic factors influenced Philippine foreign affairs, especially in regard to the U.S.

2.3 Domestic Unrest in the Philippines

Domestic unrest in the Philippines has long affected how the Filipino government attends to its foreign relations, especially with regard to its relations with the U.S. One of the most divisive issues in Philippine
domestic politics has been the long-standing struggle between Moslem and Christian Filipinos. Although Spain managed to contain Islam during its colonial rule, it could never convert the entirety of the Philippines to Christianity. American colonial administrators initiated a homesteading and land policy which was designed to encourage the landless peasants of the Christian north to migrate southward to arable land on the Moslem dominated island of Mindanao. As a result of this policy, Christians now outnumber Moslems on the island, and it is the Christian faction that wields economic and social control of the island and its people.

The global Moslem revival has fueled the nationalistic fervor of the now minority Filipino Moslems, and with the help of other Moslem countries such as Libya and Saudi Arabia, the Moro National Liberation Front (MNLF) was founded in 1968 with the long term objective of full independence but with the immediate objective of increased autonomy for their homeland. As a consequence, the Moslem minority rose up in defiance to the Christian "takeover", and began a guerrilla war based partially on Vietnamese models and partially on the ancient "Jihad" or holy war. As a result, the Marcos government (and the Aquino government as well) had to place approximately one-third of its national army in the Mindanao area in order to keep the insurrection from becoming an open war.

The communist insurrection has been by far the most difficult unrest to contain because the roots of agrarian discontent have such a long history within the Philippines. Beginning with the Spanish rule, most of the land was acquired by oligarchs; control of these lands passed into the hands of a few wealthy families, and that is where ownership remained. Peasant unrest, therefore, has been greatest in the rich, rice-producing provinces of central Luzon where the arable man-land ratio reached less
than a hectare per farmer.\textsuperscript{14} Since independence, agrarian dissent has centered around the communist-led forces; first it was the Hukbalahap rebellion in the 1950's, and then it was the New People's Army (NPA), the current champion of the people's resistance. The NPA was established on March 29, 1969, and has grown from less than one hundred guerillas operating in only selected provinces, to its current strength of a people's militia of about 15,000 strong operating in nearly all provinces.\textsuperscript{15}

In both the Huk rebellion and current NPA activity, the anti-government resistance has been, for the most part, opposition to what is thought to be the subservience of Filipino "bourgeois" governments to the U.S. The NPA draws a large portion of its following from a pool of young idealistic Filipinos known as the "technocrats". The technocrats are mostly the young educated elite, whose goal is to launch a reform movement and restore integrity to Philippine national life. The technocrats are also nationalistic and highly anti-American, which has been damaging to U.S. policies and business interests since the NPA began flexing its not inconsiderable influence in Philippine affairs.\textsuperscript{16}

The resources drained by the Moros and the Moslem uprising in the south have kept the government from being able to squash the communist uprisings due to the basic shortage of available manpower. The resources needed to keep the communists from running rampant have drained the Philippine military even further. The end result is that the domestic unrest has effectively divided the country politically, and small but vocal factions tend to wield considerable influence; even small uprisings threaten the overall political stability. The next section will discuss how domestic unrest, primarily concerning the NPA, influenced Marcos's foreign policy, and it will also address the U.S. reaction to those policies.
2.4 Philippine Foreign Policy under Marcos

Philippine foreign policy underwent a marked change in the early half of the 1970's, due in part to the Nixon doctrine of self-reliance and a lower U.S. profile in Asia and also due in part to mounting nationalism in the Philippines. The U.S. desire for a lessened military role in East Asia, which was so clearly enunciated by the Nixon Doctrine, coincided with an increasing Filipino desire for greater military independence from the U.S. With the Nixon Doctrine and the eventual U.S. failure in Vietnam, the perceived ability of the U.S. to fulfill its economic and security agreements with the Philippines, at least from the Filipino viewpoint, was certainly put in doubt and Filipino nationalism, never dormant, seemed to strengthen as U.S. influence weakened.

In response to the decline of U.S. influence within Southeast Asia, and, within the Philippines as well, Filipinos as a whole began edging away from an automatic pro-American attitude toward a more neutral foreign policy. Marcos himself began to espouse the idea that there was no reason why the once anti-communist Filipinos should not trade, or otherwise deal, with Communist countries if it was to their advantage to do so. Foreign Secretary Romulo even stated publicly that "for twenty-two years we have followed a lopsided policy, hanging on the coattails of Uncle Sam, and it is time we changed our mentality and became more self-reliant." As a result, after declaring martial law in 1972, Marcos revised defence and economic relations with the U.S. and even agreed in principle to closer
ties with the other nations of the Western Pacific and Southeast Asia in political, military, and economic terms. Most importantly, Marcos established diplomatic ties with several Communist countries, including Russia, China, and Vietnam. The Marcos regime also began promoting active trade and cultural exchanges with other eastern bloc nations in direct confrontation to the expressed desire of Washington.

But was this attitude of the Marcos administration a truthful depiction of the policy the majority of Filipinos wanted to pursue? The answer after close inspection is no. Filipinos as a whole did not want to sever or even diminish relations with the U.S.; on the contrary, many espoused the idea of becoming the fifty-first state. Moreover, in July, 1969, a nation-wide poll found that 79% of Filipinos said that they actually liked Americans and the economic and military benefits resulting from the U.S. presence in their country. Marcos took cognizance of these feelings and also of the inevitable economic destruction resulting from a complete U.S. pullout. But Marcos was facing opposition from the left which threatened his government, and appearing to distance the Philippines from the U.S. served a dual political purpose.

Marcos had two primary reasons for openly espousing closer relations with the Communist countries and with even those countries with which previous Philippine relations had been minimal. The first was that as a result of Marcos's own strong-arm policies and the ultimate failure of martial law to restore long term prosperity to the Filipino people, the "technocrats" and the NPA, coupled with the far left, were gaining strength and their popular nationalist views made distance from the U.S. administration a smart political move for Marcos. Filipinos then, as now, were not tolerant of communism, or even extreme "leftist" views, but
leftist demands that "imperialist America" be stripped of its special advantages and privileges did strike a chord in the growing nationalist sentiment. Consequently, political distance from the U.S. made Marcos appear to be sympathetic to nationalist feelings and, by taking a more active role in foreign relations (such as in ASEAN and Southeast Asia), he appeared to be firmly in control of a new and invigorated Philippine foreign policy free of U.S. domination.

The second reason was that even though U.S. policy under Nixon was directed towards extricating the U.S. from the Vietnam war and reducing the dependency of the developing nations on the U.S., Marcos knew the importance to the U.S. of maintaining good relations with the Philippines, thus preserving the Philippines as a U.S. outpost in Southeast Asia. Marcos perhaps better than anyone played upon this very fact. Making overtures toward the communist countries (in one instance even sending his wife Imelda to Moscow) assured that the U.S. could not simply abandon economic or military aid to Marcos for fear that the communists would step in to fill the void, and such overtures actually increased aid. In this way Marcos was able to have the best of both worlds; appearing to reduce the self-reliance on the U.S. appeased part of the leftist opposition, while the overtures to the communist states assured continued U.S. involvement and aid.

The actual effect of Marcos distancing the Philippines, or at least appearing to distance the Philippines, from the U.S. had several consequences. The first was that after becoming a founding member of the Association of Southeast Asian Nations (ASEAN) in 1967, the Philippines became an even more active participant in ASEAN and Southeast Asian-related affairs. Although ASEAN was founded for avowedly
economic and cultural purposes, the U.S. pullout in Southeast Asia made a regional coalition such as ASEAN—-with a strong Philippine involvement-—a good political and military move for Marcos; first, as an alternative to the dependency on the U.S. and secondly, as a possible successor to the disbanded SEATO as a regional stabilizer and peace keeping instrument.

Marcos, appearing to create more independence for the Philippines also had positive repercussions concerning trade and economic issues. Parity for U.S. businessmen, once assured by the "Laurel-Langley Agreement," which ran out in 1974, was not pursued by the U.S. after the agreement expired, even though Filipinos demanded and received, continued preferential access to certain areas of the U.S. market, as well as maintenance of their share of the lucrative U.S. sugar quota with higher-than-international prices. Even though, the U.S. did not want to continue the preferential tariff access of Philippine products to its domestic market, to cut off aid or demand continued parity rights might have pushed Manila to seek communist assistance. Distance from the U.S., therefore, brought a twofold benefit to the Marcos government: leftist demands were somewhat silenced while economic advantages were still reaped from the U.S. relationship.

Despite Philippine foreign policy in the late 1960's being redirected towards relations with the communist bloc, partly to appease leftist demands and partly to squeeze more aid from the U.S., Marcos himself, while emphasizing his own nationalist feelings, gave no indication that he desired the complete pullout of the U.S. bases. And, even though Foreign Secretary Romulo had hinted publicly that perhaps the U.S. should evacuate all the bases and that the bases were a dangerous "magnet" that might attract Chinese Comunist attack, Marcos himself said in a press
conference in 1972, "In the event of nuclear war or invasion by external forces, the Philippines would need the U.S. protective umbrella... [we] will need it for some time to come." The importance of this apparent contradiction in policy lies in the fact that throughout U.S.-Philippine relations during this period, the pre-eminent concern for U.S. policy makers was the fate of the military bases, and Marcos knew it. The economic advantages of the U.S. presence, Marcos realized, greatly outweighed the political difficulties the bases caused, and he played the U.S. aid against the possibility of communist involvement, manipulating the situation to the benefit of his government. Opening relations with communist countries was one thing, but forcing the U.S. to remove its bases or tempting the pullout of economic support with drastic measures was quite another. The U.S. was quite powerless to stop Marcos; even though, his intentions were somewhat transparent. After the declaration of martial law in 1972, successive U.S. administrations, even with numerous reports of excessive government corruption, civil rights abuses, and restrictions on democratic institutions, maintained close relations with the Marcos regime and even increased overall aid levels.

2.5 The End of Marcos and the Aquino Government

The Reagan administration lightened what little pressure was being put on Marcos by the Carter administration on the basis of civil rights abuses, since Reagan's vision of a "stronger America" depended upon the projection of military power through the world and a friendly, yet stable,
Philippine government was essential to this policy. Turning a blind eye to the dealings of the Marcos regime by Reagan officials led to the often quoted 1981 statement by Vice-President Bush, which in reference to Marcos he said, "...[W]e love your adherence to democratic principle and to the democratic processes... and we will not leave you in isolation..." Bush was not necessarily praising the democratic processes Marcos adhered to, since in retrospect these were very few; more correctly, he was praising the overall stability and protection of U.S. interests Marcos provided at the time. Although this statement was later regretted by the Administration, it aptly shows how the bases and government stability took precedence over the democratic deterioration and democratic instability the Marcos regime precipitated.

What prompted the Reagan administration into an ultimate showdown with the Marcos regime was not the threat of an immediate victory by the NPA, although the insurgents did gain considerable strength in the rural areas just prior to the Marcos overthrow, or that the Marcos regime was destroying the democratic process. What the U.S. feared most was not democratic instability but political instability which would ultimately threaten the military bases. Political instability was feared on two counts: first, Marcos's health seemed to be failing and his death could have brought political confusion since he had appointed his wife, Imelda, to the Executive Committee, which supposedly would rule the Philippines in the event of his death. Confusion over the legitimate political successor could have thrown the entire domestic scene into turmoil.

Second, and more importantly, officials feared that the NPA would have been too strong to uproot in three to five years if had been allowed to continue unimpaired. And a NPA takeover or even increased influence...
could have very well put the future of the bases in jeopardy. Marcos's strong-arm rule had worked to polarize the Philippines, and either his untimely death or another five years of his tyrannical rule would have been beneficial to the far left, since the anti-Marcos sentiment and bitterness caused by the military abuses and government corruption would have been at its peak in either case.28

The political opposition to Marcos was divided into two separate camps following the 1983 assassination of Aquino: the traditional and the "new" opposition. The traditional followers rallied around the Unido party (United Democratic Opposition), which formed from the remnants of the old Liberal and Nationalista parties. These factions were essentially pro-U.S. and wanted the Philippines to retain close ties to the U.S. but under different leadership. Government corruption and military abuses were the primary concerns of the "traditional" opposition. The "new" opposition, however, emerged from various cause-oriented groups that tended to be populist in nature. Extreme leftist factions, and the NPA in particular, most suited the "new" opposition ideology, and it was this "new opposition" which the Reagan Administration feared could destabilize the Philippines.29 By extrapolation, Reagan officials believed that the spreading rebellion by the NPA, if it were allowed to solidify its already growing power and fan the growing nationalist fervor, would bring political instability and then, as a logical progression, force the U.S. to abandon its military bases.

In an attempt to stabilize the situation, Reagan sent his emissary, Sen. Paul Laxalt (R.Nev), to Manila in October, 1985, to discuss with Marcos reforms necessary to quell the rising Filipino discontent. One was the economic downturn and demoralization caused by excessive cronyism; it
was estimated that as few as forty families controlled the entire economy of the Philippines, and in effect ran the country. There was also the need to overhaul the military leadership and end corruption and abuses of civilians as well as the need to give more scope to democratic opposition parties in order to regain the political initiative from the NPA and its allied left movement. The reform measures suggested by Laxalt—eliminating excessive cronyism, military abuses, and repression of democratic parties—were not suggested as reforms intended to return Philippine democratic processes; on the contrary, the reforms were meant to stabilize Marcos's hold on the Philippines, and the return of the democratic processes would simply be an added bonus. Removing the major complaints from the left and the NPA would thereby eliminate the impetus from the far left and bring stability to the Marcos government. For the Reagan Administration, order was more vital than democracy. More specifically, democratic stability was a secondary concern to mere stability of the Marcos government.

Even though, the Reagan administration's overriding priority was stability in the Philippine government, the relatively smooth transition from Marcos to Aquino is generally considered to be one of the Reagan Administration's foreign policy successes. The key to the success lay in the acknowledgement that while President Marcos was part of the problem facing the Philippines, he was also part of the solution. Marcos controlled the levers of power and Washington knew he would use all of his political skills and muscle to retain them. And in doing so, Marcos would ultimately cause the complete destabilization of the Philippines.

Therefore, while it was apparent that Marcos had made some concessions as a result of U.S. and domestic pressure, there was every
possibility that Marcos would not give in to either Filipino or Reagan administration pressure and would refuse to abdicate his power. His continued tenuous hold on the Philippines was merely prolonging the inevitable and allowing anti-Marcos forces such as the NPA forces time to gain valuable momentum. Reagan officials finally realized after several specific events transpired that sooner or later Marcos would go, and, for all concerned, the-sooner-the-better.

Three major events tipped the scales against Marcos and led directly to his ultimate ousting from power in 1986: the Marcos-appointed court acquitted General Ver, the prime suspect in the assassination of Benito Aquino in 1983, and he was immediately reinstated as head of the Philippine armed forces; secondly, the massive corruption of the 1985 Marcos election campaign became increasingly known; and thirdly, Marcos's own Defence Minister, Juan Ponce Enrile, and also his Deputy Chief of Staff, Fidel Ramos, transferred their support to Aquino. Once these events became known and Marcos started to lose his popular support, the White House signaled Marcos that the time for his departure had come. Support that Washington had been giving Marcos would now be directed towards Aquino, and the new government would be recognized as the legitimate ruling organ of the Philippines.

In February, 1986, the crucial moment came after the election when Aquino declared her government to be in power, and Marcos had obviously lost his political base and support. U.S. officials then quickly facilitated Marcos's departure and immediately recognized the new Aquino regime. Secretary of State George Shultz set the tone of U.S. feeling towards the new Philippine regime when he said the newly sworn in Aquino government had been produced "by one of the most stirring and courageous examples of
the democratic process in modern history." Moreover, the U.S. was quick to reassure Aquino of U.S. support and continuing assistance with the insurgency problem and domestic unrest. With Reagan's urging, Congress immediately approved $150 million in new aid, and also with U.S. approval, the International Monetary Fund considered a new line of credit of more than $500 million to help finance the Philippines debt problem.

Reagan made every effort to assure Aquino that the U.S. would support her new government in every way possible, while at the same time, try not to appear to be interfering in the domestic politics of a sovereign ally. The more the abuses of the Marcos regime became known, however, the more the U.S. was seen as having done exactly that, meddled in the domestic affairs of the Philippines in order to preserve its strategic interests.

Consequently, past relations with Marcos have bred a sense of distrust in U.S. policies. With this in mind, the real importance of the U.S.-Marcos relationship, therefore, is the effect on future U.S.-Philippine relations under the new Aquino government. With the change in government, the U.S. has had to readdress its policies to take into account several fluctuating factors: acute Filipino nationalism, continued domestic unrest, and a growing communist movement. This chapter discussed these internal forces shaping Philippine relations with the U.S.; the following chapter will address those external factors and regional concerns, such as the other ASEAN countries and the increasing Soviet presence in Southeast Asia, which also affects Philippine foreign policy and U.S. security interests.
Endnotes

2. U.S. Department of State Bulletin. (Vol. 86, No. 2107)
3. Ibid.
5. Ibid. p. 44
6. Ibid.
12. Fernandez, Alejandro M. op. cit., p. 151 (For a comprehensive history of the American colonial rule in the Philippines, see Chapter III entitled "The American Colonial Record.")
14. Ibid., p. 21
15. Makibakal Join Us in Struggle. (The Philippines Research Center, Manfield Depot, CT 1980) p. 183
17. Butwell, Richard. op. cit., p. 200
18. Ibid. p. 201
21. Mecklin, John M. oc. cit., p. 120
23 Butwell, Richard. op. cit., p. 200
24 Mecklin, John M. op. cit., p. 123
25 *U.S. News and World Report*, (June 5, 1972) p.74
27 Munro, Ross H. "Dateline Manila: Moscow's Next Win?" in *Foreign Policy*, (No. 56, Fall 1984) p. 174
28 *Business Week*, (November 18, 1985) p. 37
30 *U.S. News and World Report*, (June 5, 1972) p. 73
31 *Business Week*, (November 18, 1985) p. 37
33 Ibid.
34 *Business Week*, (September 15, 1986) p. 33
Future Philippine relations with the U.S. are dependent on how the Aquino government deals with the various problems associated with the past Marcos regime, as well as those problems associated with the ongoing U.S. relationship. The particular security concerns of the ASEAN states will contribute to the future course of Philippine foreign policy in Southeast Asia. The Soviet Union has strategic interests in the region and, consequently, will continue to play a substantial role in regional affairs as well. All of these factors will influence the fate of the U.S. bases in the Philippines under the Aquino government; it is the U.S. bases which will ultimately determine the future of the U.S.-Philippine security relationship. This U.S.-Philippine security relationship will, in turn, affect the future stability and course of security affairs in Southeast Asia. This chapter, therefore, will address the various aforementioned state security interests in relation to the future of the U.S. military bases in the Philippines.

3.1 Aquino and the U.S. Military Installations

Under the presently amended U.S.-Philippine Bases Agreement (most recently amended in 1979), the U.S. has "exclusive access" to the Clark and Subic facilities at least through 1991. The Philippines has received $US180 million a year since 1979 under the present compensation
agreement which expires in 1989. Negotiations have already begun (in April, 1988,) over the amount of compensation to the Philippine government for 1990-91.\(^2\) The bases' future after 1991 will be discussed in a series of separate negotiations on a new treaty.

President Aquino has been under pressure locally either to end the "Military Base Agreement" (MBA), which expires in 1991, or demand huge increases in the U.S. compensation.\(^3\) Aquino has been forced to keep her options open for two reasons: first, as the principal opposition candidate in the 1985 presidential election, Aquino campaigned favouring a popular referendum on the future of Clark and Subic bases.\(^4\) Marcos, who at times had threatened to terminate the base leases in order to further his own ends (as was discussed earlier), favoured their continued existence during the 1985 election campaign since he desperately needed U.S. support to prop up his tenuous hold on power. Consequently, Aquino cannot back down from her campaign pledges and simply renew the lease since that would further inflame the leftist factions who are adamant about removing the bases. Secondly, she cannot call for the immediate removal of the bases or demand exorbitant compensation, which could conceivably precipitate a U.S. withdrawal; she is now arguably more dependent on the same U.S. support than her predecessor to maintain her hold on the presidency.

The importance of the Subic and Clark bases to both the Philippines and the U.S. is obvious. The two bases inject a combined total of nearly $US285 million into the Philippine economy while serving as the home base for the U.S. Seventh Fleet and 13th Air Force. The importance from a strategic viewpoint has already been discussed. The replacement costs for the U.S. facilities have been estimated at $8-10 billion, and most analysts believe that to be a conservative figure.\(^5\) Guam, Micronesia, and
Palau have been considered as alternative sites, but none are as strategically situated as the Philippines and each offers its own set of problems in hosting U.S. military activities. (Guam, at 2400km south-west of the Philippines is considered too remote to be of any real advantage; Micronesia is considered too small and lacks the cheap labor force available in the Philippines; and Palau, while allowing U.S. forces access to a large harbor and airfield under the "Free Association Pact" signed with the U.S., does not allow the option to bring in nuclear weapons. The strong local opposition to a nuclear U.S. military presence has prevented the Paluan constitution from being amended to permit the nuclear option.)

In January, 1986, Adm. James A. Lyons, Jr., then commander of the U.S. Pacific Fleet, said the U.S. had "no intention" of leaving the Philippines because it had poor alternatives. This statement was issued while Marcos was still in control. On April 4, 1988, Adm. David Jeremiah, who assumed control of the U.S. Pacific Fleet in September, 1987, said the U.S. military was ready to move its bases out of the Philippines if the new Aquino government demanded too high a price. This statement came, of course, following heated opposition to the bases and calls for large increases in base "rent." "Everything has its price," said Jeremiah, and he questioned the likelihood that the U.S. would pay huge amounts of money to support a base that is basically supporting several U.S. allies in the region. Admiral Jeremiah went on to say that the U.S. was welcome in a variety of areas if the U.S. bases are shut down. It is obvious, though, that no such facilities offer an equally convenient alternative to the Philippines.

The U.S. is facing a tenuous position regarding the bases. To appear too
dependent on the bases could give the leftist and NPA forces within the Philippines incentive to demand that the government extort a huge compensation package for hosting the bases past 1991. Conversely, appearing too complacent on the importance of the bases might bring a call from the same factions for the complete removal of the bases to eliminate the last vestiges of U.S. domination and imperialism.

It is not only the U.S. which has a vested interests in the military bases, but also the ASEAN countries want to see the continuation of a strong U.S. presence in Southeast Asia, and within the Philippines in particular, for the U.S. presence guarantees a certain amount of stability for the entire region.

3.2 ASEAN Security Concerns

At the third Association of South-East Asian Nations (ASEAN) Summit, which was held in December, 1987, the Philippines's insurgency problem highlighted the agenda. The Prime Minister for Singapore openly acknowledged that the main reason for the presence of the ASEAN leaders in Manila was the fear that the country was under threat from communism, and the conference was intended to show "a united ASEAN support" for the Philippine government when there were attempts to destabilize it. The underlying concern for the ASEAN states was the possibility of the Philippines drifting towards a communist takeover.11

On an intra-state level, the Philippines is viewed by the other ASEAN states as a vulnerable link in the regional shield against communism. They fear a communist takeover in Manila could provide a staging ground for
further communist backed insurgency into neighboring ASEAN states. Therefore, stability in the new Aquino government is very much desired by the ASEAN countries. In this regard, a continued strong presence by the U.S. is favored by ASEAN since without U.S. aid and assistance, the Moslem insurrection in the south, as well as the NPA uprising, could completely destabilize the Philippines politically.

On a more regional level, the Vietnamese occupation of Kampuchea has created the major security concern for the ASEAN states. The immediate concern is that the Thai-Vietnamese conflict could engulf the other ASEAN states in a conflict along the Thai-Kampuchea border. Behind that concern is the anxiety over the increasing Soviet presence in the area. ASEAN members are most disturbed by the Soviet presence both for the reassurance it offers Vietnam and as a manifestation of Moscow's expanding capability to project force into the region.

China's militant reaction to Vietnam's aggression into Kampuchea has caused an additional division within the ASEAN countries over which country poses the greatest threat to the collective ASEAN security. Singapore and Thailand view the Soviet Union and its surrogate, Vietnam, as the principal threats to the region and thus advocate closer relations with China, while Malaysia and Indonesia, the most militantly anti-Chinese of the five ASEAN countries, continue to perceive the PRC as the foremost security threat.

As a response, the ASEAN states have looked, with differing degrees of enthusiasm, to the U.S. as the one country that could stabilize both the domestic situation within the Philippines as well as the Asian region should the Sino-Soviet split heat up over the Vietnam/Kampuchea issue. Even though ASEAN adapted in 1971 a long term goal of establishing a Zone
of Peace, Freedom, and Neutrality (ZOPFAN), no ASEAN country, as yet, has called for the pullout of the U.S. military presence or the dismantling of U.S. bases in the Philippines. Given the circumstances, the U.S. is certainly the key to providing the stability which helps assure their collective security. Although many of the ASEAN states will not openly endorse the retention of the military bases and the U.S. presence in the Philippines, it is clear that that is exactly what they want, especially in light of the Soviet buildup in Vietnam and the Vietnamese occupation of Kampuchea. While the U.S. has shown some willingness to play the role ASEAN has asked of it, this has largely been a function of protecting its own interests, and it is that issue I will now address.

3.3 U.S. Interests in ASEAN

The January, 1973, Vietnam Accords, effectively ending the Vietnam War, signaled the end of the era in Southeast Asia when U.S. military forces could provide a shield behind which the anti-Communist states of the region might develop. These events, coupled with the later collapse of the South Vietnamese government, signaled the end of SEATO, in both theory and fact, and along with its end, the actual demise of the credibility of the U.S. as the principal guarantor of regional military security of the regional non-Communist and anti-Communist states. While the pullout from Southeast Asia, following its defeat in the second Indo-China war, diminished the effectiveness of U.S. policy to influence events in the region, it did not diminish the importance of Southeast Asia to U.S. policy makers. The waterways surrounding the
ASEAN countries have long been considered by U.S. officials as the only routes for sustaining international commerce for U.S. allies such as Japan and South Korea. A continued strong U.S. presence, therefore, is seen as an essential condition to ensure the transit of trade goods through the region amidst the growing Soviet capability to disrupt international commerce. Regional stability would thus preserve a market for approximately 300 million people for the U.S. and its trading partners.

The Carter doctrine of force deployment in the Indian Ocean, which helped preserve the free transit of the world's oil supply through the Persian Gulf area, further highlights the importance of the ASEAN countries and the Philippines in particular. The Philippines is seen as vital in providing access for U.S. military might in the volatile Indian Ocean and Persian Gulf area, especially given the present Reagan doctrine of projecting U.S. military might world-wide. Good relations with the ASEAN countries, therefore, are crucial in maintaining the maritime balance in the region by offsetting the Soviet advances into Vietnam at Cam Ranh Bay.

Given the continued importance of Southeast Asia to U.S. security interests, the Vietnam debacle has caused somewhat of a problem for U.S.-Asian policy. Since U.S. policy in Asia has traditionally been directed at state-to-state relations and operational decisions have been made on a case-by-case basis, the loss in Vietnam and subsequent withdrawal has diminished the effectiveness of U.S. policy to influence events in the region; many nations see the U.S. as a spent force, at least concerning the regional hegemony the U.S. once tried to maintain. With the diminished ability of U.S. policy to affect state-to-state relations in Southeast Asia, regional organizations such as ASEAN, consequently, assume a much
greater importance in furthering U.S. policy. As was discussed above, for example, ASEAN support for the U.S. military bases in the Philippines provides U.S. officials with identifiable reasons other than self-interest for keeping the bases on Philippine soil.

Therefore, from the U.S. perspective, good relations with the ASEAN states would be extremely helpful in persuading the Philippines that keeping the U.S. bases is in their best interests. Retention of the bases in turn would help facilitate a stable Philippine government. A stable Philippine government would then ease ASEAN fears of a communist uprising that could destabilize the entire region. Finally, stability of the region and a strong U.S. presence as evidence of that stability, would offset the Soviet advances and military buildup in Southeast Asia and would thwart possible Soviet attempts to disrupt the region to further its own goals.

This relationship resembles a vicious circle; on the one hand, as long as the U.S. can be seen to be a stabilizing force in the Philippines and Southeast Asia, ASEAN is a proponent of a continued U.S. presence. On the other, the very presence of the U.S. in the Philippines is partially responsible for the instability it is supposed to quell. Consequently, other factors, most notably an ever increasing Soviet presence in the region, will give added incentive to the U.S., the ASEAN states, and perhaps even the Philippines to keep the bases intact.

3.4 Soviet Advances into Southeast Asia

As stated above, the Soviet Union has established a military and
political foothold in Southeast Asia which has worked to upset even
further the delicate power balance of the region. The Soviet Union signed
a "Treaty of Friendship and Cooperation"\textsuperscript{17} with Vietnam in 1978 (just
prior to Vietnam's invasion of Kampuchea), and had four main reasons for
doing so. First, Vietnam presented Moscow's only real potential channel of
influence in Southeast Asia (although other channels of potential influence
existed with other Southeast Asian states, Vietnam presented the only
real proxy or surrogate opportunity. Evidence suggests, however, that it is
very questionable whether Vietnam has indeed become a Soviet proxy since
the signing of the agreement.) Second, Moscow could use a Vietnamese
alignment with the Soviet Union to drive a wedge between China and other
Communist states who supported Vietnam. Third, Vietnam was a major
obstacle to China's anti-Soviet moves in the region as well as to the
expansion of China's influence in Laos, Kampuchea, and in Vietnam itself.
And last, Moscow hoped to acquire some military concessions from
Vietnam and establish a military presence in the area for the first time.\textsuperscript{18}

Since the signing of the treaty, Moscow has been giving large amounts
of aid to Vietnam, which western analysts believe has steadily risen to a
current level equivalent to roughly $US3 million dollars a day.\textsuperscript{19} In return
for the financial aid, Moscow has acquired the use of the naval and air
facilities at Cam Ranh Bay, and, to a lesser extent, Da Nang in Vietnam.\textsuperscript{23}
The increased Soviet military presence has spurred fears in the U.S. as
well as other states in the region, most notably China, that the Soviets are
gaining a tactical, as well as political, foothold in the region that could
prove difficult to dislodge. The Soviet financial aid to Vietnam also
makes China and the U.S. nervous that the Soviet Union's only ally in the
region is in a position to remain in control of Kampuchea and at the same
time threaten the security of neighbouring states such as Thailand. Moscow is anxious, however, that Vietnam limit its activities to Kampuchea and not push the conflict into Thailand, since that would mean an even greater financial burden on the Soviet Union. The occupation of Kampuchea has also isolated Vietnam from western financial aid which has made Vietnam even more dependent on Moscow. Moreover, western analysts believe that "with careful statesmanship and polished diplomacy, the Kampuchean issue presents the U.S.S.R. with a unique opportunity to boost Soviet influence and standing in the Asia-Pacific region." Consequently, in order to increase its influence in the region with the smallest possible drain to its own economy, and to keep the region agitated without actually provoking a Sino-Vietnam war, is Moscow's main objective. So far this strategy has worked; Cam Ranh Bay has become a Soviet strategic asset, while the political alliance with Vietnam has given Moscow an increased say, although arguably still a small say, in the affairs of the region.

Even a small say, U.S. officials fear, could upset the delicate political balance of the Philippines. Before the Aquino government came to power, the economic, political, and military situation in the Philippines deteriorated so rapidly under Marcos, that Communist leaders speculated as to whether changing their tactics and adopting aggressive tactics such as forming larger fighting units and attacking higher-visibility targets, might hasten the system's collapse. The change in government from Marcos to Aquino has not altered these tactics, as seen in the October, 1987, slaying of three U.S. service men near Clark Base. Although the NPA did not claim immediate responsibility, on November 11 the Philippine police force said a fifteen-man communist hit squad had done it. These
murders, if in fact communist sponsored, ended the "leave-the-Americans-alone" policy which the communists have followed since their insurgency began eighteen years ago. With Soviet backing, this anti-U.S. policy strategy could erupt into a nation-wide outburst which would then seriously threaten the upcoming lease renegotiations.

For these reasons, the U.S. considers its own bases in the Philippines as vital to offset this increased Soviet presence in Southeast Asia. The Soviet acquisition of Cam Ranh Bay, although not nearly the extensive military installation that Clark and Subic are for the U.S., poses a double threat from the U.S. standpoint: first, the bases enhance Soviet force deployment and military presence in the region. The Deputy Commander-in-Chief of the Soviet Navy, Fleet Admiral N. Smirnov, has stated quite emphatically that the Soviet facilities at Cam Ranh Bay are strictly defensive in nature and merely intended for the logistical support for the warships of the Soviet navy on a temporary basis; the U.S. sees little difference between a "logistical support base" and a military base. Past Commander-in-Chief of the U.S. Fleet in the Pacific, Adm. James Lyons, has stated that according to U.S. intelligence, the two squadrons of Bear and Badger strike bombers and a squadron of MiG 23 Flogger fighters are part of a permanent Soviet force deployment that also includes an average of 25-30 warships and three submarines on station at any one time at the Cam Ranh Bay facility. From a strategic standpoint, the base at Cam Ranh Bay is indeed a viable military installation from which the Soviet Union can further project its influence and military might into Southeast Asia. Cam Ranh Bay is not the only facility the Soviet Union has interests in, however. Da Nang in Vietnam and the naval facilities further south at the Kampuchean port of Kompong Son also pose
possibilities for Soviet use. With these added bases, the Soviet Far Eastern Fleet now has the capability to deploy into both the Indian and South West Pacific Oceans and disrupt shipping, trade, and communications.

Second, and even more threatening to the U.S., is the possibility that the Soviets might try to equate the bases on a political level to the U.S. bases in the Philippines and then offer a complete withdrawal from the region by both superpowers. The Soviets could then appear to be making great military and strategic concessions, in the name of peace and stability, while eliminating the U.S. bases without a great loss to themselves. As Adm. Smirnov said, "[T]he Soviet Union advocates elimination of military bases on foreign territory and has no intention whatsoever to turn its logistics support point on Cam Ranh Bay into its military base...[and]... as Mikhail Gorbachev said, if the U.S. renounced its military presence, say, on the Philippines, we'd give as good as we got." As such, U.S. officials have been critical of other Soviet advances into the region. Adm. Lyons also stated that the Soviets were "after more than fish" in their attempts to secure fishing rights with Pacific island nations and such rights were being exploited by Soviet intelligence ships.

Because of these Soviet advances into the economic, political, and military aspects of the region, the fear of Soviet expansionism is not merely an exclusively U.S. concern. The Australian White Paper, the definitive plan for the Australian defence forces announced in early 1987, identifies the Philippines, Cambodia, and the Soviet naval base at Cam Ranh Bay in Vietnam as the principal defence uncertainties in Southeast Asia. The White Paper also contends that the NPA's insurgency in the Philippines "not only threatens the long-term prospects for moderate
reforming governments, but also raises the possibility that unwelcome external powers could become involved." Continued instability in the Philippine government, the White Paper suggests, would threaten the presence of the U.S. bases in that country which support the U.S. military presence throughout the region. Instability in the Philippines, leading to the removal of the U.S. bases, therefore, coupled with the increasing Soviet presence could disrupt the region to the extent that Australia would be situated at the outskirts of a volatile Southeast Asia dominated increasingly by the Soviet Union.

Although the White Paper describes the Soviet facilities at Cam Ranh Bay as a military asset that would be vulnerable in a global conflict, it does admit that "the continuous presence of Soviet warships and military aircraft, based in Vietnam, is an adverse element in regional security perspectives." The White Paper downplays the Soviet presence, in light of the fact that while as much as one-third of the Soviet Navy is in the Pacific, so are half of the U.S. Navy and the whole of the Japanese and Chinese Navies'. Critics of the White Paper assert, however, that an unfriendly maritime power such as the Soviet Union could adversely affect the U.S.-Australia alliance, such as inhibiting the supply of U.S. military equipment and technology, thus hampering the ability of the ADF to protect Australia's northern approaches.

The security interests discussed above regarding the U.S. military bases, ASEAN, and the Soviet advances have had, and will continue to have, a pronounced impact on the affairs in Southeast Asia. The U.S. bases will arguably contribute the greatest influence, however, since they represent tangible evidence of a strong western commitment to the stability of the region. That is why the democratic stability of the Philippines is so
important. If the bases go, then a chain of events could be set in motion in which the only real winners are the Soviet Union and those communist forces which find benefit from political unrest and turmoil. What the U.S. government fears is not so much the advances of the Soviet Union to date, but rather the potential for advance which would come if the U.S. bases in the Philippines are eliminated. Admiral Lyons, when expressing concern over Soviet intelligence ships in the region, is merely stating a longtime U.S. Navy fixation: that the Soviets, under the guise of fishing agreements and economic relations, will seize on this opportunity to advance its political and military influence further into the region. Elimination of the U.S. bases would signal a green light to these Soviet advances. The problem is that it is not simply the U.S. and the ASEAN states which will determine if the U.S. bases are to remain in the Philippines; the Filipino people will determine the future of the bases and the external factors discussed above will merely contribute to the debate. Filipino nationalism is the key to the future of the U.S. bases, and, consequently, Filipino nationalism is also the key to U.S. Asian security policy as well as the future stability of the entire Southeast Asian region. It is to that issue that the discussion will now turn.
Endnotes

1. American Foreign Policy, Current Documents, (Department of State, Washington 1981-84) p. 1047
2. The Sydney Morning Herald, (Wednesday, March 30, 1988) p. 15
3. The Australian, (Monday, April 11, 1988) p. 4
5. London Times, (Wednesday, January 22, 1986)
6. The Australian, (Monday, April 11, 1988) p. 4
9. The Australian, (Monday, April 11, 1988) p. 4
10. Ibid.
13. Ibid.
14. Ibid. p. 175
16. Sours, Martin H. op. cit., p. 173
21. Soon, Lau Teik. op. cit., p. 6
23. Munro, Ross H. "Dateline Manila: Moscow's Next Win?" in Foreign Policy, (No. 56, Fall 1984) p. 185
24. The Australian, (Thursday, November 19, 1987) p. 10
Ibid.


27 The Australian, (February 10, 1987) p. 3

28 Ibid.

29 The Australian, (January 6, 1987) p. 13

30 The Australian, (February 10, 1987) p. 3


Section 2.24, p. 14

32 Ibid., section 2.26, p. 14

33 Ibid., section 2.32, p. 15

34 The AGE. (Friday, March 20, 1987) p. 10
The extent of Filipino nationalism, and the extent of anti-American sentiment associated with it, will influence to a large degree the Philippine government's ultimate position on the U.S. base issue. Political unrest and/or a complete breakdown in democratic rule resulting from this nationalism, as manifested by the growing NPA and leftist forces, could signal the end of the bases regardless of U.S. or ASEAN security concerns. Therefore, the current Philippine president, Aquino, must take cognizance of this nationalism, as well as the benefits of the bases to the Philippines' national defence and economy (and of the regional defence and economy as well), since much of her political support is divided over exactly how the base issue should be handled. Mishandling of this issue could throw the entire region- and the Philippines along with it- into chaos. Moreover, her future as president depends on a delicate touch concerning the base issue especially given the extent of U.S. support for her fledgling government. Since Filipino nationalism has so much of its roots in the past U.S.-Philippine relationship, past U.S. policies regarding the Filipino people cannot help but affect the future base lease renegotiations and the stance the Aquino (or successor) government ultimately takes on the future U.S. military presence. It is that issue that this final chapter will address.

4.1 Filipino Dependency as a Consequence of Past U.S. policy
When the Philippines and the U.S. formalized their military and economic relationship, beginning in 1946, the Philippines agreed to do so for two primary reasons. The first was the need for guaranteed access to U.S. markets for its primary goods, especially for its principal export commodity, sugar. The second was the need for the security of both its national defense and protection of the indigenous political system.

By allying with the U.S. and providing extensive military bases for U.S. operations, the Philippines was essentially "investing in its future"; what Gelber has referred to as the "Lafayette Syndrome", where a country (in this case the Philippines) provides incentives to the U.S. in return for its gratitude and readiness to come to the aid of that country in the future.¹ The future, however, has not brought exactly what Filipinos had hoped, and dependence on the U.S. has created problems within the basic Philippine-U.S. alliance relationship.

The immediate problem this unequal alliance has caused is the psychological dependency of the Philippines on the U.S. Relying for so long on the U.S. economy and military might for its very survival has led to a psychological dependency, to the point where the perceived need for U.S. protection has become exaggerated and distorted. This extensive economic and military dependence on the U.S., at least in the early years of the alliance, has brought upon the Filipino people what Carlos R. Romulo, a past president of the University of the Philippines and former long-term Foreign Minister, referred to as a "concealment of the native identity... leading to a manifestation of an inferiority complex."² Romulo goes on to explain that dependency, as the Filipino people have experienced in their relationship with the U.S., has sapped the Filipino people of their native identity and as a result the
inferiority complex is a resignation that one's self is depraved and degraded by a superior model of values and ideals. Consequently, whatever is not superior becomes regarded as despicable. What began as the conquest of a people through military force ends in a surrender by consent. Domination need no longer be imposed by coercion; it establishes itself by merely being available. Logically pursued, what happens next is the slow annihilation, the humiliating destruction, albeit sly and bland, of the native identity of a people. 3

Therefore, it was not simply the American presence that has triggered Filipino nationalism to such a degree in recent years but the reaction of the Filipino people themselves to what they have now come to recognize as a past sign of Filipino subservience and docility in the face of an external presence.

This exaggerated feeling of dependency has indeed resulted, at least from a portion of the Filipino people, in resentment toward the U.S. rather than in a sense of obligation or gratitude. Exacerbating this feeling has been the long standing belief that the rehabilitation aid never manifested itself in the amounts promised, and also since the Philippines was tied into the U.S. economy as a primary goods producer, the Philippine economy would always be subservient to the U.S. economy. 4 As one analyst has stated, "...[W]hile some short term benefits accrued to the Philippines, the long-run effect of the agreement (the "Bell Trade Act") was to retain.... 'a quasicolonial character' in the economic relations between the Manila and Washington by encouraging the re-emergence of economic overspecialization geared to the preferences of the American market." 5

From an economic standpoint, the neo-colonial economic relationship of the U.S. and the Philippines has fostered, on the one hand, an exaggerated dependence on the U.S. economy, and on the other, a sense of resentment from the Filipino people towards the U.S. for perpetuating this dependency.
relationship.

The Filipino people, therefore, in the early years of the alliance tolerated the bases and the American presence in the Philippines for two basic reasons. First, the same psychological dependency associated with the economic dependency applies to the Philippine's national security. Being under the U.S. "defence umbrella" since essentially the turn of the century, has long since solidified the Philippine psychological dependence on the U.S. military presence. Secondly, the Philippines has relied on the U.S. for the security of its regime from both internal and external subversion.

Consequently, the Philippines has both real and psychological dependency on the U.S. for its military presence. As long as the bases carried the assurance that the U.S. would intervene on the side of the Philippines should the situation warrant it, the dependence worked in the favor of the Filipino people. The U.S. presence allayed fears of Japanese hegemony and economic ruin. Once the American commitment was in doubt, however, and the motives of the U.S. continuing the alliance were perceived to be not primarily the defence of the Philippines against communism, outside aggression, or the rehabilitation of its economy, but instead the defence of American capital investment and global security interests, the dependency syndrome worked to exacerbate the growing anti-American sentiments, and the efforts of the U.S. to placate these nationalistic sentiments exacerbated the growing resentment instead of mollifying it.

Continued close ties with the U.S. have been resisted, therefore, by certain factions of the Filipino people for several reasons. First, the psychological dependency of the Filipino people on the U.S. began to wane,
especially in terms of economic dependence; Japan and China equalled the U.S. as main trading partners with the Philippines in the mid-1960's. Second, the generation of Filipinos who had witnessed the close relationship with the U.S. in the early years of independence, and who had felt gratitude towards the U.S. for liberation from the Japanese occupation, were now giving way to a new generation of Filipinos who did not share the same feeling. Third, the threat to the local balance - that of insurgency and unrest within the Philippines - became a secondary consideration to the U.S.'s primary concern for the balance of the system as a whole - détente with Russia and China. And fourth, the validity of the U.S. military defence guarantee on behalf of the Philippines came into question because of the Vietnam failure.

Filipino nationalism has evolved around the growing desire for agrarian reform, honest government, and economic reform, but without the spectre of U.S. domination looming over the Filipino people. It is not necessarily the U.S. presence that the anti-US factions want to abolish; it is the cultural and economic imperialism and lack of a Filipino community that the U.S. presence symbolizes. As one Filipino columnist described it,

"[U]nless the United States can respect the national aspirations of the Filipinos and respect the Filipinos as equals, the existing relations cannot endure .... In plain English, we don't want treatment as a colony or an occupied territory. If this can't be granted to U.S., it would be logical to hope that the Americans will pull out of the Philippines." 7

The "new" opposition leaders claim that continued dependency, whether real or simply imagined, means a continued loss of self-respect and dignity for the Filipino. According to this argument, the continued loss of self-respect and dignity for Filipinos is linked directly to the American
military bases. The American bases serve only U.S. interests and do not benefit the Philippines; for instance, these bases are essential to American deterrence strategy, but are not really needed to defend the Philippines.\textsuperscript{8} The bases support U.S. global security interests but do nothing to promote the welfare of the average Filipino. And, as some Filipinos argue, the bases are an actual deterrent to the emergence of a true Filipino community. Therefore, the U.S. presence as manifested by the U.S. bases must go in order to preserve the roots of Filipino culture. Consequently, Filipino nationalism, which increased dramatically during the Marcos presidency, has become a serious threat to U.S. security interests.

4.2 The Marcos Regime and Its Effect on U.S. Security Ties

Ferdinand Marcos's twenty-five year reign in the Philippines, beginning in 1965, encompassed the policies of five U.S. Presidents. In that time U.S. policy was formulated so as to not jeopardize U.S.-Marcos relations, even when basic U.S. values such as the democratic process were at stake. Marcos understood that for all of its rhetoric, the overriding concern of any U.S. administration would be the protection of the U.S. military bases in the Philippines.\textsuperscript{9} Consequently, as Marcos absolved himself of the usual constraints involved in a democratic society and unleashed increasingly authoritarian rule upon the Filipino people, he did so without fear that the U.S. would intercede against him.

Proof of the U.S. concern for the military installations can be seen in
the Carter administration's dealings with the Marcos regime. Human rights had been one of the foremost issues in the Carter administration, but even with the documentation of the human rights abuse under Marcos's rule, administration officials refused to take extreme actions which could disrupt relations. Then assistant Secretary of State Richard Holbrooke before the House International Relations Committee in March, 1977, said, "We are obviously troubled by human rights abuse in the Philippines.... however, we don't believe that security or economic assistance should be reduced because of the human rights problem.... the Philippines has strategic importance, not only for our own country, but also for nations friendly to the United States in the region, and thus we should continue our support." Although the official position was that termination of economic assistance or forceful diplomatic pressure would not lead to the improvement of the human rights situation in the Philippines and neighboring countries would be hurt as well, Carter's "Persian Gulf Doctrine" depended on a sustained U.S. military presence in the Philippines. Saying that other countries needed the security effectively removed the pressure of having to deal more forcefully with Marcos.

U.S. support for the Marcos regime is a perfect example of how the U.S. made a habit of embracing authoritarian dictators, not only for geopolitical purposes, but also because of a belief that "traditional" authoritarianism provides a stable basis for democratic evolution. The major problem with this philosophy is that democratic evolution has a tendency to be put on the back burner whenever national security interests are threatened. Those Filipinos, who feel that their right to democratic evolution has been sacrificed for the security interests of the U.S., have an even greater tendency to feel resentment and anger towards their
one-time benefactor.

U.S. support for Marcos, even in light of the known government corruption and military abuses, has further fueled the Filipino resentment of the U.S. presence. A *New York Times* article in 1986 reported that claims made by Marcos that he had been a guerrilla leader and war hero during WW II were "fraudulent" and "absurd"; all the while, however, the U.S. administration lauded Marcos for his upstanding war record and bravery under fire.¹²

When Marcos declared martial law in 1972, the "constitutional authoritarianism" military law was supposed to provide was merely a last ditch attempt to retain the presidency; the constitution barred him from another term.¹³ Knowing this, U.S. officials from both democratic and republican administrations continued their support of the Marcos regime. According to Raymond Bonner, this is an example of a constant axiom of American foreign policy: "...[D]emocratic administrations, especially liberal ones, are reluctant to push right-wing dictators. They will not because of this overwhelming fear of being soft on communism. For Republican administrators, support for right-wing dictators is an article of faith."¹⁴ With the ardent anti-communism ideology that is still predominant in U.S. policy making today, it is small wonder that Marcos was treated in the manner that he was.

Regardless of the reasonings, however, such policy precipitates resentment and anger from the people over whom the dictator operates; they are the ones who most feel the effects of the dictatorship. More importantly, though, from the U.S. perspective, support for such a known despot affects how future U.S. administrations are able to further their security interests in that country. The U.S. has for nearly twenty years
used the Marcos authoritarian rule to secure its security interests in the region. Now, with Aquino in control and various factions putting pressure on the government to achieve their particular ends, the U.S. is finding that the situation requires more than just the strong-arm approach of past years. The current situation has demanded the U.S. return to a form of "traditional" diplomacy, in which diplomatic discourse and communication takes precedence over simple aid to a military strong-man. Even with these tactics, however, the U.S. may still find that its past record concerning the Philippines is certainly more of a hindrance than a help when protecting its security interests in Southeast Asia, and especially when the bases re-negotiations begin in earnest with the Philippine government.

4.3 Future U.S. Strategic Interests in Southeast Asia and the Philippines

When Corazon Aquino took over as President of the Philippines in February, 1986, her administration had the daunting task of rebuilding the Philippines after twenty years of corruption and authoritarian rule under the Marcos regime. Politically, the Aquino government faced the problem of revitalizing democratic institutions, enhancing public confidence in government, and restoring credibility to Philippine foreign policy. Militarily, Aquino inherited a growing communist insurgency fueled by declining respect for government, ineffectual local administration, pervasive corruption, unprofessional military leadership, and a depressed rural economy. Economically, the new government assumed control facing
a substantial budget deficit, a network of inefficient private monopolies and private corporations, a private sector demoralized by political uncertainties causing arbitrary government decisions, and an agricultural sector in deep recession. With these factors in mind, the task facing Aquino and her fledgling government is clearly an uphill battle. Future relations with the U.S., therefore, especially in regard to security relations and the future of the U.S. military bases, are dependent on how the Aquino government deals with these various problems.

The question that looms the largest over the continued U.S. presence in Southeast Asia is just how much the U.S. and its allies are willing to pay to keep the air base at Clark and the naval base at Subic Bay. The U.S. is adamant that it will not pay "rent" to an ally such as the Philippines with which it has a mutual security treaty, and certainly not much more than the current $900 million it pays now in aid and assistance. The question of paying "rent" to the Philippines comes on the heels of Japan offering to increase its share of the American defence costs in maintaining base facilities there. The Japanese government currently spends some $2.8 billion towards the cost of maintaining the U.S. bases located on its soil, which is about 37 percent of the overall costs. By pledging to up its share by $A930 million, Japan will take its share to almost exactly one half of the operating costs. In view of Japan's decision to accept more of the Asian defence costs, if the U.S. agrees to pay exorbitant sums to maintain the Philippines, it could make the Japanese rethink their position. The four main opposition parties in the Japanese Diet (Parliament) remain sworn to oppose any further assistance to the U.S. bases. A larger contribution to defence will also require the rewriting of the Japan-U.S. security treaty. Therefore, the U.S. paying more for the Philippines bases
could give the opposition in the Japanese Diet added fuel to defeat higher
defence expenditures and overall closer defence relations with the U.S..

For the U.S., the bases offer a staging point for operations into the
western Pacific, the Indian Ocean, and the Persian Gulf. They also guard
the Indonesian straits of Malacca, Sunda, and Lombok - the narrow "choke
points" through which almost 90 percent of Japan's oil is shipped on its
way from the Middle East. For the Philippines, the hidden economic
benefits of the U.S. presence are so large as to be nearly incalculable.
Potential substitutes for the Philippines bases are manifestly inferior.
Moreover, to move them or simply dismantle them will shift the Asian
power balance dramatically.

The new Philippine constitution, revamped under the Aquino
administration, reads that the country "pursues a policy of freedom from
nuclear weapons on its territory." That in itself could eliminate the bases
if not for the addendum that the policy should be consistent with the
national interest. What worries U.S. policy makers is the Philippine
Parliament producing laws which effectively hamper the U.S. ability to use
the bases. Such a law is currently being discussed in the Parliament, and
would ban nuclear weapons from the Philippines. The proposed new law
would forbid nuclear arms at the two U.S. bases and ban visits by ships or
planes carrying nuclear weapons. Such a law would, of course,
contradict the U.S. policy of neither confirming nor denying the presence of
nuclear weapons on its ships or aircraft.

Such a move by the Parliament could be just the first step towards
phasing out the bases altogether. Aquino, given that she accepts the view
that the bases are essential for Philippine security and economic stability
and also essential for the future stability of the region as a whole, could
be in for a hard battle in trying to keep the bases; in the twenty-four member Philippine Senate, only eight are needed to defeat ratification of a new treaty or an extension of the current MBA.

Moreover, Foreign Secretary Raul Manglapus has hinted that the Philippines may ask Washington for upwards of $US 1 billion in military and economic aid as "rent" for the military bases, on top of what the U.S. is already supplying. This comes partially in response to the Filipino feeling that since the bases are worth "hundreds of billions of dollars" to the U.S., Manila has for the past forty years been receiving far too little compensation for hosting the bases. Such a figure could easily force the U.S. to remove the bases; the huge U.S. deficit has already puts strains on an inflated defence budget.

The real question, therefore, is what action does the U.S. take if, in fact, the Philippines demand a huge hike in "rent" in return for hosting the U.S. facilities. In some respects this situation would resemble a "Central American Dilemma" for U.S. policy makers. With ASEAN calling for the continued U.S. presence, and the Soviet Union making advances and threatening the overall balance of the region, one may only assume that such a situation could occur if the leftist forces, the NPA in particular, were able to pressure the government to such an extent that regional security concerns- at least to the internal forces vying for control of the Philippine government- became a secondary concern to the indigenous political in-fighting. But does the political unrest in the Philippines, even if it adheres remotely to democratic processes, take precedence over the security interests of the ASEAN states and the stability of the entire Southeast Asia area? From the U.S. perspective, based on past U.S. policy in such a situation, obviously it will not.
But what options are open to the U.S.? A complete pullout from the Philippines would eliminate a major aspect of the U.S. force projection capability. Although the Soviet Union has said it would withdraw its forces from Vietnam if the Philippine bases were abandoned, one cannot count on that happening, and even if it did, one may argue that the Soviets still have a strong hold in the region with its surrogate, Vietnam. Moscow's willingness to sign the "South Pacific Nuclear-Free Zone Treaty," which was rejected by the U.S., is but one example; U.S. officials claim that the Soviets want inroads into Southeast Asia at Washington's expense.\textsuperscript{22} To pay the rent would be paramount to a form of "rent blackmail," and it would also set a dangerous precedent for other countries to follow—such as Japan.

A diminished U.S. presence would also eliminate for the Philippines the "defence umbrella" it has enjoyed for the past forty years. For a country that spends less than one percent on national defence, the Philippines could become an easy target for further communist insurgency, as well as allowing the Moro problem in the south to complicate the defence issue even further. The Philippines would be open for a communist takeover; something the Reagan administration has pledged millions of dollars to fight. If the U.S. interjects its influence into Central America to prohibit communist governments from forming (or trying to bring communist governments down with the same methods), it is inconceivable that the U.S. would allow the Philippines, a close ally and long-time trading partner, to go communist. With a new U.S. president entering the White House on January 20, 1989, perhaps this ardent anti-communist ideology of the Reagan administration will be replaced by a more moderate view. Regardless, though, of who enters the White House in 1989, the
spectre of the Philippines going communist would certainly provoke some
type of response from U.S. policy makers; the U.S. has far too many
economic and security interests in the region to remain idle.

With these factors in mind, does the U.S. allow the bases to be
effectively forced out of the Philippines, thus opening the region to
communist insurgency and further possible Soviet advances? One final
option is available to U.S. officials; they could simply refuse to remove the
bases, claiming that the security interests of the region comes before the
right of the Philippines to remove the bases. Such a move would certainly
disrupt the situation even further, but U.S. officials may find any other
option leaves little room for effectively protecting U.S. interests.
Endnotes


3 Ibid., p. 29

4 Taylor, George, E. in *The United States and the Philippines*. (The American Assembly, Columbia University, 1966) p. 95


6 Ibid., p. 391


8 Ibid., p. 315

9 U.S. Department of State *Bulletin*. (Vol. 86, No. 2107)


11 *The New Republic*. (September, 12, 1983) p. 8


13 *The Sydney Morning Herald*. (Saturday, December 19, 1987) p. 37

14 Ibid.


16 *The AGE*. (Saturday, January 9, 1988) p. 9

17 Ibid.

18 *The Australian*. (Thursday, November, 19, 1987) p. 10

19 Ibid.

20 *The Australian*. (Thursday, April 28, 1988) p. 7

21 *The Sydney Morning Herald*. Wednesday, March 30, 1988) p. 15

22 *The Australian*. (Tuesday, February 10, 1987) p. 10
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