PHILIPPINE-U.S. SECURITY RELATIONS IN THE POST-BASES ERA

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I certify that this sub-thesis is my own work and that all sources and references have been fully and properly acknowledged.



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Chapter One

BILATERAL RELATIONS AND REGIONAL LINKAGES

The Philippines and United States face a new era in their security relationship. The Military Bases Agreement (MBA) signed between the two countries on March 14, 1947 terminated in December 1992. Following the rejection by the Philippine Senate on September 12, 1991 of a new treaty which would have allowed the United States to maintain its military facilities in the Philippines, the Philippine government served the United States a one-year notice of termination for the MBA on December 31, 1991. On November 24, 1992, the last U.S. combat unit left Subic Naval Base.

The MBA had long been the linchpin of a partnership built around a network of bilateral and multilateral arrangements between the Philippines and the United States. A salient feature of U.S. strategy in the Asia-Pacific region, it was also the main anchor of Philippine external security. The Philippine Senate's decision and the eventual termination of the MBA on December 31, 1992 leave the bilateral security ties between the Philippines and the United States on uncertain ground. Without U.S. access to military and naval facilities in the Philippines, the security relationship between the two countries cannot survive. Structural adjustments, including new access arrangements, must be implemented if these ties are to serve

the mutual interests of the Philippines and the United States and the broader concerns of the Asia-Pacific region.

The termination of the MBA, however, ensures that future security relations between the Philippines and the United States will not be grounded on a permanent basing arrangement. The issues which were central to the debate on the MBA will continue to impinge on the entire question of the future of security ties between the two countries. Broadly speaking, these are: a) militant Philippine nationalism and internal developments in the Philippines; b) the United States economy; and c) the strategic environment in the Asia-Pacific region. A mutually acceptable accommodation of these concerns is important to any future Philippine-American security relationship.

Without the MBA, a different security framework must be worked out by the Philippines and the United States. In considering the future of the security relationship, though, the Philippines will specially have to come to terms with the question of access. The significance to the Philippines of bilateral security ties with the United States rests upon the strategic reassurance of an American commitment to the defense of the Philippines against potential external threats to its territorial integrity. Traditionally, this was based on the American presence in Clark Air Base and

Subic Naval Base. Future access considerations, however, must contend with the persistence of Philippine nationalism. The interplay between security, both military and economic, and nationalism remains the key factor in Philippine calculations on Philippine-U.S. security ties.

The Philippine-American Security Relationship

Security and defense have been the key determinants of Philippine-American relations. While the policies and priorities of both countries varied as governments changed, the security ties have been a stable framework for bilateral relations. This condition has its roots in historical antecedents as well as the strategic environment that had evolved in the Asia-Pacific region.

The Philippine-American security relationship was a direct product of the Pacific War. On June 29, 1944, the U.S. Congress approved Joint Resolution No. 93 which vested upon the U.S. President the authority to enter into negotiations with the Philippine Government regarding the acquisition of military bases "as he may deem necessary for the mutual protection of the Philippine Islands and the

United States."[1] This coincided with Philippine concerns over potential threats to national security at the time of independence.[2] In particular, the horrors of the Japanese Occupation which culminated in the devastation of Manila remained clear in the collective memories of Filipinos and kept fears of a resurgent militaristic Japan alive. The re-established Philippine Congress approved on July 28, 1945 Joint Resolution No. 4 which expressed concurrence with the intent and policy of the American Congressional Resolution and authorized the Philippine President to negotiate with the U.S. President regarding the establishment of U.S. military bases in Philippine territory.[3]

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[1] Quoted in Emmanuel Pelaez, "The Military Bases in the Philippines: The Past and the Future," ***Foreign Relations Journal***, Vol. 1 (1). (January 1986):2.

[2] During the Commonwealth Period, President Manuel L. Quezon realized the enormity of the task of defending the Philippines from external threats, leading to his unsuccessful attempts to have the Philippines neutralized as tensions between the United States and Japan slowly increased. The Japanese invasion of December 1941 and the subsequent occupation period convinced him and other Philippine leaders of the importance of maintaining security ties with the United States even after independence was granted in 1946. See Theodore W. Friend III. ***Between Two Empires: The Ordeal of the Philippines 1929-1946.*** (New Haven: Yale University Press, 1965); and George E. Taylor. ***The Philippines and the United States: Problems of Partnership.*** (New York: Frederick A. Praeger, Inc., 1964): 235-236.

[3] Pelaez, ***op. cit.***, p. 2.

In his inaugural address on July 4, 1946, Philippine President Manuel Roxas declared that the Philippines would observe the closest cooperation with the United States in all matters concerning the common defense and security of both countries.[4] In accordance with these ideas, the treaty on general relations signed between the Philippines and the United States on the same day stipulated the privilege of the United States to use "bases, necessary appurtenances of such bases, and the rights incident thereto . . . for the protection of the United States of America and the Republic of the Philippines."[5] On March 14, 1947, the MBA was signed thus giving substance to the idea of defense cooperation.

Historically, the MBA was part of the trend that altered the basis for access by the major powers to overseas military facilities from one determined by colonial domination to one based on "an interrelated mix of . . .

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[4] See Teodoro A. Agoncillo and Milagros Guerrero. ***A History of the Filipino People.*** (Quezon City: R. P. Garcia Publishing Co., 1977): 581.

[5] Quoted in Pacifico A. Castro,ed. ***Agreements on United States Military Facilities in Philippine Military Bases 1947-1988,*** Third revised edition. (Manila: Foreign Service Institute, 1988):ix.

bargained transactions."[6] The presence of American military bases in the Philippines served to protect American interests and maintain American power in the Pacific. At the same time, it provided the Philippines with a security guarantee against the possible resurgence of militarism in Japan.[7] Through the agreement, the United States gained access and rights to the use of 23 bases and public utilities in the Philippines for a period of 99 years in accordance with the military interests of Washington. Subsequent negotiations, however, led to the return of 17 bases covering a total area of 117,075 hectares and reduced the term of the agreement to the 25-year period following the signing of an accord between Philippine Secretary of Foreign Affairs Narciso Ramos and U.S. Secretary of State Dean Rusk on September 16, 1966. As a guarantee of the U.S. commitment to Philippine security, the MBA was reinforced with the signing of the Military Assistance Agreement (MAA) on March 21, 1947, and the Mutual Defense Treaty (MDT) on August 30, 1951.

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[6] Robert E. Harkavy. ***Great Power Competition for Overseas Bases: The Geopolitics of Access Diplomacy.*** (New York: Pergamom Press, Inc., 1982): 32.

[7] Mamerto Ventura. ***United States-Philippine Cooperation and Cross-Purposes: Philippine Post-War REcovery and Reform.*** (Quezon City: Filipiniana Publications, 1974): 101.

The MAA was intended to enable the Philippines develop and strengthen its national military forces. The United States was to furnish the Philippines with military equipment, materials, and services, as well as the personnel to assist and advice on their use. While the original agreement was to be effective for only five years, it was amended on June 26, 1953 to remain in effect indefinitely.[8]

The Philippine-U.S. alliance, however, was officially born with the inception of the MDT. This treaty concretized the military relationship effectively established by the MBA between the two countries. It commited both parties to "act to meet . . . common dangers in accordance with its constitutional processes."[9] The treaty could be invoked if either party -- its metropolitan and Pacific territories, or its armed forces, public vehicles and aircraft in the Pacific area -- is subjected to an armed attack. Philippine officials, however, saw the MDT as the affirmation of support from the United States which the Philippines sought against Japan and any other potential aggressors in the period immediately following the end of the Pacific War.

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[8] For full text, see "1953 Military Assistance Agreement" in Castro, ed. *op. cit.*, p. 179-191.

[9] For full text of the treaty see "1951 Mutual Defense Treaty" in Castro, ed. *op. cit.*, p. 175-177.

Aside from the bilateral ties, the Philippines and the United States were involved in the Southeast Asia Treaty Organization (SEATO), which was based on the Southeast Asia Collective Defense Treaty (also known as the Manila Pact) signed on September 8, 1954. It specified that "aggression by means of armed attack in the Treaty Area" against any of the signatories would be met collectively "in accordance with [the signatories'] constitutional processes."[10] Australia, France, New Zealand, Pakistan, Thailand and the United Kingdom were the other signatories to the treaty.

Strategically, SEATO was established as one of the key components of the containment policy of the United States against communism. It was designed to deter further communist advances in the East Asian region after the success of Mao Zedong's forces in China in 1949. Tactically, it facilitated direct U.S. involvement in Southeast Asia, particularly in Vietnam in the wake of the French debacle of 1954.[11] Membership in SEATO, however, was superfluous as

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[10] Section 1 of Article IV of the Southeast Asia Collective Defense Treaty (Manila Pact), September 8, 1954. Published in ***SEATO: 1954-1964***. (Bangkok: Southeast Asia Treaty Organization, 1964):63-64. The Treaty Area was defined as the whole area of Southeast Asia and the Southwest Pacific below 21° 30" North latitude and the territories of the Asian partners.

[11] Leszek Buszynski. ***SEATO: The Failure of an Alliance Strategy***. (Singapore: National University of Singapore Press, 1983):x.

far as the Philippines was concerned in as much as its mutual support provision stated nothing more than what is in the MDT in terms of U.S. security guarantees. Yet, Philippine membership to SEATO was pressed because it gave Manila a means of de-emphasizing its relationship with the United States without having to modify the essential aspects of its foreign policy.[12]

With the MBA as its focal point, this network of treaties and agreements between the Philippines and the United States acquired strategic significance as containment was complemented by U.S. strategists with forward defense. Forward defense in the Asia-Pacific region required:

> ". . . that the United States operate out of facilities adjacent to the Asian mainland (principally Japan and the Philippines). This base structure provides a flexible, in-place quick-reaction capability to deploy forces in contingencies and allows a 'force-multiplier' effect, because fewer ships and planes are needed to provide an equivalent force presence than if forces were restricted to the continental United States or U.S. Pacific Territories.
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> In peacetime, these bases house intelligence activities (often integrated with indigenous countries' commands), training areas, and

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[12] George Modelski, "The Asian States: Participation in SEATO," in George Modelski, ed. ***SEATO: Six Studies***. (Melbourne: F. W. Cheshire for Australian National University, 1962):140.

> logistics support -- all necessary to keep U.S. forces in a high state of readiness."[13]

It was forward defense which firmly established the primacy of the MBA in the Philippine-U.S. security framework. Through it, the bilateral structure intended to guarantee Philippine security was suborned by a broader regional purpose. More specifically, the purpose behind the U.S. presence in the Philippines changed with the shifts in the regional balance of power. Following the communist victories in China in 1949 and North Vietnam in 1954, Philippine fears of a possible resurgence of Japanese militarism was overriden by mutual Philippine and U.S. concerns over the land-based threat of an expansionist Asian communism in Indochina. The American presence in the Philippines thus became part of a deterrent mechanism against communist aggression in Southeast Asia. This became more critical as South Vietnam, Laos and Cambodia fell to communist forces in 1975.

The Vietnamese invasion of Cambodia in December 1978, however, created a crisis which resulted in a major shift in the alignment of forces in the region. The ASEAN states, supported politically by the United States, found themselves

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[13] Lawrence Grintner, "The Philippine Bases: Continuing Utility in a Changing Strategic Context." National Security Affairs Monograph Series 80-2. (Washington, D.C.: National Defense University Research Directorate, 1980): 5-6.

on the same side as China and the Cambodian resistance groups (including the communist *Khmer Rouge*) against Vietnam and its ally, the Soviet Union. The Chinese invasion of northern Vietnam in 1979 eventually paved the way for the Soviet Union's involvement in Southeast Asian affairs.

Soviet naval forces began to deploy in Vietnam after the Chinese invasion. Between 1979 and 1987, this presence expanded as the Soviet Union was given access to naval and air facilities in Cam Ranh Bay and Danang. At its peak, the Soviet presence included four submarines, four principal surface combatants, and a number of minor combatant ships.[14] 16 Tu-16 maritime reconnaissance aircraft, 14 MiG-23 fighters, five Tu-95 reconnaissance bombers and three Tu-142 anti-submarine warfare aircraft were also deployed to project Soviet airpower in the region. Significantly, an extensive communications complex with a modern electronic intelligence-gathering facility was also extablished to monitor communications to and from the U.S. military facilities in the Philippines.[15]

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[14] On one occasion, an amphibious assault ship was also sent to Vietnam causing some consternation in the region. See Charles McGregor, "The Sino-Vietnamese Relationship and the Soviet Union," ***Adelphi Papers 232***. (Autumn 1988): 65.

[15] For a discussion of the Soviet signals intelligence complex in Vietnam, see Desmond Ball, "Soviet Signals Intelligence," ***Canberra Papers on Strategy and Defence No. 47***. (Canberra: Strategic and Defence Studies Centre, 1989).

Overall, the Soviet presence in Vietnam changed the strategic calculations of both the United States and the member-states of ASEAN, including the Philippines. Admiral James Lyons, then Commander of the U.S. Pacific Fleet, said in 1987 that the Soviets were using Vietnam "as a major operating base to threaten stability in the region."[16] At the same time, there was a noticeable shift in ASEAN perceptions regarding the significance of the U.S. presence in the region. Prime Minister Mahathir Mohamed of Malaysia, a vigorous supporter of non-alignment in ASEAN, expressed this best when he affirmed in 1989 the important role played by the U.S. facilities in the Philippines as a counter to the Soviet presence in Vietnam.[17]

As the Soviet naval presence extended from the South China Sea to the Indian Ocean, American forces in the Philippines provided U.S. friends and allies along the Asian littoral and, to a certain degree, the Persian Gulf with the assurance of Washington's preparedness to use military force to meet treaty obligations and punish military adventurism

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[16] ***New York Times***, March 1, 1987, p. A1.

[17] Interview with Michael Richardson in ***Pacific Defence Reporter*** (February 1990): 22. See also ***Antara News Bulletin*** 226/A, 14 August 1989, p. B-1; and ***Straits Times***, 15 August 1989, p. 1.

promptly and decisively.[18] In Southeast Asia, the security of the sea lanes of communications (SLOCs), particularly the Malacca, Sunda and Lombok Straits, and the protection of the critical oil supply routes which transit the area was a major concern of Philippine-based American forces. With over half of the world's seaborne oil moving across the Indian Ocean at any one time, the security of these sea lanes was considered to be vital to industrialized states such as Japan and South Korea, and the preservation of Southeast Asia's equilibrium.[19] The U.S. presence in the Philippines had become a vital cog in the maintenance of stability in the Asia-Pacific region.[20]

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[18] Alva M. Bowen, Jr., "U.S. Facilities in the Philippines," in Fred Greene, ed. ***The Philippine Bases: Negotiating for the Future***. (New York: Council on Foreign Relations, 1988): 107.

[19] Testimony of James A. Kelly, Deputy Assistant Secretary for East Asia and Pacific Affairs, Department of Defense, before the Subcommittee on Military Installations, and Facilities, Committee on Armed Services, House of Representatives, 5 December 1985. (Washington, D.C.): 33. The importance of these sealanes can be seen in the light of Japan's dependence on oil for its energy needs. While it has managed to reduce this dependence from 77% in 1973 to 57.9% in 1989, and the Ministry of International Trade and Industry plans to further reduce this to 51.3% by 2000 and to 45.3% by 2010, these figures still represent majority of Japan's energy requirements. See Anthony Rowley, "Naked Power", ***Far Eastern Economic Review***, 12 December 1991, p. 52.

[20] Stability here is defined as "the absence of radical and adverse political and economic change."See "Stability in the Pacific Basin," in U.S. Congress, Joint Economic Committee, ***The U.S. Role in a Changing World Political Economy: Major Issues on the 96th Congress***. Joint Committee Print, 25 June 1979, 96th Congress, 1st Session. (Washington, D.C.: Government Print Office, 1979).

The American Facilities in the Philippines

An Executive Agreement signed in 1979 between the two governments led to the return to the Philippines of nearly 90% of the total area used by American forces.[21] It also established that the "bases subject of the Agreement are Philippine military bases over which Philippine sovereignty extends" with the United States simply retaining the "use of certain facilities and areas within the bases."[22] The delineation between the terms "bases" and "facilities" reflects a conceptual difference. "Bases" generally refer to an installation wherein the user nation or the guest power has unrestricted access and freedom to operate. "Facilities" on the other hand are installations wherein the guest power's access is "contingent, restricted and subject to ad hoc decisions about use in given situations."[23] Significantly, the 1979 review assured the U.S. Command of "unhampered military operations" in its facilities in the

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[21] See "1979 Amendments to the 1947 Military Bases Agreement" in Pacifico Castro, ed., ***Agreements on United States Military Facilities in Philippine Military Bases: 1947-1988.*** (Manila: Foreign Service Institute, 1988): 131-166.

[22] Ibid., p. 132.

[23] Robert E. Harkavy. ***Bases Abroad: The Global Foreign Military Presence.*** (New York: Oxford University Press, 1989): 7-8.

Philippines, a proviso which negated any intended change in the status of the U.S. presence.

Prior to the start of negotiations over the U.S. facilities in September 1990, the United States had access to four major facilities: Wallace Air Station in San Fernando, La Union; a Naval Radio Station in Capas, Tarlac; Subic Naval Base; and Clark Air Base. The San Miguel Naval Station and John Hay Air Station were returned to the Philippines in 1990 and 1991, respectively, as part of the U.S. budget deficit reduction program. As the most important of the remaining U.S. facilities, Clark Air Base and Subic Naval Base became the focus of negotiations in the 1990-91 Philippine-American Cooperation Talks (PACT).

Comprising a total of 4,440 hectares, the U.S. facilities at Clark Air Base constituted one of the largest overseas installations in the world. It housed the headquarters of the Thirteenth Air Force, the tactical air arm of the USAF in the Western Pacific and Indian Ocean. The Third Tactical Fighter Wing was based here before it was recalled to the United States in 1991. Along with the Philippine Air Force's Fifth Fighter Wing, it had been responsible for the air defense of the Philippines.[24]

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[24] United States Information Service. ***Background on the Bases: American Military Facilities in the Philippines.*** (1988): 14.

A runway 10,500 feet long made Clark Air Base capable of handling any US Air Force or Navy aircraft. It had 590,000 square yards of apron parking, as well as 79,000 square feet of hangar space. The petroleum, oil, and lubricants (POL) facility in the base had roughly the same fuel capacity as Kennedy International Airport (which was reported to be capable of holding up to 25 million gallons of fuel).[25] It had 34 underground storage areas totalling 200,000 square feet for ammunition and ordnance, making Clark Air Base the major supply depot for Diego Garcia, as well as an alternative route to supply U.S. and allied forces operating in the Middle East.[26]

Thirteen miles northwest of Clark was the Crow Valley Weapons Range, the most important air facility next to the airfield. When still operational, it provided up to 75% of the training capabilities of the U.S. forces in the Western Pacific.[27] Select U.S. Air Force, Navy, Marine, and

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[25] William E. Berry, Jr., "American Military Bases in the Philippines, Base Negotiations and Philippine-American Relations: Past, Present and Future." Unpublished Ph.D. thesis, Cornell University, 1981, p. 438.

[26] Berry, *op. cit.*, p. 438.

[27] Richard Fisher, Jr. "America's Bases in the Philippines: Philippine Pressure Point." *Defence and Diplomacy*, Vol. 9 (1-2). (January-February, 1991): 28.

Philippine Air Force personnel used it for a two-week course called *Cope Thunder*. The 6200th Tactical Fighter Training Group furnished some of the best combat simulation training outside the United States.[28] Aircrew from friendly nations also participated in these exercises.[29]

Clark Air Base was also tasked with the responsibility of providing non-combat emergency and evacuation support for U.S. civilians and diplomatic personnel in countries along the Indian Ocean up to the eastern coast of Africa.[30] For this purpose, it made use of the C-130 Hercules of the 374th Tactical Airlift Wing and the Regional Medical Center, the principal health care facility for U.S. forces in the Indian Ocean and the Western Pacific.[31]

The eruption of Mt. Pinatubo in June 1991 caused the United States to abandon Clark Air Base completely.[32] The accumulation of volcanic ash and *lahar* made operations

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28 United States Information Service, ***op. cit.***, p. 14.

29 Berry, ***op. cit.***, p. 443n.

30 Ibid., p. 439.

31 United States Information Service, ***op. cit.***, p. 14.

32 ***Manila Bulletin***, 16 July 1991, p.1.

involving the facilities there dangerous. Furthermore, the active state of the volcano itself made conditions in the area unpredictable. On November 26, 1991, the United States ended nearly a half-century of continued presence in one of its oldest and largest overseas base.[33]

The return of Clark Air Base to complete Philippine jurisdiction left Subic Naval Base as the only remaining American facility in the Philippines by 1992. From a strategic perspective, Subic Naval Base -- the largest U.S. overseas naval installation -- was the most important U.S. facility in the Philippines. Similar to Clark Air Base, it was a complex of multifaceted functions.

The Naval Air Station at Cubi Point was the location of the headquarters of Task Force 77s carrier strike force as well as the homeport of its aircraft carriers when they were forward deployed. Although only one ship was ever permanently based in Subic, as much as 10-12 ships and submarines were always in port at any one time.[34] The Advanced Underwater Weapons Branch oversaw stand-by nuclear weapons storage sites for anti-submarine warfare weapons

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[33] ***New York Times***, 27 November 1991, p. A3.

[34] W. M. Arkin and R. W. Fieldhouse. ***Nuclear Battlefields: Global Links in the Arms Race***. (Massachusetts: Balinger Publishing Co., 1985): 229.

including nuclear depth bombs and ASROC missiles.[35] Other installations included a Ship Repair Facility (SRF) capable of performing up to sixty-five percent of all maintenance requirements of the Seventh Fleet; and a Naval Supply Depot which was the largest overseas depot in the world with over 200,000 line items.[36] The latter could support every type of ship and aircraft in the Seventh Fleet inventory.

Technical facilities made up the remaining components of the U.S. network in the Philippines. They attracted less political attention than either Clark or Subic but were nonetheless of vital strategic importance. The United States operated a number of technical facilities all over the Philippines, among the most important of which were:[37]

* Wallace Air Station in La Union, with its Air Defense Direction Center and communications equipment;

* a Net Control Facility (NCF) for the U.S. Defense Satellite Communications System (DSCS) in the Indian Ocean;

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[35] Ibid., p. 238.

[36] Most of the maintenance activities beyond the capability of the SRF involves major repairs on aircraft carriers which must be performed elsewhere. See Berry, *op. cit.*, p. 447.

[37] See Nautilus Research. *Pacific Command: The Structure and Strategy of the U.S. Military in the Pacific.* (Massachusetts: 1983): 22-23; Arkin and Fieldhouse, *op. cit.*, pp. 228-229; and Berry, *op. cit.*, pp. 442-449.

* a Global Command and Control System, Giant Talk/Scope Signal III Station with a transmitter at Camp O'Donnell and a receiver at Dau;

* Nuclear Test Detection Stations (NUDET): Det 401, AFTAC in Clark Air Base, and Det 423, AFTAC in Del Monte, Bukidnon;

* a USAF Electronic Security Command AN/FLR-9 COMINT Station;

* SOSUS fixed undersea sonar array system for anti-submarine warfare; and

* a troposcatter communications terminal at Mount Cabuyo.

These communications and intelligence facilities made the Philippines the principal link between U.S. forces (both Air Force and Navy) in the Western Pacific and the Indian Ocean, and a vital cog in the intelligence gathering network of the United States. They were also used for identifying, precisely locating and monitoring targets of a nuclear counter-force attack. These functions emphasize the vital role that the Philippine bases played in American strategy and the security of East and Southeast Asia.

Subic Naval Base and the remaining U.S. facilities were returned to the Philippines by November 24, 1992.

The Future of Philippine-U.S. Security Relations

The Philippine Senate's rejection of the Treaty of Friendship, Cooperation and Security does not indicate the

immediate termination of Philippine-U.S. security relations, nor even of the U.S. presence in the Southwest Pacific. It nonetheless betokens the inevitability of adjustments. How the Philippines and the United States will structure their future relationship is difficult to gauge. The nature of the adjustments that will be implemented, however, will be significantly influenced by political and economic developments in the Philippines and the United States, as well as the security environment in the region.

Chapter Two discusses the tension between the ideals of national sovereignty and independence, and political realism. The rejection of the new treaty by the Philippine Senate is generally seen as a victory for militant nationalists who have worked for the assertion of Philippine sovereignty over the baselands. Nonetheless, a host of internally generated problems -- principally economic and security-oriented -- combine with external defense concerns to generate discussion and debate on whether Philippine-U.S. security ties should be maintained in the Post-bases era.

The decision of the Philippine Senate meshed with international developments, indeed was even influenced by them, in creating an imperative for the United States to seriously consider its strategic options. Chapter Three discusses the effects of diminished superpower tensions, the

strategic perspective emerging within U.S. policy circles about the Asia-Pacific region, and the options that the U.S. will have to consider in support of its goals within the region. Emphasis is given to the economic and fiscal difficulties the United States is experiencing, which have had a major effect on its priorities in the Asia-Pacific region.

Chapter Two

PHILIPPINE-U.S. SECURITY RELATIONS: Philippine Perspectives

Until its termination in December 1992, the MBA was among the most important concerns of Philippine foreign policy.[1] Yet, most of the issues raised involving the U.S. military and naval presence in the country revolved around the effects of the U.S. facilities on Philippine domestic politics. The existence of U.S. facilities in Philippine military bases polarized the country between militant nationalists who advocated absolute sovereignty over the baselands occupied by these facilities, and those who maintained that the U.S. presence contributed much to the country's defense and economy. Eventually, Philippine nationalism was the major factor in the groundswell of forces and events which led to the Philippine Senate's rejection of the draft Treaty of Friendship, Cooperation, and Security on September 12, 1991.

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[1] The significance of the MBA can be seen in the centrality of this issue in a number of pioneering and important works on Philippine foreign policy. See Mamerto S. Ventura. ***United States-Philippine Cooperation and Cross-purposes: Philippine Post-War Recovery and Reform.*** (Quezon City: Filipiniana Publications, 1974); Alejandro M. Fernandez. ***The Philippines and the United States: The Forging of New Relations.*** (Quezon City: NSDB-UP Integrated Research Program, 1976); and Eduardo Z. Romualdez. ***A Question of Sovereignty: The Military Bases in the Philippines, 1944-1980.*** (Manila: 1980).

Philippine Nationalism and the MBA in the Aquino Era

Ever since the country attained its independence in 1946, nationalism in the Philippines has had a strong anti-American flavor. This is due primarily to the historically-driven perception that American military intervention in 1898 had: a) blocked the attainment by the Philippines of independence from Spain; and more importantly, b) led to nearly 50 years of American colonialism. Consequently, nationalism became the driving philosophy which unified Philippine political leaders prior to the inception of the Philippine Commonwealth in 1935. However, the Japanese military occupation of the Philippines from 1941 to 1944 and the subsequent American campaign to recapture the Philippines left an indelible impression among Filipinos of the United States as liberator and guarantor of security.[2] The result of the synthesis of these two views was a two-sided nationalist orientation towards the United States and the U.S. facilities in the Philippines.

One stream of Philippine nationalism maintained that because of historical circumstances and ties, the United States was obliged to support the Philippines in its

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[2] See Teodoro Agoncillo. ***Filipino Nationalism 1872-1970.*** (Quezon City: R.P. Garcia Publishing Co., 1974):37.

development and to guarantee its security. Adherents of this perspective criticized the United States for taking the Philippines for granted and neglecting its needs.[3] To them, the U.S. facilities in the Philippines presented a means of prying greater material concessions from the United States. Most Philippine political leaders of the post-Pacific War era (and most Filipinos who were knowledgeable about the MBA) adhered to this version of *realpolitik* in Philippine-U.S. relations. The Philippine panel's ill-fated negotiating strategy in the 1990-1991 Philippine-American Cooperation Talks (PACT) showed that this had remained a strong sentiment among Philippine foreign policy elites.

A more militant version of Philippine nationalism, however, opposed the U.S. presence in the Philippines. In essence a small and uncompromising but articulate group, militant nationalists consider themselves to be the real nationalists as opposed to the pragmatists. From its earliest beginnings as a Marxist-dominated association, this movement grew into a broad conglomeration of groups of different persuasion which traced their historical roots to the activities of such redoubtable figures as Senators Claro

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[3] Usha Mahajani. ***Philippine Nationalism.*** (St. Lucia, Queensland: University of Queensland Press, 1971): Viii.

M. Recto, Jose Diokno and Lorenzo M. Tanada.[4] They pressed the argument that the presence of U.S. facilities in the country diminished Philippine sovereignty, and symbolized continued Philippine subservience to U.S. interests.[5] Their removal was therefore seen as a means of eliminating a real and symbolic manifestation of Philippine dependence on the United States. By the time of the PACT, this perspective was shared by groups as diverse as the underground left (the CPP-NPA), and those in the underground right (the Young Officers' Union). The differences in their ideological perspectives and goals were subordinated to the idea of an immediate and complete withdrawal of U.S. forces from the Philippines.

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[4] See Lolita M. McDonough, ed. ***The U.S. Military Bases in the Philippines: Issues and Scenarios.*** (Quezon City: U.P. Press, 1986); and Renato Constantino and Letizia Constantino. ***The Philippines: The Continuing Past.*** (Quezon City: Foundation for Nationalist Studies, 1978).

[5] For the classic statements of this argument, see Claro M. Recto, "Philippine-American Relations." Address delivered before the College of Law, Silliman University on February 16, 1957 published in Renato Constantino, ed. ***Vintage Recto: Memorable Speeches and Writings.*** (Quezon City: Foundation for Nationalist Studies, 1986): 119-131; Jose Diokno, "Anti-Americanism: Twenty-Four Questions About Filipino Nationalism." Kaakbay Primer Series No. 2. (Manila: 8 February, 1984): 14; and Lorenzo Tanada's foreword to Ed Garcia and Francisco Nemenzo. ***The Sovereign Quest.*** (Quezon City: Claretian Publications, 1988): Xiv. See also "We must assert our sovereignty," a statement on the U.S. military bases by the National Peace Conference printed in ***The Manila Times***, 19 April 1991, p. 5.

As a corollary to the question of sovereignty, militants also raised the concern that the U.S. military facilities made the Philippines a prime candidate for a nuclear attack. According to Diokno, the bases posed a threat to Soviet security. They therefore invited rather than deterred an attack or counter-attack from the Soviet Union.[6] This danger was further exacerbated by the storage within and transit to and from the facilities of nuclear weapons which the United States, as a matter of policy, refused to confirm nor deny.[7]

Through most of the post-Pacific War era, however, political pragmatism was given primacy over militant nationalist ideals as Philippine leaders tried to manage strains in the relationship between the two countries as well as domestic tensions caused by the U.S. presence. Professor George Kahin of Cornell University pointed out that it was Manila's willingness to relinquish ground on the issue of sovereignty that was fundamentally responsible for

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[6] Diokno, ***op. cit.***, p. 14.

[7] This theme is argued by Professor Roland Simbulan in his book ***The Bases of Our Insecurity.*** (Quezon City: Balai Fellowship, 1985).

facilitating the U.S. presence in the country.[8] The Senate vote of September 12, 1991 changed this trend and was consequently perceived as the triumphant culmination of the protracted struggle of Philippine nationalism to assert Philippine sovereignty over the baselands. This, however, oversimplifies the character of Philippine nationalism as it related to the United States facilities.

Popular support for the sentiments and activities of militant nationalists was generally remote at best, and opposition to the U.S. installations did not gain significant acceptance through most of the effective term of the MBA. In a series of nationwide surveys conducted between 1984 and 1992, it was consistently shown that more Filipinos were in favor of than were opposed to the continuation of the U.S. military presence beyond the termination of the MBA.[9] A strong body of opinion against

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[8] See "The Current Political, Economic, and Civil Unrest in the Philippines," Hearings before the Subcommittee on Military Installations and Facilities of the Committee on the Armed Forces, House of Representatives, Ninety-Ninth Congress, First Session, December 5,1985. (Washington, D.C.): 105.

[9] See ***Bishops-Businessmen's Conference Nationwide Socio-Political Opinion Surveys of 1984 and 1985.*** (Manila: Bishops-Businessmen's Conference for Human Development, 1985):15-16; Philippine Social Science Council. ***Report on the PSSC National Opinion Survey of September 1985.*** (Quezon City: Philippine Social Science Center, December 14, 1985):32-33; Felipe B. Miranda, "The May 1986 Public Opinion Report: A Political Analysis." ***Social Weather Stations Occasional Paper.*** (June 1986):25-27; Mahar K. Mangahas, "The SWS July 1991 National Survey: A Social Weather Report." ***Social Weather Bulletin 91-16.***

the U.S. presence was indicated by the first of these surveys after the assassination of Senator Benigno Aquino on August 21, 1983.[10] Analysts attributed this, however, more to the growing sentiment of many Filipinos against President Ferdinand Marcos rather than to any surge in support for the nationalist line. U.S. military and economic assistance linked to the MBA was generally seen as a manifestation of official American support for President Marcos.[11] The

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(August 1991): 1; and Mahar K. Mangahas, "Report on the Social Weather Stations September 1991 Survey," *Social Weather Bulletin 91-24*. (December 1991): 4.

[10] The nationwide survey conducted by the Philippine Social Science Council (PSSC) in 1985 showed that 34.9% of the total respondents were against the U.S. facilities, and 36.2% were in favor. The difference in the numbers between pro and con increases significantly, however, when the comparison is limited only to those who were "informed" about the issue. 52.3% of all informed respondents favored retention as opposed to 29.8% who did not. See Philippine Social Science Council. *Report on the PSSC National Opinion Survey of September 1985*. (Quezon City: Philippine Social Science Center, December 14, 1985): 32-33. Another survey sponsored by the Bishops-Businessmen's Conference for Human Development (BBC) done earlier showed results more skewed in favor of the U.S. presence with 43% for renegotiations and 23% opposed. See *Bishops-Businessmen's Conference Nationwide Socio-Political Opinion Surveys of 1984 and 1985*. (Manila: Bishops-Businessmen's Conference for Human Development, 1985):15-16.

[11] See testimony of Rigoberto Tiglao, then an analyst with the *Manila Chronicle* but presently with the *Far Eastern Economic Review*, in "United States-Philippine Relationship in the next Administration." Workshop report prepared by the U.S. Congressional Research Staff for the U.S. Senate Committee on Foreign Relations. (Washington, D.C.: 1988): 77; Ernest H. Preeg, "Neither Fish nor Fowl: U.S. Economic Aid to the Philippines for Noneconomic Objectives," *Significant Issues Series*, Vol. XIII, No. 3, (Washington, D.C.: Center for Strategic and International Studies): 8-11; and Daniel B. Schirmer and Stephen Shalom, ed. *The Philippines Reader: A History of Colonialism, Neocolonialism, Dictatorship and Resistance*. (Quezon City: Ken, Incorporated,

popular revolt which overthrew the administration of President Marcos in February 1986 (the famous EDSA Revolution) eventually brought about a reversion in attitude more akin to the pre-1983 status quo.[12]

Even those in favor of maintaining the U.S. presence, however, accepted that the U.S. facilities would not remain in the Philippines for long. Prominent among these were luminaries from the business sector, represented by the then Secretary of Trade and Industry Jose Concepcion; top officials from the Department of Defense, including then Secretary of National Defense Fidel Ramos, and the military; and conservative members of the legislature, prominent among which was Speaker Ramon Mitra of the House of Representatives. It was believed that the retention of the MBA would have only fed militant nationalist posturing against the government.[13] A sudden U.S. withdrawal,

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1987): 301.

[12] A national survey conducted by the Social Weather Stations (SWS) in May 1986 showed gains over the PSSC and BBC survey results in the sentiment to maintain the American presence in the Philippines. 50% of those surveyed said that the facilities should or may stay in the country. Felipe B. Miranda, "The May 1986 Public Opinion Report: A Political Analysis." *Social Weather Stations Occasional Paper.* (June 1986):25-27.

[13] This was plainly expressed by one analyst who said that "[i]t is hard to believe that U.S. retention of the bases on current terms will do other than strengthen the hand of the left in

however, was potentially destabilizing both to the Philippines and to the Southeast Asian region. A phased withdrawal of three to ten years was seen as the best means of mitigating the social and economic dislocation that was expected of a U.S. disengagement.[14] According to Senator Leticia Shahani, it could provide "the opportunity to adjust our bilateral relationship [with the U.S.] which could continue to be meaningful and important beyond the bases."[15] Furthermore, a phased withdrawal could alleviate regional concerns over the emergence of a power vacuum resulting from a sudden U.S. pull-out.[16] Regional security, however, never became a major factor in the domestic debate on the issue. Aside from the fact that it was a point in favor of retention, nationalists believed that the issue of regional

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the long run, by leaving on their hands a highly emotive issue and a major nationalist symbol to exploit." Jamie Mackie, "An Overview of the U.S.-Philippines Relationship," in Desmond Ball, ed. "U.S. Bases in the Philippines: Issues and Implications." ***Canberra Papers on Strategy and Defence No. 46.*** (Canberra: Strategic and Defence Studies Centre, 1988): 22.

[14] Some proponents of this recommended policy even saw in a phased withdrawal opportunities for a comprehensive bail-out package for the ailing Philippine economy. See ***Manila Bulletin***, August 14, 1989, p. 1, and August 20, 1989, p. 1.

[15] Leticia Ramos-Shahani, "Philippine-American Relations Beyond the Bases," ***Journal of Philippine Development***, Number Twenty-Seven, Vol. XV (2). (Second Semester 1988): 294.

[16] Muthiah Alagappa, "U.S. military in Asia should leave gradually," ***Far Eastern Economic Review***, August 18, 1988, p. 32-33.

security was immaterial to the whole debate. Supporters of the U.S. presence, on the other hand, believed that public acknowledgement of the significance of the U.S. presence to regional security would compromise the negotiating stance of the Philippines with the United States.

While the anti-bases campaign relied largely on the nationalist movement, two other factors became pivotal to the issue, namely: a. the inability of President Corazon Aquino to define and pursue a clear policy towards the U.S. facilities from the beginning of her administration; and b. the role of the Philippine Senate.

The Aquino administration's position on the issue had been unclear through most of the debate. It was not until after the eruption of Mt. Pinatubo in June 1991 that Aquino came out into the open in favor of the continuation of the U.S. presence in the Philippines. This uncertainty stemmed from President Aquino's noncommittal pronouncement that her Government would keep its options open on the future of the MBA beyond 1991. Prior to her inauguration as President, however, she was linked to the anti-bases movement because of her involvement in the opposition against President Marcos. Mrs. Aquino associated with groups and personalities who were as much anti-bases as they were anti-Marcos. On December 26, 1984, she signed together with

nine other major leaders of the opposition a declaration which expressed support for ASEAN aspirations for the establishment of a Zone of Peace, Freedom, and Neutrality (ZOPFAN), and called for the removal of foreign military bases in Southeast Asia. This document made it appear that she was committed to the removal of the U.S. facilities in the Philippines.[17]

Many believed, however, that Mrs. Aquino was personally in favor of the presence of the U.S. facilities, and the open-options policy was simply the first step in an agenda to build a strong pro-bases constituency. One informed observer noted that "[f]ew in the know questioned [her] commitment to [an] extension of basing rights."[18] Her subsequent policies, though, belied this observation.

Upon her ascent to the Presidency, Mrs. Aquino dismissed the mutuality of the interests served by the security arrangements between the Philippines and the United States in her opening statement in the Third ASEAN Summit in December 1987. She claimed that the geography of the

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[17] For the text of the document, see Daniel B. Schirmer and Stephen Shalom, ed. ***The Philippines Reader: A History of Colonialism, Neocolonialism, Dictatorship and Resistance.*** (Quezon City: Ken, Incorporated, 1987): 301-303.

[18] David Wurfel. ***Filipino Politics: Development and Decay.*** (Quezon City: Ateneo de Manila University Press, 1988): 318.

Philippines allowed it to remain indifferent to all external threats except a global war between the superpowers.[19] Prior to this, she campaigned for the ratification of the new constitution which included provisions that significantly affected the issue.

Section Eight of Article II in the new Constitution stipulates that the Philippines will pursue a "policy of freedom from nuclear weapons in its territory" in accordance with national interests. If strictly implemented, this would have curtailed U.S. operational flexibility -- a situation unacceptable to the Americans. Only the phrase "in terms consistent with national interests" allowed for a broader interpretation of the nuclear provision, which would otherwise have been analogous to the case of New Zealand in 1985.[20] The U.S. Secretary of State at that time, George

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[19] For the text of the speech see "Third ASEAN Summit: Speeches and Documents, 14-15 December 1987, Manila," ***Foreign Service Institute Record***, Vol. 5. (Manila: Foreign Service Institute, 1987): 3-5.

[20] In 1985, Prime Minister David Lange, pressured by the extreme wing of the Labor Party, instituted a policy which stressed that vessels entering New Zealand must not be nuclear-armed and/or -powered. This led to the exclusion by the United States of New Zealand from cooperative arrangements, particularly intelligence-sharing, under the aegis of ANZUS. Those who favored the retention of the U.S. facilities in the Philippines thought that the Constitutional provision on "freedom from nuclear weapons" may lead to a backlash similar to the U.S. reaction to the policy implemented by the Lange Government of New Zealand in 1985. See testimony of then State Assistant Secretary for East Asia and Pacific Affairs Gaston Sigur in "Overview of Developments in the Asian and Pacific Region," Hearings of the Subcommittee on Asian

Shultz, said that the U.S. would part company with any friendly country which prohibited the passage of nuclear-armed or -powered warships.[21]

More significantly, Section 25 of Article XVIII states that no foreign military troops, bases or facilities would be allowed in the Philippines "except under a treaty duly concurred in by the Senate and, if Congress so requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose, and recognized as a treaty by the other contracting state." This provision effectively gave the Senate the final say on the issue. More importantly, it bestows upon the Senate significant influence over any future arrangement regarding Philippine-U.S. security ties.

The apparent indecision of the executive leadership allowed the Senate to take some initiative on the issue. As the treaty-ratifying body, it took upon itself the role of custodian of Philippine sovereignty. In August 1989, 10

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and Pacific Affairs, House Committee on Foreign Affairs, 100th Congress, 1st session, December 2, 1987. (Washington, D.C.): 49.

[21] This was in reaction to a proposed Philippine Senate bill sponsored by Senator Wigberto Tanada which intended to clarify and strictly enforce the vaguely-worded provision in the Constitution. The bill was passed in the Senate by a 19-3 vote, but it was never brought up in the House of Representatives. See ***Far Eastern Economic Review***, July 7, 1988, p. 13.

senators filed a resolution which expressed the opinion that the phaseout of foreign military bases would end on September 16, 1991. This implied that the United States should have completed the pull-out of its forces by then.[22] The involvement of the 10 Senators in this resolution foreshadowed the 1991 Senate vote. The Constitution stipulated that any new treaty required a two-thirds Senate majority to be ratified. Only nine dissenting votes were needed to block it. The Senate also questioned the operational freedom exercised by the United States over their facilities -- particularly the storage and transit of nuclear weapons, and the launching of forces on combat missions[23] -- and the use of the Crow Valley training

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[22] ***P.S. Resolution No. 601: A resolution expressing the sense of the Senate that the phaseout of the presence of foreign military bases, troops, and facilities, that began in 1935 ends in 1991.*** Introduced by Senator Agapito Aquino, et al. Congress of the Philippines, Third Regular Session.

[23] See ***Foreign Broadcasts Information Service (Sov) 91-246.*** (December 23, 1991):6. At the height of the Gulf Crisis in 1990, Senator Tanada introduced a resolution which stressed that "the U.S. military bases and facilities in the Philippines should not be allowed to be used by the United States to launch combat military operations against Iraq." Two aircraft carrier battle groups as well as the task force which carried elements of the Second Marine Expeditionary Force called on Subic between September 1990 and January 1991 on their way to the Gulf. See ***P.S. Resolution No. 1062: A resolution expressing the sense of the Senate that, in pursuit of the national interest, the U.S. military bases and facilities should not be allowed to be used by the United States to launch combat military operations against Iraq and for the Philippines to contribute to the restoration of international peace, security, and stability in the Middle East.*** Introduced by Senator Wigberto Tanada, Congress of the Philippines, Fifth Regular Session, January 11, 1991.

facilities by the air forces of countries other than the Philippines or the United States.[24]

The unclear policy direction of the Aquino administration also played well into the Senate's nationalist posturing. Secretary Manglapus served notice of the termination of the MBA on May 15, 1990 at the start of preliminary talks on the future of the U.S. facilities. This paved the way for talks on future U.S. access to facilities. The Philippine-American Cooperation Talks (PACT) opened in Manila on September 18, 1990.[25] The Philippine negotiating panel took a hard-line stance, pushing for a seven-year extension in exchange for a compensation package of US$825 million per year.[26] The

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[24] See *P.S. Resolution No. 589: A resolution directing the Senate Committee on Foreign Relations and National Defense and Security to jointly inquire, in aid of legislation, on the use of Philippine military bases/ U.S. military facilities in the Philippines by foreign forces other than American, to assess the impact of such use by other foreign forces on Philippine foreign and defense policies as well as on the U.S.-RP Military Bases Agreement and to recommend remedial measures where appropriate.* Introduced by Senator Santanina Rasul. Congress of the Philippines, Third Regular Session, August 9, 1989.

[25] The PACT was the first official indication by the Aquino administration that it was open to the continued stay of the U.S. facilities beyond the termination date of the MBA. It was at this point that President Aquino completely deviated from the uncompromising nationalist stance of her erstwhile allies in the anti-Marcos movement.

[26] *Philippine Times Journal*, May 1, 1991, p. 7. This is broken down as follows:

Philippine panel also demanded that compensation be guaranteed as rent, rather than aid. The provision of compensation in the form of rent was thought to reflect an acknowledgement of Philippine sovereignty over the facilities.[27] This stance, however, had the ominous consequence of focusing and raising public expectations on the compensation issue.

The June 1991 eruption of Mt. Pinatubo dislocated Philippine calculations. The resulting devastation, particularly to Clark Air Base, diminished the Philippines' negotiating flexibility. The treaty that was eventually drafted and subsequently signed on August 27, 1991 provided for far less than what the Philippine panel had so intractably demanded over nearly a year of difficult negotiations. The draft Treaty of Friendship, Cooperation and Security provided for the use of Subic Naval Base by

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a. US$400 for the economic support fund (ESF) and the foreign military funding (FMF);

b. US$425 million in terms of trade access and debt condonation.

[27] It has been argued philosophically that only through the payment of "rent" can an independent sovereign nation lease its territory. Young, ***op. cit.***, p. 12; and John A. Cutler, "Will U.S. Political and Military Policy Towards the South and Mid-Pacific Change Under the Bush Administration?" ***Contemporary Southeast Asia***, Vol. XI (1):83. This arrangement, however, was unacceptable to the United States in as much as it would compromise the exclusive power of the Congress to appropriate funds. ***Philippine Daily Inquirer***, 19 February 1991, p. 1.

U.S. forces for 10 years in return for which the Philippines would receive US$393 million as compensation for 1992 and US$203 million annually for the duration of the treaty.[28] According to President Aquino, the monetary considerations were "admittedly much less than we would have expected under normal circumstances" but "it is the best that we can get for the country."[29] In a note directed at the Senate, she expressed in remarks made at the signing of the treaty the hope that "they will see that a ratification of the treaty is more advantageous."[30]

The Aquino administration was confident of support within the Senate for any decision the executive made on the issue. As early as April 1991, a Malacanang official was reported to have expressed confidence that the Senate would approve a new treaty. He said that only two senators were expected to maintain their anti-bases stance while 13 would definitely vote for the treaty. The remaining eight would prove pivotal but were also expected to ratify the new

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[28] "Draft Treaty of Friendship, Cooperation and Security" as published in ***Daily Globe***, July 24, 1991, p. 7. The compensation package was in fact even less than the original U.S. offer of US$360 million in ESF and FMF, together with debt relief, food aid, balance of payments waiver, and surplus defense and medical equipment. ***Philippine Times Journal***, May 1, 1991, p. 7.

[29] ***Manila Bulletin***, July 19, 1991, p. 22.

[30] ***Philippines Newsday***, August 28, 1991, p. 9.

accord.[31] This confidence was likely due to the *utang na loob* (debt of gratitude) perceived to be owed personally to Mrs. Aquino by many of the members of the Senate for her support in the 1987 legislative elections.[32]

The Senate thought differently, however, and refused to ratify the draft treaty on September 12, 1991. In a privilege speech, Senator Juan Ponce Enrile claimed that the treaty was an unworthy document and called on the Senate to reject it.[33] Though this rhetoric reflected nationalist sentiments, few of the 12 Senators who voted against ratification were motivated purely by the desire to assert absolute Philippine sovereignty. Most chose to do so because the compensation package offered by the U.S. was as President Aquino herself had pointed out less than what was expected by most Filipinos.

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[31] ***Manila Bulletin***, April 15, 1991, p. 1. The estimate was overly optimistic inasmuch as six Senators -- Senators Juan Ponce Enrile, Joseph Estrada, Aquilino Pimentel, Rene Saguisag, Jovito Salonga and Wigberto Tanada -- had consistently expressed their opposition to a new treaty.

[32] Of the 12 Senators who voted against the treaty, ten had run under the administration ticket of President Aquino.

[33] See Juan Ponce Enrile, "The Senate Must Reject This Treaty," Speech delivered on the floor of the Senate on September 11, 1991 and printed in ***Philippines Newsday***, September 12, 1991, p. 9.

A survey conducted by Social Weather Stations (SWS) from June to July 1991 showed that 81% (95% in Metro Manila) of the respondents were "informed" about the U.S. facilities in the Philippines. Of these, 47% favored the extension of the MBA, a significant drop from the previous survey in November 1990. The increase in anti-bases sentiment, however, was nominal (20% from 17%). Those who said that it all "depends on the deal," however, made up 28% of the total indicating that the change was due primarily to dissatisfaction over the U.S. negotiating position.[34] The survey revealed that 53% were for rejecting the U.S. compensation package proposal (as against 37% in favor), and 47% were not in favor of the extension period of 10 years. An attempt on the part of Mrs. Aquino to mobilize popular support in favor of the treaty proved too late as the Senate entrenched itself against executive pressure.

In the wake of the Senate vote, President Aquino tried to salvage the situation by offering to negotiate with the United States a three-year withdrawal agreement, for which she had support from a number of Senators.[35] Due to concerns over the economic effects of a U.S. withdrawal,

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[34] Mahar Mangahas, "The SWS July 1991 National Survey: A Social Weather Report." ***Social Weather Bulletin 91-16.*** (August 1991):1.

[35] ***Philippines Newsday***, October 3, 1991, p. 1.

there had been a sudden surge in support for the idea of maintaining the U.S. presence in the Philippines.[36] Subsequent talks broke down, however, when the two parties were unable to reach an agreement on unhampered U.S. military activities, the storage of nuclear weapons, a status of forces agreement, and "linkage" between the U.S. withdrawal and Philippine conversion plans for Subic. On December 6, 1991, the Philippines issued the final notice of termination for the MBA.

The Senate's rejection of the draft Treaty of Friendship, Cooperation and Security and the eventual termination of the MBA is ultimately attributable to the nationalist sentiments which always colored Philippine attitudes toward the United States. It was given a boost, however, by indecisive executive leadership and a determined Senate. The future of Philippine-U.S. security relations will eventually be determined by the same contending forces in Philippine society and government.

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[36] SWS surveys conducted between July to September 1991 showed that there was a late rally in pro-bases sentiment on the eve of the Senate vote. Up to 80% of respondents who had been following the issue indicated their preference for a continued U.S. presence in the country. See Mahar Mangahas, "Report on the Social Weather Stations September 1991 Survey," ***Social Weather Bulletin 91-24***. (December 1991):4.

Policy Issues in the Wake of the U.S. Withdrawal

The U.S. withdrawal took place amidst a number of issues which had impinged on the bases debate. These issues were and are still central to the problems confronting contemporary Philippine society. Despite nationalist rhetoric attributing the Philippines' state of affairs to American neocolonial policies,[37] the U.S. facilities were never directly responsible for the poor state of Philippine affairs nor for most of the decisions made concerning them. On the contrary, the economic benefits they generated assisted Manila in its attempts to mitigate the social tensions emerging from those problems. With the U.S. withdrawal, the Philippines is now more vulnerable to the destabilizing effects of these concerns.

A stagnant economy is foremost among the issues confronting the Philippines. Toward the end of the Aquino yadministration, the combined effects of the December 1989 *coup d' etat*, the oil crisis precipitated by the Iraqi invasion of Kuwait in August 1990, and successive natural calamities had cut into economic gains made in the period immediately following the successful ouster of President

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[37] See Renato Constantino and Letizia Constantino. ***The Philippines: The Continuing Past***. (Quezon City: Foundation for Nationalist Studies, 1978).

Marcos in February 1986. A 1991 Asian Development Bank report showed the Philippines to be the poorest economic performer among the ASEAN countries between 1985-1990.[38] Poor investor confidence and restrictive fiscal policies allowed the economy to slide even further in 1991.[39]

Many of the leading economists in the Philippines attribute this condition to the huge net outflow of resources taking place in the country since 1983.[40] The country has a foreign debt burden of US$29 billion, the servicing of which consumes as much as 22% of the Philippines' revenue from exports, goods and services. Public sector debt accounts for two-thirds of the total debt, and 40% of the Philippine government's national budget is earmarked for debt servicing. This has contributed much

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[38] See Asian Development Bank, ***Key Indicators of Developing Asian and Pacific Countries***, Vol XXII (July 1991).

[39] Between 1987 and 1990, GNP growth had always exceeded 5%, but dropped to 2.5% in 1990 and 0.7% in 1991.

[40] This has been a recurrent theme in analyses of the Philippine economic crisis since the controversial study produced by a group of economists from the University of the Philippines in 1984. See Emmanuel de Dios, *et al*, "An Analysis of the Philippine Economic Crisis." (Quezon City: University of the Philippines, 1984). See also Florian Alburo, *et al*, "Recovery and Long-Run Growth: Agenda for Reforms." (Makati: Philippine Institute for Development Studies, 1986); and Rufino Alonzo, *et al*, "On the 1990 Economic Measures." (Quezon City: University of the Philippines, 1990); and Philippine Institute of Development Studies, "ASEAN Macroeconomic Outlook 1992-1993." (December 1991):37.

to the expansion of the public accounts deficit projected at P22.1 billion (or approximately US$820 million) for 1993.[41] The Philippine economy had in fact only remained solvent in the past few years mostly because of foreign assistance and financing from the United States and Japan.

Severe shortages in power supply have also contributed significantly to the poor economic performance of the country. Protracted power cuts have drastically eaten into real output growth resulting in extensive business losses.[42] Officials of the National Economic Development Administration (NEDA) claim that these power shortages may thwart President Ramos' goal to make the Philippines an economic tiger by 1998.[43]

The weakened state of the economy makes it difficult for the Philippines to accommodate the loss of the economic contribution of the U.S. facilities to the Philippines. This

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[41] ***Manila Standard***, October 12, 1992, p. 2.

[42] As an illustration of the effects of the power outages on business activity, industrialist Raul Concepcion said that from March to May 1992, industrial and commercial plants in Metro Manila alone lost approximately P20 billion (US$769 million) in lost production and foregone sales. ***Manila Standard***, June 14, 1992, p. 6.

[43] ***Asian Wall Street Journal***, December 2, 1992, p. 3.

has been estimated at US$1 billion annually.[44] The amount involved included payments to workers and contractors hired to do work inside the U.S. facilities; payments for utilities and housing for personnel; and spending by permanent or transient U.S. personnel on their own account. The latter alone reached approximately US$531.5 million in 1988, or nearly 1.5% of the Philippine GDP.[45]

Another facet of the economic situation affected by the U.S. withdrawal is the assistance package which the Philippines receives from the United States in the form of loans and grants. U.S. assistance was seen by most Filipinos as compensation for the lease of the facilities. Some analysts believed it was the best gauge of the value of the U.S. facilities to the Philippines and consequently determined the level of reciprocity that the Philippines got from the presence of U.S. forces.[46] The converse, however, was also true and the termination of the MBA affected the

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[44] See Larry Niksch, "Philippines Under Aquino," ***CRS Issue Brief*** (February 18, 1992). Washington, D.C.: Congressional Research Service, p. 5.

[45] United States Information Service. ***In Our Mutual Interest: The U.S. Military Facilities in the Philippines.*** (Manila: n.d.):13.

[46] Jose Mario Cuyegkeng, "The Prospects of a 'Base-less' Economic Recovery (Or What if the U.S. pulls out of Clark and Subic?)." ***Staff Memo No. 45.*** Center for Research and Communications (October 1988).

inflow of U.S. assistance. The 1988 MBA Review stipulated that the United States' executive branch would exert its "best efforts" in providing the Philippines US$962 million in security, development and commodity assistance and housing investment guarantees for the fiscal period 1989-1991.[47] Following the Philippine Senate's decision, however, assistance earmarked for the Philippines was cut to just under US$220 million from the US$550 million originally requested for 1992.[48] In the 1993 U.S. budget, requested amount of assistance for the Philippines was US$236 million -- only a little more than what had been appropriated for 1992 and half of what the Philippines received in 1991.[49]

The effect of the Philippine Senate's decision is particularly emphasized in the case of the five-year Philippine Assistance Program (PAP), also known as the Multilateral Assistance Initiative (MAI). At its inception,

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[47] See the side letter to the Treaty of Friendship, Cooperation and Security sent by President Ronald Reagan to President Corazon Aquino, October 17, 1988.

[48] ***Manila Standard***, June 24, 1992, p. 2.

[49] See Larry Niksch, "Philippines Under Aquino," ***CRS Issue Brief*** (February 18, 1992). Washington, D.C.: Congressional Research Service, p. 5. According to Ambassador Richard Solomon, this was due mainly to fiscal priority being given to U.S. domestic concerns. It is almost certain, however, that the treaty rejection contributed to this decision to cut aid levels to the Philippines. ***Manila Bulletin***, February 1, 1992, p. 1.

U.S. officials had made it clear that the PAP was not tied in with the bases. Many observers believed otherwise.[50] The linkage became evident in 1992 when the U.S. released only US$78.5 million after the Philippine Senate rejected the draft treaty. This amount was less than half of the 1992 appropriation for the PAP.[51] President Bush sought US$80 million for 1993, but the House of Representatives cut this further to half that amount.[52]

A second issue which struck the Philippines badly in the wake of the U.S. pull-out was the 79,500 jobs which the bases generated over the years. The U.S. military was second only to the Philippine government in the number of people working for it in the Philippines. The U.S. withdrawal exacerbated an unemployment situation which was

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[50] See testimonies of Vicente Foz, a columnist for the ***Manila Bulletin***, and Henry J. Kenny, Ph.D., of the U.S. Senate Foreign Relations Committee, in "The United States-Philippine Relationship in the Next Administration and Beyond." Workshop Report prepared by the Congressional Research Service for the U.S. Senate Committee on Foreign Relations. (Washington, D.C.: 1988).

[51] ***Business World***, January 31, 1992, p. 5. The United States had originally pledged US$200 million annually to the MAI, but this had been reduced to US$160 million in 1991, and to US$80 million in 1993.

[52] ***Manila Chronicle***, September 29, 1992, p. 6.

already among the most serious in ASEAN.[53] This has created an imperative for the Philippine government to develop the U.S. facilities into economically productive and employment-generating ventures.

Prior to the start of the PACT, the Philippine government created the Legislative-Executive Bases Council (LEBC) to explore the feasibility of alternative uses for the bases complex and the baselands already reverted to the Philippines by the 1979 MBA Review upon the withdrawal of the United States Armed Forces.[54] It developed a plan which revolved around the establishment of a Civil Aviation Complex at Clark Air Base, and a Maritime Industrial Complex at Subic Naval Base.[55] The effects of Mt. Pinatubo, however, made the plan to convert Clark Air Base into a

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[53] The Philippine unemployment rate was 8.1% in 1990 compared to 6.3% in Malaysia, the only ASEAN country with a similar problem. See Asian Development Bank. ***Key Indicators of Developing Asian and Pacific Countries***, Vol. XXII (July 1991).

[54] See ***Joint Resolution No. 1: A Joint Resolution creating a Legislative-Executive Bases Council to undertake and formulate a comprehensive program for the alternative economic, social, and security uses of the Philippine Military Bases complex with U.S. facilities in the event of partial or total U.S. withdrawal, authorizing the appropriation of P7.5 billion for such uses and for other purposes.*** Congress of the Republic of the Philippines, Second Regular Session, August 1, 1989.

[55] See The Legislative-Executive Bases Council. "The LEBC: A Primer." (Quezon City: June 1990).

Civil Aviation Complex unworkable, making Subic the principal object of the conversion program.

The projected Subic Bay Maritime Industrial Complex (SBMIC) is geared to generate 79,000 jobs over a ten-year period, approximating the number of workers displaced by the U.S. withdrawal. The LEBC report estimated that the conversion of Subic would cost P90 billion, of which P33 billion would be taken from government sources.[56] These costs would be a serious strain on the government given the weakened state of the economy. The LEBC report also included a proposal for the capitalization of the program from the sale of military reserve lands, but this met with strong opposition from the Philippine military.[57] A more promising course of action involves foreign investments. Investors and traders from Japan, Singapore, Taiwan and the United States have indicated their interest in Philippine plans for the development of Subic.[58] They, however, would

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[56] The Legislative-Executive Bases Council. ***Kombersyon***. Quezon City: October 24, 1990, p. 69.

[57] ***Philippines Newsday***, March 17, 1992, p. 2. The LEBC study projects that a total of P98 billion can be generated from the sale of Metro Manila military reservations. See Legislative-Executive Bases Council, ***Kombersyon***, ***op. cit.***, p. 83.

[58] ***Manila Standard***, September 6, 1992, p. 6; and ***Manila Standard***, October 12, 1992, p. 6. Taiwan has already signed an agreement with the Philippines for the joint development of an export processing zone in Subic Bay. See ***The Free China Journal***, December 22, 1992, p. 3.

like the Philippine government to make more inroads in resolving the political, infrastructural and bureaucratic problems which continue to plague the country. The communist insurgency, labor strikes, rising criminality, shortfalls in power supply, and bureaucratic delays in the implementation of government programs continue to hamper business prospects in the Philippines.[59]

The economy and the development of Subic Bay remain among the central concerns of the Philippine government, but are now only peripherally associated with the Philippine-U.S. security relationship. They are being addressed separate from debates regarding the future of bilateral security ties. President Ramos has said that his administration will concentrate on opening trade and investment opportunities between the two countries rather than emphasizing economic assistance. The termination of the MBA had effectively divested the bilateral security relationship of the peripheral issues to which it had become inextricably linked in the MBA's 45 years of existence. This development, however, has focused the limelight on national defense and the capacity of the Armed Forces of the Philippines (AFP) to protect the country from external

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[59] ***Asian Wall street Journal***, January 12, 1993, p. 3; and ***Manila Standard***, October 11, 1992, p. 17.

threats. This has become the most significant concern affecting the bilateral security ties between the two countries.

From the inception of the MBA, the United States had underwritten much of the security requirements of the Philippines, leading to the emergence of Philippine dependence on U.S. military support. As former National Security Adviser Rafael Ileto pointed out, Philippine policy-makers tended to take it for granted that someone else will always be there to defend the country.[60] This security dependence established the groundwork for the underdevelopment of the external defense capability of the AFP. Department of Defense and AFP officials have called attention to the weakened capacity of the AFP to protect the country from external threats, including incursions by smugglers and illegal fishermen. This is borne out by Philippine Navy statistics that recorded 819 incidents of illegal incursions involving 1,617 Taiwanese vessels between 1986 and October 1990. Only a few of these were actually apprehended. In the same period, 231 incursions into the Philippine Air Defense Identification Zone (PADIZ) were made by non-friendly aircraft. The neglect of the external defense capability of the AFP has also bred political

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[60] ***Far Eastern Economic Review***, July 19, 1990, p. 20.

repercussions. A fact-finding commission report showed that it was a reason for demoralization within the AFP and, indirectly, one of the causes of the series of *coup d' etat* that have taken place in the country.[61]

The dependency structure, however, has an even more serious aspect to it. Aside from external security, the Philippines has also relied on the United States for assistance in the development of the AFP's capabilities. National concerns relating to the Communist Party of the Philippines (CPP), the Moro National Liberation Front (MNLF), and recently the military renegades of the RAM-KSP focused these development efforts on counter-insurgency and the Philippine Army. Significant advances in the field by the AFP and internal squabbling in the upper echelons of these groups have diminished the threat they pose. The CPP-NPA, for instance, has had its regular strength reduced from 25,200 in 1987, to 13,500 by 1992, with only 18% of the *barangays* (local villages) infiltrated. The insurgency, however, has proven its resilience in the past and still continues to pose a serious threat to the stability of the state. Observers believe that the Philippine government's hold on the upperhand remains fragile and the loss of

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[61] See ***Final Report of the Fact Finding [Davide] Commission Pursuant to R.A. No. 6832.*** (Manila: October 1990): 568.

significant U.S. military assistance could dangerously affect its ability to defeat the insurgency.[62]

The focus, however, on the insurgency and the capability of the AFP to fight it also had its long-term consequences. The external defense capabilities of the AFP were neglected and the Philippine Navy and Air Force, the services geared for external security, relegated to obsolescence. Significantly, these two services are also the most affected by the fallout from the U.S. withdrawal.

The Philippine Navy maintains 21 patrol ships, 22 transport and service vessels and around 64 small craft to protect the country's 1.29 million square kilometers of territorial waters and 1.69 million-square kilometer exclusive economic zone (EEZ). With an average of 41 years in service, most of these ships have limited patrol radius, and are in fact not considered to be seaworthy. The termination of the MBA puts the Navy on more uncertain footing since 28% of its operational requirements was taken from the compensation package.[63] The Philippine Air Force (PAF) is in an even worse state, having relied on the United

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[62] Niksch, *op. cit.*, p. CRS-9; and "Asia-Pacific Challenge," a commentary in *Defense News*, November 30-December 6, 1992, p. 14.

[63] *Foreign Broadcast Information Service* (East Asia) 91-160 (August 19, 1991): 48.

States for as much as 61% of its operational needs.[64] The PAF retired its ageing front-line fighters from service.[65] This, however, leaves the country with virtually no air defense since there are not enough funds to immediately purchase replacements.

Financial shortages keep the AFP's modernization plans in flux. The Philippine Senate has already appropriated P48 billion (around US$1.9 billion) for the Navy's modernization for disbursement over a ten year period.[66] The Philippine Air Force is also requesting the release of P43 billion (around US$1.7 billion) for its modernization program.[67] The AFP itself is trying to raise funds for a modernization program costing US$7 billion. This program initially relied on American military assistance when it was started in 1990, but with the expected aid reductions foreign grants and loans have become the favored alternatives. These, however,

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[64] *Ibid.*

[65] The Philippines retired its last six F5A fighters in 1992. At that stage, none were "combat-ready" with four being found with cracks. It was thought that refurbishing these aged aircraft would be too expensive.

[66] See *Senate Bill No. 1523: "An Act Authorizing the Modernization of the Philippine Navy and Appropriating the Necessary Funds Thereof."* Senate of the Philippines, Third Regular Session.

[67] *Manila Standard*, July 2, 1991, p. 2.

will require counterpart funds from the Philippines. Experience with the PAP has shown that lack of counterpart funds has hampered the use of grants and loans that are in fact already available. As much as 63% of the PAP fund's US$5.8 billion pledged in 1989 and 1991 remain unused because of the lack of peso counterparts.[68] It is not unlikely that the AFP's modernization program will face the same difficulties as the PAP.

The problems of the AFP, however, are directly a consequence of the termination of the MBA. With the removal of the U.S. presence and its effects on the Philippine psyche and society, questions regarding the future of Philippine-U.S. security relations now arise primarily from shared perceptions of threats (or the lack thereof) to the security of the region. The perceptions of leading policy-makers of the basic security concerns and interests of the Philippines will be decisive in moulding the country's attitudes towards the bilateral security ties.

Defense Relations and Philippine Security

With the termination of the MBA, the Mutual Defense Treaty (MDT) now anchor Philippine-U.S. security relations.

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[68] *Manila Standard*, September 10, 1992, p. 13.

During the regular Mutual Defense Board (MDB) meeting in November 1992, Philippine and American military officials were unanimous in accepting that there would be no radical change in their countries' defense and security relationship.[69] Without the U.S. facilities, bilateral security ties are expected to be less a problem politically since much of the controversy had arisen from the emotional response to the extraterritoriality symbolized by the U.S. presence. Yet, the MDT itself faces a challenge from political forces in the Philippines.

Senator Wigberto Tanada filed Senate Resolution No. 196 which called on the Philippine Senate to study and review the MDT and the Military Assistance Agreement (MAA) with a view towards their abrogation. He argued that these two agreements no longer conform with the political and military realities emerging in the wake of the end of the Cold War. Reminiscent of the "invitations to nuclear attack" argument against the American facilities, Tanada also raised the possibility of the Philippines "making enemies of countries with whom she has no quarrel, simply because they were at a particular time enemies of the United States."[70]

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[69] *Philippine Daily Inquirer*, November 6, 1992, p. 1.

[70] *Manila Standard*, October 30, 1992, p. 3.

The most serious concern about the MDT, however, stems not from Philippine fears of unwanted entanglements but rather its converse -- the perceived uncertainty of U.S. security commitments to the Philippines. The MDT is largely seen by the Philippine public as a U.S. guarantee of Philippine security. From its inception it was criticized as being inadequate for this purpose because the response clause stipulates that each party "would act to meet the common dangers in accordance with its constitutional processes."[71] This was seen as an escape clause which would allow the United States to get out of its commitments to the Philippines. The late Senator Claro M. Recto pointed out that this provision was different from the automatic response clause of the North Atlantic Treaty (which led to the establishment of the NATO) and the Rio Pact.[72] Philippine concerns were only somewhat propitiated by Secretary of State John Foster Dulles' reassurance during the first meeting of the Philippine-U.S. Council on September 4, 1954, and later by the Eisenhower-Garcia

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[71] Article IV, "Mutual Defense Treaty between the Republic of the Philippines and the United States of America," in Castro, ed., *op. cit.*, p. 176.

[72] See Claro M. Recto, "A Realistic Foreign Policy." Speech delivered before the "Y" Men's Club in August 1956; and "Philippine-American Relations." Address before the College of Law of Silliman University on February 16, 1957. Both are published in Renato Constantino, ed. ***Vintage Recto: Memorable Speeches and Writings***. (Quezon City: Foundation for Nationalist Studies, 1986): 111-112 and 128, respectively.

communique of 1958 that the U.S. response to an attack on the Philippines would be automatic.[73]

The lack of certainty in the U.S. commitment, however, reached significant levels with the emergence of tensions between the Philippines and Malaysia over Sabah. During the Sabah crisis of 1968, the United States not only refused to support the Philippines' claim to Sabah, it did not commit military support to the Philippines when hostilities threatened.[74] The Sabah issue has been relegated to the backburner (though it remains a major point of contention between Malaysia and the Philippines), but concerns over the certainty of the U.S. commitment have been resuscitated because of developments in Southeast Asia.

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[73] This question had become an obsession with Philippine policy-makers such that even Philippine participation in the Southeast Asian Defense Treaty was made conditional to the guarantee of an automatic American response. The Dulles pledge was made in response to Philippine demands to include a NATO-type provision in the Manila Pact before it became a signatory. Leszek Buszynski, ***SEATO: The Failure of an Alliance Strategy.*** (Singapore: National University of Singapore Press, 1983): 32. For the Eisenhower-Garcia communique, see ***United States Security Agreements and Commitments Abroad.*** Hearings before the Subcommittee on United States Security Agreements and Commitments Abroad of the Committee on Foreign Relations, United States Senate, Ninety-First Congress, Vol. 1 (Washington, D.C.: United States Government Printing Office, 1971):6.

[74] This was in contrast to the Commonwealth's solidarity in supporting Malaysia. See Lela Garner Noble. ***Philippine Policy Towards Sabah: A Claim to Independence.*** (Tucson, Arizona: University of Arizona Press, 1977): 189-191.

On August 5, 1990, discussions sponsored by then Senate President Jovito Salonga were held in the town of Pansol on security issues affecting the Philippines. The Secretary of Foreign Affairs at that time, Raul Manglapus, raised several issues which pertained to potential threats to the stability of the region and the Philippines. He specifically noted the power potential of both Japan and India which could be easily directed towards developing a formidable military capability. Manglapus also pointed out that Indonesia had the "population and resources to just wait for a vacuum in the region, and step into the vacuum."[75] This discussion is noteworthy not only because of what was taken up but rather more because of what was not. While military and naval developments in Japan and India are worthy of careful scrutiny, China and the Spratlys issue are the security concerns presently shaping Philippine external defense policies. It has also become the test of the MDT's importance to the Philippine's defense needs.

The Spratlys are a generally uninhabitable island chain covering 38% (800,000 square kilometers) of the South China Sea, but which are rich in marine resources, minerals and hydrocarbon deposits. They are also believed to contain

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[75] Belinda A. Aquino, ed., "Reflections on the U.S. Bases in the Philippines," ***Pansol Reflection Series***. (Manila: University of the Philippines, 1990): 11-15.

significant reserves of oil. The Philippines claims 93,000 square kilometers of the archipelago's 33 islands, cays, shoals and reefs which it collectively calls the *Kalayaan* (Freedom) Islands. The Spratlys are also claimed wholly or partly by Brunei, China, Malaysia, Taiwan and Vietnam.

On February 25, 1992, China enacted a law which declared a major section of the South China Sea as its territorial waters, and the islands encompassed within as indisputably part of China. The law emphasized a point which China had reiterated several times in relation to the territorial dispute over the Spratlys and other island groups in the South China Sea -- that it reserves the right to use force in asserting its sovereignty over these disputed areas.[76] China has assured the Philippines that it has no "warlike intentions" in the area. Chinese officials explained that the February 1992 legislation was just a reaffirmation of the long-standing position of Beijing.[77] It has sufficiently caused concern in the Philippines, however, to seriously merit a call for a review of the MDT.

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[76] This issue is discussed in greater detail in Chapter Three.

[77] ***Foreign Broadcasts Information Service (Eas) 92-218.*** (November 10, 1992): 50.

The Philippines and the United States hold contrasting views on the issue. The U.S. believes that the Spratlys and any conflict arising from it falls outside the jurisdiction of the MDT. Morton Smith, the spokesperson of the U.S. Embassy to the Philippines, said that the Kalayaan Islands are excluded from the scope of the treaty because they were not part of the country's territory when the MDT was signed.[78] The Philippines had only raised its claim in 1978. More telling, however, is the fact that the United States refuses to take any side on the issue, and does not recognize the claim of any country on the disputed island chain. It remains to be said that since the United States does not recognize the Philippine claim then it is not obliged to come to its aid in the event of armed conflict in that area.[79]

The Philippines, on the other hand, believes that the United States is beholden under the MDT to come to the defense of the Philippines in case of an attack on territory

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[78] ***Manila Standard***, July 18, 1992, p. 5.

[79] There were reports that Admiral Charles Larson, U.S. Commander in Chief, Pacific (U.S. CINCPAC), had explicitly used this argument when asked about U.S. commitments under the MDT in relation to the Spratlys. See ***Manila Standard***, November 9, 1992, p. 4; and the editorial in ***Manila Bulletin***, November 17, 1992, p. 10. See also Estrella D. Solidum, "The U.S. Military Presence and R.P. Politics." ***Foreign Relations Journal***, Vol. IV (3). (Makati, Metro Manila: Philippine Council for Foreign Relations): 98.

it claims in the South China Sea -- more so as its own armed forces are not in a position to protect Philippine claims. During a Senate Committee on Foreign Affairs hearing, Philippine Secretary of Foreign Affairs Roberto Romulo stated that the United States was treaty-bound to support the Philippines in the event of an attack on Philippine-claimed territory in the South China Sea. This assertion was based on a 1979 memorandum of then U.S. Secretary of State Cyrus Vance.[80] Foreign Affairs Undersecretary Tomas Syquia emphasized that the memorandum clearly stated that the attack need not occur in the metropolitan territory of the country.[81]

The cited part of the Vance memorandum states that:

> ". . . as provided in Article V, an attack on Philippine armed forces, public vessels or aircraft in the Pacific would not have to occur within the metropolitan territory of the Philippines or island territories under its jurisdiction in the Pacific in order to come within the definition of Pacific area in Article V."[82]

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[80] ***Manila Bulletin***, November 17, 1992, p. 1.

[81] ***Manila Standard***, November 12, 1992, p. 4.

[82] See "Letter of State Secretary Cyrus Vance to Minister Carlos P. Romulo," in Castro, ed., ***op. cit.***, p. 162.

In the same memorandum, the metropolitan territory of the Philippines is defined as the area delineated by the Treaty of Paris on December 10, 1898, and the Treaty of Washington on January 2, 1930. Neither of these documents recognizes the Spratlys (nor Sabah for that matter) as part of the sovereign territory of the Philippines. It is evident that the determining factor is the definition of the Pacific area. Regardless of whether or not the United States recognizes Philippine claims, Philippine forces garrison eight of the islands claimed by the country and any attack on them would technically be covered by the MDT if the Pacific area denoted in the Treaty is defined to include the South China Sea. This is obviously a grey area that needs to be clarified.[83]

The American position on the issue has been strongly criticized, reinforcing calls for a review of the MDT. Senator Blas Ople, Chairperson of the Senate Committee on Foreign Affairs, said that "[s]ince the South China Sea is the only potential trouble spot in our immediate region, the

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[83] Representative Juan Ponce Enrile was Defense Minister of the Marcos cabinet and was a member of the Philippine delegation that discussed this issue with the U.S. government in Washington, D.C. in 1979. He said that Secretary Vance had made it clear then that the South China Sea was construed to be part of the Pacific area, hence the U.S. obligation under the MDT to assist in defending the Philippines could be invoked. See ***Manila Bulletin***, November 17, 1992, p. 25.

ambiguity in the U.S. position should be . . . examined."[84] One recommendation posited the merits of exploring the possibility of new multilateral or bilateral security arrangements with other Asian countries in lieu of the MDT.[85] Despite recent efforts, however, the Philippines has not built meaningful ties with its neighbors. Not surprisingly, most of the prospective allies prefer to have security relations with the United States rather than with the Philippines. These points notwithstanding, the Philippine government continues to believe that strengthening the existing bilateral security ties with the United States remains the best means of protecting Philippine security interests against emerging powers in the region, particularly China.

The Access Question

The issues arising from the MDT have cast light on the significance of its linkage with the question of access to Philippine security interests. This linkage is naturally based on the relationship between the MBA and the MDT.

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[84] ***Manila Standard***, November 9, 1992, p. 4.

[85] The strongest proponent of this position is Representative Juan Ponce Enrile. He once called for the abrogation of the MDT on the grounds that it had outlived its usefulness. See ***Manila Standard***, November 10, 1992, p. 3.

Prior to the termination of the MBA, the U.S. military and naval presence had provided the Philippines with the physical guarantee of the commitment institutionalized in the MDT. The U.S. pull-out, however, puts the spotlight on the MDT and the guarantees stated in it. For Philippine policy-makers, the U.S. commitment is made more critical by the weakened defense establishment of the Philippines. An emerging consensus is for the establishment of a short-term solution in the form of an access arrangement with the United States.[86] This would resolve the short-term problem of a deterrent against external threats and assistance for the military's modernization program.

In August 1992, an inter-agency committee organized by President Fidel Ramos to study the entire scope of Philippine-U.S. bilateral ties in the post-bases era submitted a report which contained three proposed options for granting American forces access to Philippine facilities.[87] Two of these options involved the MDT.

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[86] President Fidel Ramos has already advocated re-opening access talks with the United States. A ranking military official also said that an access arrangement with the United States is the best means of alleviating Philippine security concerns in the short-term. ***Business World***, August 10, 1992, p. 1 and 6.

[87] ***Manila Standard***, October 13, 1992, p. 7.

The first of these two proposals suggested amending the MDT to include an access proviso. The United States would most likely prefer this arrangement since it would contextualize the access question within the rubric of a purely military forum -- the Mutual Defense Board. Furthermore, negotiations would be simplified because it would in theory be limited to the access amendment. The MDT, however, does not have any specific provision for amendments begging the question of whether an amendment requires the ratification of the Senate. Furthermore, opening talks on the MDT would also re-open questions on the scope and certainty of the U.S. guarantee. Thus negotiating an amendment to the MDT could eventually lead to a review of the entire treaty.

The second proposal calls precisely for this -- the review and overhaul of the MDT. This could be initiated by mutual consent between the two parties or, failing in that, with the Philippines unilaterally terminating the treaty. This proposal has the merit of wiping the slate of Philippine-U.S. security relations clean and starting it anew. However, residual bad feelings from the PACT and its subsequent result do not bode well for a renegotiation of the MDT. In fact, U.S. military officials privately hold that renegotiating the MDT is unwelcome, and a unilateral

termination would lead to a complete break in security ties between the United States and the Philippines.[88]

The third option expressly keeps the MDT intact but recommends the conclusion of a separate access arrangement with the United States, preferably a commercial-type of arrangement similar to what the United States has with Malaysia. An arrangement of this type would minimize, or even evade, the contentious issue of sovereignty. Secretary Romulo stated that the Philippines is willing to negotiate an access arrangement that will allow the United States continued use of their former military facilities "as far as the Constitution will allow."[89] The Ramos administration is obviously not willing to invite a confrontation (or a constitutional crisis) on the issue by signing an executive agreement with the United States, which does not require ratification by the Senate. A commercial access agreement, however, would have serious implications for the Philippine-U.S. security partnership. As a business arrangement, commercial access would de-link the access

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[88] Private discussions between the author and ranking military officers in U.S. CINCPAC exposed these sentiments. Philippine officials are also concerned about the suspension of security ties with the United States should a review of the MDT lead to more acrimonious negotiations. ***Business World***, August 10, 1992, p. 6.

[89] ***Manila Standard***, August 20, 1992, p. 7.

rights question from the bilateral security ties. This would raise questions about why the United States has to pay for the privilege of staying in the territory of a treaty-partner to which it is in fact extending protection.

Militant nationalists also continue to hamper the Philippine government's efforts to realign the bilateral security relationship with the requirements of the country. They have already warned that the MDT should not be used as the basis for continued U.S. access to Philippine military and naval facilities. Professor Merlin Magallona of the University of the Philippines' College of Law claimed that the United States was not withdrawing its military presence but merely "scaling it down, and shifting from the 1947 [MBA] to the Mutual Defense Treaty as the ostensible legal basis for extending such presence."[90] Pressure from the nationalist quarter and the Senate has already constrained further talks on the issue. The MDB meeting in November 1992 led to an agreement that United States ships would be allowed to call on Philippine ports. The meeting, however, was supposed to discuss proposals for access arrangements. This was not tabled due to opposition from the Senate. In an ominous statement, Senator Tanada declared that an

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[90] *Daily Globe*, October 9, 1992, p. 10.

agreement on this issue cannot be limited to talks between the military.[91]

Philippine Prospects

The Philippines faces a dilemma. It seeks a more definite security assurance from the United States to offset the weakened state of the external defense capability of its armed forces in the face of perceived potential threats from emerging regional powers. It is wary, however, of diluting its dearly-bought sense of national pride by once again seeking the shelter provided by the security umbrella of the United States. During the Aquino administration, the Philippine government had wrestled with the pros and cons of maintaining the country's security ties with the United States. This culminated in the Senate decision of September 12, 1991, at the cost of severe emotional strain on both sides. That event has obviously not settled matters. The Philippine-U.S. security relationship is still one of the most important foreign policy issues for the Philippines.

Philippine perceptions of the stability of the region demand that in the short-term, at least, bilateral security ties should be strengthened. However, nationalist

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[91] ***Manila Standard***, November 8, 1992, p. 2.

sentiments (morally strengthened by the gains of 1991) indicate that even a short-term compromise is unacceptable. In this aspect, the situation has not changed from the Aquino era. Looming over this situation are two issues that may push Philippine leaders to a decision. The first relates to the MDT as the nexus of security ties, and the other to the question of access.

Philippine political leaders believe that the American security guarantees embodied in the MDT do not sufficiently address the concerns of the Philippines. The MDT is therefore inadequate as a framework for Philippine-U.S. security relations in the post-bases era. Any discussion on strengthening the American security guarantee, however, would lead to the question of U.S. military access in the country. Essentially, the Philippine government must either accept the MDT as it is, or reinforce the American security guarantee with an American presence much diminished in size compared to before. The Philippines may also try to renegotiate the MDT, but American officials have indicated that this is a non-option.

Two factors will be decisive. First, President Ramos is not a vacillating Aquino. He has made it clear that the bilateral security ties with the U.S. will continue and, if possible, will be strengthened. Secondly, a number of those

who had voted against the draft treaty in 1991 are no longer in the Senate.[92] Aside from Senator Tanada, none of the incumbent members have spoken against the idea of maintaining the security relationship (as differentiated from the MDT). While support for the bilateral defense ties is not greatly evident in the Senate, there is no strong opposition to it either.

Recognition of the weak defense establishment of the Philippines has reduced the flexibility of Philippine political leaders. The Spratlys question will continue to rankle in the Philippines, but it is unlikely that the MDT will be replaced by or be reworded to incorporate a stronger guarantee of an American commitment. What is likely is the provision of access rights granting the United States docking and repair privileges (under a special commercial dispensation) in exchange for assistance in the modernization of the AFP.

For the Philippines, the question is a matter of determining whether the MDT, which anchors the security

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[92] Among the most important cases: Jovito Salonga (the former Senate President), Aquilino Pimentel, and Rene Saguisag no longer hold public office; Juan Ponce Enrile is now a member of the House of Representatives (which was and remains largely pro-bases but has no role in the ratification of treaties); and Joseph Estrada is now Vice-President of the country. Evidently, Mr. Estrada has no significant role in foreign policy making.

relationship, serves the security interests of the country. In the past, the bilateral security ties had been so encumbered by a number of peripheral issues that the reason for its existence had become clouded. Setting aside feelings of wounded pride, however, the termination of the MBA has set the stage for the development of a mutually satisfying relationship; one which would leave Philippine feelings of self-worth and identity intact. The Philippines can choose to allow the partnership to mature and, eventually, end gracefully or pursue its adversarial course with the United States and terminate the relationship acrimoniously.

Chapter Three

SECURITY RELATIONS AND THE EVOLVING STRATEGIC ENVIRONMENT: The View from the United States

The U.S. military deployment in the Philippines was strategically significant for reasons exceeding the simple question of American power-projection in the Asia-Pacific region. It was an important part of a network of bases and alliances which had provided the nexus of stability in the Western Pacific area. The presence of U.S. forces in the Philippines gave strategic reassurance to key friends and allies in a region beset by ideological and traditional enmities. It deterred potential aggressor states and contributed to the moderation of security dilemmas in the region.[1] The closure of the U.S. facilities and the withdrawal of American forces from the Philippines thus entail important consequences for both U.S. strategic planning and security relations in the Asia-Pacific region, more so as it had taken place amidst important developments in the international system.

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[1] Security dilemmas refer to the tensions between states caused by misperceptions arising from their pursuit of national security. A largely similar concept used by Barry Buzan is the power-security dilemma. See Barry Buzan. *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era.* (New York: Harvester Wheatsheaf, 1991): 294-327.

The collapse of the Soviet Union and, consequently, the bipolar security structure which had dominated the international system since 1948 are the most important of these international developments and have the most far-reaching consequences to the United States. Since 1986, the Soviet Union had experienced a series of political and economic upheavals which culminated in the rise of Boris Yeltsin and the disintegration of the Union of Soviet Socialist Republics. The Commonwealth of Independent States (CIS) emerged from the remains of the Soviet Union but it is wracked by internecine nationalist conflicts, economic stagnation, and the attempts of the more powerful member-states to pursue a more independent course.[2] While the CIS in general (with Russia as its most powerful member) remains a significant military power, its internal problems leave the United States as the only effective superpower in the international system.

Subsequent to the breakup of the bipolar international security structure is the strengthening of the multipolar international economic system. This is characterized by nascent regionalism built around three geographic poles --

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[2] The Ukraine in particular has challenged Russia's attempts to control the distribution of military resources and institutions. Disputes remain over the Black Sea Fleet and control over the nuclear and strategic forces of the former Soviet Union located in the Ukraine.

the U.S.-North American pole, the Japanese-East (both Northeast and Southeast) Asian pole, and the German-West European pole. The United States still remains the world's largest economy with extensive economic interests to protect in the world. However, impressive national economic growth rates in East Asia and the burgeoning integrated market system in Europe threaten to cut into the United States' economic power base.

The significance, though, of these two conditions lies in their total effect which has served to pave the way for a new strategic order. The nature of this new strategic order, however, is still unclear and the transition is proving to be full of uncertainty. This is strongly evident in the Asia-Pacific region where the complexity of change creates major challenges for the political and security interests of the United States. More and more the stability of the international system is exhibiting greater dependence on the ability of the United States to provide strategic reassurance. To facilitate this, the United States must retain its strategic nuclear deterrence and, more significantly, remain militarily engaged overseas.[3]

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[3] Robert J. Art, "A U.S. military strategy for the 1990s: reassurance without dominance," *Survival*, Vol. 34, no. 4. (Winter 1992-93):7.

Within this context, the Mutual Defense Treaty (MDT) with the Philippines remains part of the security arrangements that underscore the interests and commitments of the United States in the Western Pacific. The termination of the Military Bases Agreement (MBA), however, has diminished the significance of the bilateral security ties in American strategic calculations. Where these ties had been the principal Southeast Asian pole of the U.S. security network, they are now largely subsumed within the rubric of the expanding security relations of the United States with the member-states of the Association of Southeast Asian Nations (ASEAN).[4] As such, the bilateral ties between these two countries will experience significant pressure as the United States adjusts its regional strategy in conformity with international developments.

Two factors will be decisive in shaping the future of the American commitment to the Philippine-U.S. security relationship. First are the budgetary constraints on defense expenditures driven by the need to reduce a large Federal budget deficit. The second factor is the changing regional security environment resulting directly from the collapse of the Soviet Union, the rising economies of Southeast Asia, and U.S. force reduction.

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[4] Aside from the Philippines, the members of ASEAN are Brunei, Indonesia, Malaysia, Singapore and Thailand.

U.S. Economic Decline and Defense Budget Reductions

Even as relations between the United States and the Soviet Union began to thaw out with the signing of the Intermediate Nuclear Forces (INF) Treaty in December 1987, a growing budget deficit, an eroding industrial base, and a diminished ability to compete in the international market had shifted much of the security concerns of the United States to the economy.[5] Of these, the expansive Federal budget deficit has had a significant influence in American strategic considerations.

Fiscal policy decisions made by the Reagan Administration between 1980 and 1986 resulted in the growth of the Federal deficit from 2.8 percent to 7.2 percent of the United States' Gross National Product (GNP). This represented an increase from $74 billion to $210 billion.[6] By 1991 the budget deficit had been reduced to 5% of the GNP, but this still totalled $272.5 billion in absolute

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[5] Selig S. Harrison and Clyde V. Prestowitz, "Pacific Agenda: Defense or Economics?" ***Foreign Policy*** (Summer 1990): 56. See also Bernard K. Gordon, "Politics and Protectionism in the Pacific," ***Adelphi Papers*** 228. (London: International Institute of Strategic Studies, 1988).

[6] See written statement of Paul Kennedy, Yale University Professor of History, submitted to the Committee on the Budget, U.S. Senate, 100th Congress, Second Session, 1 March 1988; and Charles A. Kupchan, "Defense Spending and Economic Performance." ***Survival***, XXXI (5). (London: Brassey's, 1989): 458n (2).

terms. The growth of the budget deficit contributed to the worsening of an already bloated trade deficit ($66.2 billion in 1991), further widened the gap in the U.S. balance of payments and forced Washington to import more capital. Formerly the world's principal creditor nation, the United States has become the world's largest debtor country with a national debt of $2.9 trillion in 1991. This is the equivalent of 50% of the U.S. GNP for that year. In comparison, the German national debt even with the initial outlay of assistance to the Soviet Union and eastern Germany amounted to only 27% of their GNP in 1991.[7]

A number of analysts noted that the expansion of the Federal deficit took place at the same time that President Reagan had begun a major rearmament program. This coincidence triggered a serious debate on the defense policies of the United States. Between 1980 and 1986, U.S. defense spending rose from 5.1% tp 8.9% of the GNP (from $134 billion to $273 billion).[8] The Reagan Administration justified this increase by pointing to the inadequacy of American military power in relation to the threat posed by both the Soviet Union and the revolutionary forces it

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[7] International Monetary Fund. ***International Financial Statistics***, Vol XLVI, No. 2. (February 1993).

[8] Kupchan, ***op. cit.***, p.458n (2).

supported. It was repeatedly emphasized that the Soviet Union had strongly augmented its industrial capacity and was believed to have increased its military expenditures.[9] The huge budget deficit accumulated during this period was therefore blamed not on the military budget (which was essential to U.S. security) but rather on another factor -- the failure of programmed tax cuts to "produce an expansion of the economy large enough to sustain adequate revenue" in order to finance government expenditures.[10]

Nonetheless, critics pointed out that the shortcomings of the fiscal program of the Reagan Administration did not detract from the significant role that increased defense spending played in the growth of the Federal deficit and the decline of the American economy.[11] In his acclaimed book ***The Rise and Fall of the Great Powers*** (1989), Paul Kennedy argued that increased defense spending "diverted national resources from more productive investments, dampened growth

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[9] See the 1981-1987 editions of United States Department of Defense, ***Soviet Military Power***. (Washington, D.C.).

[10] Kupchan, ***op. cit.***, p. 451.

[11] William Weida and Frank Gertcher. ***The Political Economy of National Defense***. (Boulder and London: Westview Press, 1987): 71; David P. Calleo, ***Beyond American Hegemony: The Future of the Western Alliance***. (New York: Basic Books, 1987): 116. See also Harris and Prestowitz, ***op. cit.***, p. 57; and Kupchan, ***op. cit.***, p. 451.

through the lack of competition among defense contractors, and reduced innovation and growth in the commercial sector through demands for research funds and scientists in the military."[12] Another critic summed it up and said that the financial and economic difficulties experienced by the United States are seen to be symptomatic of "a political system unable to bring its military needs and economic means into some rational relationship."[13]

This analysis suggests that reductions in the defense spending of the United States government are among the more important conditions that have to be addressed in order to resolve its trade and budget concerns. A corollary to this thesis is the proposition that cuts on defense spending must at the same time be complemented by appropriate cuts in overseas responsibilities. Otherwise, Washington would simply be overextending its armed forces by retaining all the security obligations it assumed at the end of the Second World War, while withholding the resources needed to support them.[14] The Gulf Crisis precipitated by the Iraqi invasion

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[12] Paul Kennedy. ***The Rise and Fall of the Great Powers.*** (New York: Vintage Books, 1989): 533.

[13] Calleo, ***op. cit.***, p. 116.

[14] This theme was emphasized by Professor Paul Kennedy before the Committee on the Budget, U.S. Senate, 100th Congress, 2nd Session, 1 March 1988.

of Kuwait on August 2, 1990 exposed the limits of the U.S. capacity to sustain its overseas commitments.[15] Simply stated, American overseas commitments have become contingent on Washington's ability to address its economic problems.

With the disintegration of the Soviet threat, steps were initiated in January 1990 by the Bush administration to reduce defense expenditures as part of an overall program to trim the deficit. Cuts included the mothballing of two battleships, the reduction of military personnel by about 38,000, the cancellation of 15 major weapons programs, and most importantly, the closure or reduction of a number of bases, including fifteen overseas installations.[16] By the end of 1992, defense cuts had led to the closure or reduction of 398 installations in the United States and overseas, including the unintended closure of Clark Air Base and Subic Naval Base.

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[15] The U.S. intervention was largely made possible by the acceptance of America's allies to bear more than 80% of the cost. The Department of Defense estimated that the incremental cost of the Gulf War reached $61.1 billion. By the end of 1992, U.S. allies had paid fully their pledged total of US$53.5 billion, much more than the 80% initially expected by U.S. planners.

[16] *International Herald Tribune*, 30 January 1990, p. 8.

In 1991, the Department of Defense introduced the Fiscal Years 1992-1997 Future Years Defense Program (FYDP) which proposed to cut American forces by 25% and the American defense outlay to 18% of the Federal budget by 1997. This meant cutting the military establishment to its lowest levels since before the Korean War.[17] The FYDP proposed to cut the number of active Army divisions from 18 to 12, Air Force fighter wings from 36 to 26, and the Navy from 546 ships to 451.

With the accession of President William Clinton to power, however, even more radical reductions were proposed. Defense Secretary Les Aspin endorsed an option that would allow the Army to retain only nine instead of 12 active divisions, the Air Force 18 rather than 26 tactical air wings, and the Navy 340 instead of 451 ships.[18] On February 17, 1993, President Clinton unveiled an economic package which included plans to cut the defense budget by $88 billion by 1997. Additional cuts of $39.2 billion were also programmed for 1998 -- the first year of the next presidential term of office. These projections ensure that the U.S. military personnel establishment will fall below

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[17] See Statement of Secretary of Defense Richard Cheney on the FY 1993 budget of the Department of Defense made before the Senate Armed Forces Committee, January 31, 1992, p. 1.

[18] ***Defense News***, December 21-27, 1992, p. 1.

1.4 million, or 200,000 less than the absolute minimum indicated by the Bush administration's FYDP.[19] These planned reductions in the U.S. armed forces have major implications for U.S. commitments overseas and the security of American allies, particularly in the Asia-Pacific region.

Southeast Asian Security Challenges

The economic problems of the United States and its resultant force reductions have triggered serious concerns in the Asia-Pacific region. The United States, through its overseas military deployment and its nuclear umbrella, has been a significant factor in the promotion of stability in East Asia and, to a lesser extent, Australia. For Japan and South Korea, the U.S. presence has provided direct deterrence against potential aggressors -- the USSR (and after the Soviet Union's collapse, Russia) and North Korea. In November 1992, Japanese Prime Minister Kiichi Miyazawa and South Korean President Roh Tae Woo issued a joint statement which affirmed that "a continued active United States role is indispensable to stability in the region."[20]

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[19] ***Washington Post***, February 18, 1993, p. A16; ***Washington Times***, February 18, 1993, p. 5; and ***Los Angeles Times***, February 18, 1993, p. 19.

[20] ***New York Times***, November 9, 1992, p. A6. Roh Tae Woo's successor, President Kim Young Sam, has also affirmed the essential role that a continued U.S. deployment in Korea plays in ensuring the security of the region. See ***The Wall Street Journal***, April 6,

With the removal of the U.S. facilities in the Philippines, the ASEAN states have also become more open in acknowledging the importance of the U.S. presence in the region as a deterrent to regional powers seeking a greater role in Southeast Asian affairs.

Though primarily based in the Philippines, the U.S. security umbrella extended to the other member-states of the ASEAN. During the Cold War era, these countries were able to concentrate their attention on internal security matters as the United States largely underwrote their external security needs.[21] The U.S. security umbrella also allowed the ASEAN states to focus their energies and resources on economic development and growth, thus providing the foundation for the continuing economic dynamism of the region.

Aside from the Philippines and Singapore, however, the United States' security role was never officially

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1993, p. A10.

[21] Leszek Buszynski, "ASEAN security dilemmas," ***Survival***, Vol. 34, No. 4 (Winter 1992-1993): 90. In their formative years, the common security concerns of the ASEAN states had related to regional insurgencies fuelled by support from external powers. See Karl K. Jackson, "Post-Colonial Rebellion and Counter-insurgency in Southeast Asia," in Chandran Jeshurun, ed. ***Governments and Rebellions in Southeast Asia***. (Singapore: Institute of Southeast Asian Studies, 1985).

acknowledged by the ASEAN states because of the non-aligned character of the group as expressed in the ASEAN Declaration of 1967 and the Kuala Lumpur Declaration of 1971.[22] The latter was embodied in the ASEAN aspiration for the establishment of a Zone of Peace, Freedom and Neutrality (ZOPFAN) in Southeast Asia. Therefore, though ASEAN had not completely dropped ZOPFAN, individual states which had refused to acknowledge the contribution of the United States to regional stability did so in 1990 when Philippine nationalism threatened to drive the U.S. presence from the region.

The U.S. withdrawal from the Philippines and U.S. force reductions in the entire East Asian theater is generally construed to foreshadow a complete U.S. military disengagement from the Western Pacific area. This perception is further reinforced by trade frictions due to a negative U.S. balance of payments account with Asian countries which threaten to break out into an open trade

[22] There were indicators, however, of not so public support for the U.S. presence among the ASEAN states. On June 14-16, 1988, Defense Minister Benny Murdani of non-aligned Indonesia was reported to have made a secret trip to Manila. During the visit, he warned Philippine officials about moves that may cause a U.S. withdrawal and encourage Chinese "adventurism" in the South China Sea region. ***Far Eastern Economic Review***, July 28, 1988, p. 11.

war.[23] On January 16, 1992, Singapore's Minister for Information and Second Minister for Foreign Affairs George Yeo warned that an American withdrawal from Asia is likely to occur within 12 years if the U.S. economy does not recover soon.[24] He said that this would lead to Japanese rearmament, which in turn would trigger reactions from China and Korea -- "a whole chain reaction to destabilization ... in the region." This has become more serious as global concerns of a nuclear war involving the two superpowers have given way to "regional threats to international commerce and access to natural resources, production facilities, and markets."[25]

Southeast Asian threat perceptions have changed over time. Russia and Vietnam, the principal sources of concern at the height of the Cambodian conflict, now constitute remote threats. Large concentrations of Russian military and naval forces in the East Asian theater still cause Asians to be wary of Moscow's intentions. Russia, however,

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[23] An excellent discussion of the causes of these trade frictions can be found in Bernard K. Gordon, "Politics and Protectionism in the Pacific," ***Adelphi Papers 228***. (London: International Institute of Strategic Studies, 1988).

[24] ***Straits Times***, January 20, 1992, p. 29.

[25] Sheldon Simon, "U.S. Interests in Southeast Asia: The Future Military Presence," ***Asian Survey***, Vol. XXXI, No. 7. (July 1991): 665.

is too far away and too heavily involved in its domestic political and economic troubles to present a lasting threat to Southeast Asia.[26] Vietnam also maintains the largest military force in Southeast Asia, but like Russia is focusing on its domestic economic concerns. New anxieties now occupy the countries in the region, and the most serious of these are China, Japan, and India.

China. In the wake of the end of the Cold War, China has emerged as the most serious security concern in the region, particularly in Southeast Asia. This perception is partially colored by a historic ASEAN perception of a China intent on making Southeast Asia its area of influence. This has been sustained by a "Cold War imagery of an aggressive monolithic international communism" intent on the exploitation of weak post-colonial state structures, and the status of the large Chinese population in individual ASEAN states.[27] More recently, it has been fueled by China's

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[26] Russia still maintains a communications facility in Vietnam but has drawn down significantly from the former levels of its military and naval presence in that country. See ***Foreign Broadcasts Information Service*** (Sov) 92-7 (January 10, 1992): 12.

[27] See Michael Leifer. ***ASEAN and the Security of Southeast Asia.*** (London and New York: Routledge, 1989): ix. The issue of the local Chinese population in Southeast Asia was only recently diminished during the visit of Premier Li Peng to Indonesia on August 6-11, 1990. He assured the Indonesian government that China had no intention of using the Indonesian Chinese community against Indonesia's interests. This can be construed as a signal to other ASEAN countries with large local Chinese populations that China does not pose any threat to their security. See Michael

assertion of indisputable sovereignty over wide stretches of the South China Sea, particularly the Spratly Islands, and the modernization of the Chinese Navy and Air Force.

The South China Sea and the Spratlys archipelago are important to China for economic, political and strategic reasons. Economically, the area is believed to be rich in gas and oil reserves. This is significant to China (and to the other claimants as well) as its economy and industries begin to demand greater amounts of energy to facilitate growth. Politically, it extends its frontiers to Southeast Asia, thereby establishing its claim to a stake in the region and extending China's influence over it. Strategically, the islands constitute what China considers to be its southern frontier, and the South China Sea lanes are the principal approaches to the Chinese mainland's southern ports.

The ASEAN states are most concerned about China's propensity to use force in settling territorial disputes. This is borne out by the events of May 1988 when Chinese and Vietnamese forces clashed near Sin Cowe Island, marking the first time that military/naval force was utilized to settle differences over the islands. The threat of the use of

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Vatikiotis, "Red Carpets, Red Flags," ***Far Eastern Economic Review***, August 23, 1990, p. 8.

force in asserting its claim was originally contained in a letter submitted to the United Nations on April 20, 1987. It protested Vietnam's encroachment on what China claimed to be its territory. The letter warned that "[t]he Chinese government reserves the right to recover the occupied islands at an appropriate time."[28] This was strongly reiterated on February 25, 1992, in an announcement that the Chinese parliament had passed a law declaring the South China Sea as part of the country's territorial waters and the Spratlys as sovereign Chinese territory. This new law empowered China to take "all necessary measures to prevent and stop the harmful passage of vessels through its territorial waters" and remove "foreign military vessels or vessels of foreign governments that violate China's laws in the area."[29]

Whether this action is meant as a warning to other claimants in the region, as well as non-claimants who have an interest in keeping the sea-lanes open (such as the United States and Japan), or simply a legal documentation of China's historic claims is unclear. Nonetheless, it triggered serious reactions from other countries in the

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[28] P. Lewis Young, "Territorial Disputes in the South China Sea and Timor Sea," *Asian Defense Journal*. (October 1988): 42.

[29] Quoted in Buszynski, "ASEAN Security Dilemmas," *op. cit.*, p. 92.

region. Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi said that this makes it more difficult to find a solution to the problem.[30] The entire situation is exacerbated by China's determination to back these intentions with the requisite military capability.

With the passing of the new law, PLA Navy Deputy Commander Zhang Xusan declared that China would develop advanced weaponry and adjust its strategy in order to protect its claims in the oil- and gas-rich South China Sea.[31] Much of these efforts have been directed towards building a blue-water navy and a modern air force. To this end, China's military modernization plans have received a boost from a desperate Russian economy in great need of hard foreign currency.

Business relations between China and Russia commenced with an agreement on the purchase of 24 Sukhoi Su-27 long-range fighters in 1990. In March 1992, an order for 48 more Su-27s and 24 MiG-31 interceptors, with arrangements to manufacture between 150 and 200 more of the latter under license in Shenyang, was contracted with aircraft engines

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30 ***Straits Times***, March 2, 1992, p. 1.

31 ***Far Eastern Economic Review***, April 16, 1992, p. 14.

and avionics for China's F-10 fighter.[32] More ominously, the Chinese Communist Party decided in principle to acquire an aircraft carrier.[33] There have been varied reports of discussions with Russia and the Ukraine on the possible purchase of the *Varyag*, a 67,500 ton vessel nearing completion in the Nikolayev shipyard which could carry a complement of 12 navalized Su-27 fighters. A more recent report also mentioned the *Kiev*, a 38,000 ton vessel of lesser capability retired by the Russian Navy in 1992 as part of cost-cutting measures.[34] China, however, is exploring other means of projecting air power to assert its territorial interests.

Desmond Ball of the Strategic and Defence Studies Centre of the Australian National University believes that there are indications that China has completed in Woody

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[32] Leszek Buszynski, "Russia and the Asia-Pacific Region," ***Strategic and Defence Studies Centre Working Paper No. 258.*** (October 1992):16. See also ***Washington Post***, March 31, 1993, p. A21; and ***Armed Forces Journal International***, January 1993, p. 16.

[33] ***New York Times***, January 11, 1993, p. 1.

[34] ***Far Eastern Economic Review***, February 11, 1993, p. 9. the shift to the *Kiev* may be due to the failure of talks with Ukrainian officials on the purchase of the *Varyag*. The official account states that agreement on the price could not be reached, but other reports state that some analysts have suggested that Russia's refusal to sell China the advanced electronics to command the *Varyag* ended the negotiations with the Ukraine. ***Chicago Times***, November 22, 1992, p. 1.

Island in the Paracels in the South China Sea an airstrip capable of accommodating the Su-27, as well as docking points for frigate-sized ships. This together with the deployment of aerial refuelling equipment and tankers in Zhanjiang would provide Chinese forces with the air and sea capability needed for force projection in support of its territorial claims.[35]

These preparations present strong evidence against China's willingness to find a negotiated solution to the issue. Repeated entreaties to set aside differences over sovereignty and jointly explore the resources in the area appear to be no more than equivocation intended to allow China to wait for the opportune moment when its military capabilities will enable it to assert its claim with minimal opposition.[36] Suggestions by Chinese diplomatic officials that the issue evokes too much emotion to allow a rational decision to be reached on the matter at the present time appear to reinforce this position.[37]

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[35] ***Washington Post***, March 31, 1993, p. A21. China brought refuelling kits from Iran in 1990 and is discussing the purchase of more with Israel.

[36] China's Foreign Minister Qian Qichen repeated in the ASEAN Minister's meeting in Manila in 1992 a proposed formula for joint exploration of the Spratlys area. This had first been suggested by China's leaders in 1990.

[37] ***Straits Times***, November 10, 1992, p. 13.

Japan. The case of Japan is a complex and sensitive feature of security relations in East Asia. Japan is widely accepted as the "major driving force in the . . . region's bid to become a market as big as North America or Europe by the end of the century."[38] The Malaysian proposal for an East Asian Economic Group (EAEG) eyed the Japanese economy as its principal engine of growth. Japan has been Southeast Asia's largest source of direct foreign investment and is either the first or second principal trading partner of individual countries in the region. Its economic power also makes inevitable its increasing importance as an international political actor. The controversy over Japan arises from the nature of its role in regional security.

Southeast Asia continues to be haunted by images of Japan's militaristic past. Efforts and suggestions to increase the scope of its defense responsibilities arouse suspicions of Japan's intentions. The eventual passing of the bill to send a contingent as part of the UN Peacekeeping operation (PKO) in Cambodia was greeted with wariness all over the region.[39] The general attitude toward Japan is best indicated in the reaction of officials from Singapore

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[38] Anthony Rowley, "The Capital of Asia," *Far Eastern Economic Review*, November 22, 1990, p. 56.

[39] *International Herald Tribune*, March 14, 1991, p. 2.

and Malaysia over a suggestion in 1990 by the then Thai Prime Minister Chatichai Choonhavan of a joint exercise between the Thai and Japanese navies in the South China Sea. It was stressed that while Japan should be encouraged to expand its economic ties with the region, it "should leave its arms at home."[40]

Unlike the Chinese PLA, however, the Japanese Self-Defense Force (JSDF) does not have the force structure to pose a direct military threat to any East Asian state. It was designed to work in conjunction with the United States against the potential threat of a Soviet invasion. Even at present, the JSDF is still configured more for territorial defense with Russia as the potential enemy. With a total force of 246,000 uniformed personnel, the JSDF has an establishment much less than what either of the two Korean states maintain, and even less than what some of the ASEAN states possess. The ground forces keep 1,210 main battle tanks, but most of these are along the Russian front. While it has some of the most sophisticated aircraft and surface warship systems in the world, the Japanese Air and Maritime Self-Defense Force (ASDF and MSDF) have limited capability to project Japanese military forces beyond the country's exclusive economic zone.

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[40] Rodney Tasker, "Full Astern," *Far Eastern Economic Review*, May 24, 1990, p. 19.

The evolution of a militarily significant Japanese armed force must also come to grips with a popular reticence against war induced by nearly a half century of close adherence to Article Nine of the Japanese Constitution. This stricture was imposed by General Douglas MacArthur on the entire country upon the end of the Pacific War to prevent the resurgence of Japanese militarism. Fundamentally, it denies Japan's right of belligerency.

Finally, Japan is kept at bay by the U.S.-Japan Mutual Defense Treaty. This treaty ostensibly is intended to place Japan within the protection of the U.S. nuclear umbrella. In guaranteeing the security of Japan, however, the United States is also able to keep Japan from re-militarizing and thereby allay the historical fears of China, the two Koreas and most of Southeast Asia.[41]

These political safeguards, however, are not infallible as shown by the loosening of the constitutional constraints which allowed the Japanese legislature to pass the PKO bill and opened the way for an overseas role for the JSDF, albeit

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[41] U.S. Marine General Stackpole inelegantly described the U.S. role vis-a-vis Japan as the "cork that keeps the genie in the bottle."

a limited one.[42] More significantly, frictions in the bilateral relations between the United States and Japan caused by a significant trade imbalance in favor of Japan, coupled with the U.S. reduction of forces in the region may prompt the Japanese government to pursue a more independent security policy. Japan already has the economic and political foundation to support such a change in policy. It has the region's largest defense budget with $180 billion allocated for 1991-1995.[43] At the same time, it has begun to depart from some of its Cold War foreign policy in Asia, and embarked on directions more independent of the United States.[44] A Japan Defense Agency (JDA) official said that while the U.S. presence in the region is necessary for stability, Japan has to give more attention to its own defense needs.[45] Growing fears of a nuclear-armed North Korea (and if reunification takes place, fears of a

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[42] ***Far Eastern Economic Review***, December 26-January 2, 1992, p. 13.

[43] ***The Japan Times***, January 4-10, 1993, p. 1.

[44] For instance, while the United States continues to maintain a policy of isolating Vietnam until all American MIAs from the Second Indochina War are accounted for, Japan resumed aid to Hanoi in November 1992.

[45] Masahiro Akayama as quoted in ***Foreign Broadcasts Information Service*** (East Asia) 93-015. (January 26, 1993):39. See also ***The Japan Times***, January 11-17, 1993, p. 1.

nuclear-armed Korea unfriendly to Japan) rationalize this view among Japanese policy-makers.[46]

It is commonly held that only the U.S.-Japan relationship will be able to keep Japan from adopting a more assertive and independent security role in the region. Singaporean Defense Minister Yeo Ning Hong warned that "any sharp pull-back of U.S. forces from the Asia-Pacific [may push] . . . Japan . . . to rearm to safeguard its trade routes beyond the thousand nautical miles south of Tokyo."[47]

India. India is the third Asian power which has caught the attention of the East Asian states. Perceptions of an Indian threat is primarily a Chinese concern, but many of the Southeast Asian states are apprehensive about the impact of an incipient Sino-Indian rivalry to the stability of the region. One analyst had said that Southeast Asia is "moving out of a period of Soviet-American balance into one of Sino-Indian rivalry."[48] There are some indications,

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[46] Japan's Defense chief Toshio Nakayama said that North Korea's withdrawal fro the Nuclear Proliferation Treaty (NPT) in March 1993 is a "great shock to the security of Japan and the whole Asia-Pacific region." ***Jane's Defence Weekly***, March 27, 1993, p. 11.

[47] ***Philippine Star***, February 28, 1992, p. 2.

[48] Professor Harry Gelber of the University of Tasmania as quoted in Michael Richardson, "Southeast Asia Wary," ***Pacific Defence Reporter***, February 10, 1990, p. 42.

however, that some officials and analysts in Indonesia are hoping that India would balance an expansionist China.[49]

Overall, India is the least likely prospect as far as threats to the stability of East Asia is concerned. The expansion of its navy during the 1980s, its known great power ambitions, and its desire to dominate the Indian Ocean basin, however, pushes its interests astride the coasts of Burma, Thailand, and Indonesia. This and the fact that among the three major Asian powers India has the proven capacity to project its forces far beyond its territory creates the impression of a politically expansionist power with the capability to dominate the sea approaches between the Suez Canal and the Persian Gulf, and Southeast Asia in the event of a U.S. disengagement in this area.[50] Since the Soviet withdrawal from Afghanistan and the eventual break-up of the Soviet Union itself, India's attention has become more directed towards concerns over the prospective emergence of a regional Islamic grouping encompassing Pakistan, Iran and the Central Asian states (including the

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[49] Buszynski, "ASEAN Security Dilemmas," ***op. cit.***, p. 95.

[50] The November 1988 military military intervention in the Maldives clearly emphasized these capabilities of the Indian military. See Bilveer Singh, "Operation Cactus: India's 'Prompt Action' in the Maldives," ***Asian Defense Journal***, (February 1989):33; and ***Far Eastern Economic Review***, October 10, 1991, p. 22.

new republics from the former Soviet Union). Nonetheless, India remains an area of concern for Southeast Asia.

These security concerns have had a significant effect on American strategic calculations in Southeast Asia.

American Security Policy in the Western Pacific

The United States remains torn between the conflicting pressures of the need for economic austerity in the Federal government, and the security requirements of the emerging world order. A small but articulate group argues that the United States should be more discerning about its alliances and withdraw from commitments in regions where states have developed the economic capacity to address their security requirements, such as in the Western Pacific region. Destabilizing forces which might emerge in the event of a U.S. withdrawal should be left to the regional powers to resolve. Proponents of this perspective and other analysts have variously referred to this either as "strategic independence" or the "distant balancer" strategy.[51] Logically, this is an extension of the arguments posed by

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[51] Ted Galen Carpenter. ***A Search for Enemies: America's Alliances after the Cold War.*** (Washington, D.C.: Cato Institute, 1992): 167-204; and Richard Ellings and Edward A. Olsen, "Asia's Challenge to American Strategy," ***Analysis***, Vol. 3, No. 2. (Seattle, Wa.: National Bureau of Asian Research, 1992):18-19.

the critics of the Reagan defense build-up. Even with the constraints imposed by the Federal budget deficit, however, the demands of the strategic environment have pushed the United States into determining that its interests can be best served by maintaining its forward presence in Southeast Asia. This imperative is even further emphasized by the region-wide effects of the response of the Southeast Asian states, particularly the members of ASEAN, to perceived threats to their security.

Perceptions of a declining U.S. presence, aggressive Chinese intentions, and the prospect of Japanese rearmament have reinforced an ASEAN-wide effort to upgrade and modernize national defense capabilities. These efforts have been in progress since the latter half of the 1980s as the ASEAN states became increasingly concerned about their ability to safeguard maritime regimes and interests. These interests include the protection of the sea lanes of communications (upon which they rely for their expanding trade links) and disputed territorial claims. The security of maritime interests have been critical to the priorities of ASEAN defense modernization. Air strike and blue-water naval capabilities have been the centerpiece of upgrade programs.[52] Indonesia, Singapore and Thailand operate a

[52] There is some concern that the United States decision to sell 150 F-16s to Taiwan to counter the Russian sale of Su-27s to China may lead to an arms race across the Taiwan Strait.

small number of General Dynamics F-16s since 1990 and have indicated some interest in acquiring more. Indonesia also embarked on a 20-year naval development program and has procured 39 naval vessels of the former Democratic Republic of Germany, including 16 *Parchim*-class corvettes and eight minesweepers. They have also ordered three submarines from Germany.[53] The Thai Navy is in the market for an amphibious assault ship which will be used to support operations in the Gulf of Thailand.[54] Malaysia's defense build-up includes the establishment of a new naval base near Kota Kinabalu in Sabah, and the acquisition of two corvettes ordered from GEC-Yarrow Shipbuilders in September 1991. It is also finalizing an agreement with Russia on the sale of 18 MiG-29s and six Mi-35 helicopter gunships.[55] Brunei has purchased 16 British BAe Hawk fighters and some offshore

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Taiwan is also procuring 60 Mirage 2000s from France. The effects of this may overspill into a Southeast Asia already concerned about Chinese military modernization.

[53] Tai Ming Cheung, "Instant Navy," ***Far Eastern Economic Review***, February 18, 1993; and ***Jane's Defence Weekly***, January 9, 1993, p. 4.

[54] ***Defense News***, November 16-22, 1992, p. 8; and ***Straits Times***, November 16, 1992, p. 28.

[55] Russian arms sales are now perceived to be devoid of the ideological implications of arms transactions. ***Defense News***, September 28-October 4, 1992, p. 6; and Michael Vatikiotis and Melana Zala, "Scrambled jets," ***Far Eastern Economic Review***, February 18, 1993, p. 10-11.

patrol vessels.[56] Malaysia and Indonesia have also bought or ordered a number of the Hawk 100/200 fighters.

Although there is some concern about the effects of Russian arms sales on American political influence and commercial interests in Southeast Asia, U.S. official circles generally perceive that this modest build-up of military capability does not constitute a danger to the stability of the region. The military activities of India, Japan, and particularly China, however, may play a decisive role. The continued build-up of China's military and naval capability could eventually lead to a full-blown arms race in the Western Pacific rim that could have important consequences to the stability of the region.

A strengthening of bilateral defense and security ties complement this modest arms build-up in Southeast Asia. Border agreements, intelligence sharing, and joint military exercises and training among the ASEAN states have been expanding.[57] Within this context, Indonesia remains the most active player being involved in annual exercises with Malaysia, Singapore and Thailand, and less regularly, with

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[56] ***Jane's Defence Weekly***, October 12, 1991, p. 657.

[57] Khong Kim Hoong and Abdul Razak Abdullah, "Security Cooperation in ASEAN," ***Contemporary Southeast Asia***, Vol. 9, No. 2. (September 1987): 130-131.

the Philippines.[58] Malaysia and Singapore are also improving on security relations which have been wracked by political tensions. The Malaysian and Singaporean Armed Forces are exploring the idea of forming a joint committee which will look into ways of strengthening bilateral ties.[59] Details for a joint training exercise to be held in May 1993 between the armed forces of the Philippines and Singapore are also being finalized.[60] There are also plans for Singapore to provide Philippine Air Force pilots advanced training in exchange for the use of the Crow Valley target range abandoned by the United States. The ash which collected from the eruption of Mt. Pinatubo and the subsequent mudflows, however, makes this endeavor difficult to accomplish in the near future.

There have also been varied suggestions on formalizing security cooperation among the ASEAN states on a multilateral basis. Sarasin Viraphon, Director General of

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[58] Zakaria Hadji Ahmad, "Future Patterns of ASEAN Regional Security Cooperation in ASEAN," *Asian Defense Journal* (July 1989): 32; and Amitav Acharya, "A Survey of Military Cooperation among the ASEAN states: Bilateralism or Alliance?" *Center for International and Strategic Studies Occasional Paper No. 14.* (Ontario: York University, 1990): 1.

[59] *Foreign Broadcasts Information Service (Eas) 93-023.* (February 5, 1993): 33.

[60] *Jane's Defence Weekly*, February 27, 1993, p. 18.

the Thai Foreign Ministry's American and South Pacific Affairs, said that this was the only acceptable alternative to the U.S. security guarantee in Southeast Asia.[61] More substantively, Singapore has been expressing the need for countries in the region to work together to keep the sea-lanes open. Indonesian analyst Jusuf Wanandi affirmed that surveillance of the sea-lanes provides opportunities for bilateral and multilateral cooperation in the region.[62] He warned, however, that this should not entail the creation of a military pact, a point reflective of the official Indonesian position that the creation of a new mechanism for the promotion of security within ASEAN should not be pursued.[63] Malaysian Defense Minister Datuk Seri Najib Tun Razak pushed this sentiment further and said that bilateral security cooperation among the ASEAN states remains the best way of strengthening the security of the region.[64]

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[61] ***Foreign Broadcasts Information Service (Eas) 93-010.*** (January 15, 1993):51.

[62] Jusuf Wanandi, "Looming Challenge for ASEAN," ***Far Eastern Economic Review***, January 23, 1992, p. 15.

[63] See Buszynski, "Southeast Asia in the Post-Cold War Era," ***op. cit.***, p. 841.

[64] ***Straits Times***, January 20, 1992, p. 17.

This conviction, however, is only indicative of a long-standing factor in ASEAN relations. The lack of clear common defense goals among the ASEAN states, as well as lingering mutual suspicions among the members, still hinder their ability to forge strong defense ties that could form an effective deterrent against potential aggressors. The ASEAN members have instead aligned themselves with external powers. Thus the continuing significance of the Five Power Defense Agreement (FPDA) to both Malaysia and Singapore; the importance of the U.S. commitment in the Manila Pact to Thailand; the emergence of close security ties between Thailand and China at the height of the Cambodian crisis; and the still active (if uncertain) interest of the Philippines in its bilateral ties with the United States. More recently, there have been a number of bilateral security exchanges involving ASEAN and non-ASEAN states which previously had little to do with ASEAN affairs.

In October 1992, India issued bilateral invitation to the ASEAN states to participate in joint naval exercises. Only Singapore accepted.[65]. On February 2, 1993, however, India signed a Memorandum of Agreement with Malaysia on the development of the MiG-29 fighters that Malaysia may procure from Russia. Some analysts suggest that this could pave the

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[65] ***Jane's Defence Weekly***, March 27, 1993, p. 12.

way for more extensive defense ties between India and the other ASEAN states, particularly by way of arms sales and technology transfer.[66] Australia also invited the ASEAN states to participate in a naval exercise in May 1993. Malaysia, Singapore and Thailand have accepted and will send contingents while Indonesia will send observers.[67]

The expanding defense ties, however, among the ASEAN states as well as between them and other non-member states of ASEAN are at best still at an exploratory confidence-building stage. Even the most advanced of these -- the trilateral links between Indonesia-Malaysia-Singapore -- is hampered by the political controversies which have always seasoned relations between these countries. Clearly, it is still the United States, as the only major power which the ASEAN and most of the East Asian states trust, which has a critical role to play in the preservation of regional stability in Southeast Asia.

A Defense Department assessment paper entitled "A Strategic Framework for the Asian Pacific Rim: Looking Towards the 21st Century" (which is also referred to as the

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[66] *Defense News*, February 18-14, 1993, p. 36.

[67] *Jane's Defence Weekly*, March 27, 1993, p. 11.

1990 East Asia Strategy Initiative Report, or EASI 1990) was submitted to the United States Senate Committee on the Armed Services in April 1990. It emphasized the U.S. role as a "regional balancer, honest broker and ultimate security guarantor" in the Asia-Pacific region, while at the same time acknowledging the changes in the strategic environment and the constraints imposed by the ailing U.S. economy.[68] This role is in conjunction with the United States' security perspective of a shift from a global confrontation with the Soviet Union to a more diverse and flexible framework oriented towards regional threats.[69] EASI 1990 projected a reduction of U.S. forces in the Western Pacific in three phases. Phase I, which was to take place during the period 1990-1992, was intended to reduce U.S. forces in Japan, Korea and the Philippines by 15,250. Phase II, covering the period from 1993 to 1995, envisioned the further reduction of 7,200 U.S. ground and air force personnel in Korea and Japan. Phase III will begin in 1996 and will focus on adjusting the mission of the remaining forward deployed

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[68] **See "A Strategic Framework for the Asian Pacific Rim: Looking Toward the 21st Century," President's Report to Congress prepared by the Office of the Assistant Secretary of Defense for International Security Affairs (East Asia and Pacific Region), Washington, D.C., 1990.**

[69] See "National Security Strategy of the United States," Report prepared by the Office of the President, August 1991; and "National Military Strategy of the United States," Report prepared by the Joint Chiefs of Staff, January 1992.

forces of the United States in the region. Essentially, this framework is a continuation of the Cold War Asian strategy of the United States revolving around four principal elements -- forward deployment, access to overseas bases, and bilateral security arrangements. The only difference is that it makes do with diminished force levels.

The implementation of EASI 1990, however, was partially dislocated by two developments: concerns over North Korea's nuclear capabilities; and the Philippine Senate's refusal to ratify a new treaty with the United States in 1991. This resulted in the deferment of the Phase II reductions in South Korea and, more significantly, an accelerated U.S. disengagement from the Philippines.[70] EASI 1990 had programmed the withdrawal of 3,490 of the 14,800 personnel in the Philippines in Phase I. Further reductions would have been determined by the new treaty being finalized at that time. The Philippine Senate's rejection of the treaty, however, meant that the 11,310 remaining personnel had to be relocated elsewhere in the region or disestablished.

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[70] 6,500 military personnel were supposed to be withdrawn from South Korea in Phase II of the Plan. This stage, however, has been suspended while the United States tries to address concerns over the North Korean nuclear program. See "A Strategic Framework for the Asian Pacific Rim," President's Report prepared for Congress by the Office of the Assistant Secretary of Defense for International Security Affairs (East Asia and Pacific Region), Washington, D.C. 1992, p. 13-21. See also Statement of Secretary Cheney, *op. cit.*, p. 24.

The end of the Cold War produced a backlash in the United States against the maintenance of a forward deployment strategy. This was reinforced in East Asia, particularly in Southeast Asia, by the termination of the MBA. The Pentagon, however, pointed out that the protection of the sea-lanes between the Pacific and the Indian Ocean was still a vital U.S. concern as well as pre-condition to the stability and prosperity of the region.[71] Sea lane protection has become even more critical in view of the rise of China, Japan and India as strong regional powers. The U.S. presence remained a vital component for maintaining the equilibrium of the region by virtue of the concrete insurance it provided to U.S. allies in the region.

The withdrawal from the Philippines, however, did create a dilemma regarding the maintenance of a forward deployed force in Southeast Asia. A study prepared in 1986 for the U.S. Congressional Research Service explored alternatives for the United States in the event of a withdrawal from the Philippines. It emphasized, however, that any alternative structure would be less efficient and

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[71] *Far Eastern Economic Review*, February 1, 1990, p. 9.

would have a range of drawbacks when compared to what the United States had in the Philippines.[72]

In 1990, the United States began to expand its bilateral security relations in Southeast Asia. As part of its new strategic posture in the region, the U.S. shifted to a more widely distributed network of "regional access, mutual training arrangements, periodic ship visits, intelligence exchanges, and professional military educational programs."[73] Instead of permanent basing sites, U.S. forces will simply increase the frequency of their visits and port calls in Southeast Asia while seeking logistics and maintenance arrangements with the countries in the region. Aside from broadening U.S. prospects in the region, Jonathan Pollack, an Asian defense specialist in Rand Corporation, thinks "this type of intermediate relationship . . . [is] politically sustainable for both sides."[74]

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[72] Alva M. Bowen, "Philippine Bases: U.S. Redeployment Options." (Foreign Affairs and National Defense Division, Congressional Research Service, U.S. Library of Congress, 20 February 1986): 2.

[73] "Strategic Framework for the Asian Pacific Rim," (1992), *op. cit.*, p. 5.

[74] *Defense News*, August 10-16, 1992, p. 8.

The United States signed an agreement with Singapore on November 13, 1990 which gave American forces limited access to repair and storage facilities in that country. The accord also allowed for the "training deployment" of a small number of U.S. fighters at Peya Labar Air Base for six to seven months each year. In 1992, this relationship was upgraded further with the transfer from the Philippines of around 100 personnel constituting the staff of the U.S. Commander, Logistics Group Western Pacific to Singapore.[75] As such, Singapore is most likely to be the hub of American operations in Southeast Asia.

Indonesia, a founder of the Non-aligned Movement (NAM), has acceded to commercial arrangements for American use of naval maintenance facilities in Surabaya. The United States had also indicated its interest in gaining access to the Siabu Air Training Range in Sumatra as a replacement for the loss of Crow Valley. The Malaysian and Singaporean Air Forces have access to this training facility but it is unlikely that Jakarta will give the U.S. similar privileges because of sensitivities towards its non-aligned status.[76]

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[75] This had caused some rift between the United States and Indonesia which only expected the establishment of a small ship maintenance or communications facility. ***Defense News***, September 28-October 4, 1992, p. 12.

[76] ***Far Eastern Economic Review***, October 17, 1991, p. 10.

Yet, the two countries have been holding joint air and naval exercises since 1990. According to Admiral Soedibyo Rahardjo, former chief of the Indonesian Armed Forces general staff, these exercises will only get "bigger and better."[77]

It is, however, Malaysia which has proven to be a major surprise as far as security relations with the United States is concerned. Officials from Kuala Lumpur and Washington have confirmed that military cooperation between the two countries was formalized on January 20, 1984 under a Bilateral Training and Educational Cooperation Agreement (BITEC). It was only kept secret for so long at Malaysia's behest primarily to keep up Malaysia's pretext of non-alignment.[78] These relations were expanded in 1989 to allow the stationing of military personnel in the country as "administrative and technical personnel" to supervise the maintenance of C-130 aircraft of the U.S. Air Force being done under a commercial contract.[79]

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[77] ***Asian Wall Street Journal***, April 8, 1992, p. 8.

[78] ***Ibid.***, p. 1.

[79] ***Philippine Star***, February 28, 1992, p. 8.; and ***Asian Wall Street Journal***, April 8, 1992, p. 1.

Thailand has also allowed the U.S. Air Force to use its airports for refuelling and maintenance. In the 1991 **Operation Desert Storm**, the Thai airfield at Utapao was used as a staging area for air operations. In much the same way as the other ASEAN countries, Brunei has indicated its intention to sign a Memorandum of Understanding (MOU) with the United States to provide for training and access for American naval vessels.[80]

These arrangements are not meant to replace the facilities and services which had made the Philippines so valuable to U.S. operations in the Western Pacific. The facilities that are being made available to the United States cannot adequately cover all of the functions that the Philippine facilities had provided. For instance, the Malaysian dockyard at Lumut which the United States has been using can only service ships up to the size of a destroyer.[81] Subic, with the facilities it had under the U.S. Navy, serviced aircraft carriers except cases where major repair or overhaul work were needed. Neither is there any intention to replicate the bases arrangement which the United States had with the Philippines in any other country.

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[80] Leszek Buszynski, "Southeast Asia in the Post-Cold War Era," ***Asian Survey***, Vol. XXXII, No. 9. (September 1992): 846

[81] ***Philippine Star***, February 28, 1992, p. 8.

It is not only expensive to establish permanent bases, it is also politically unpopular in the region. These arrangements are meant more to sustain the reassurance provided by a continuing U.S. presence in the region. Thus, the era of large and permanent basing arrangements in Southeast Asia has come to pass. The United States military presence will continue, but it will be maintained through the network of access arrangements it has developed in the region, and through joint exercises. Despite the loss of its Philippine facilities, the U.S. military and naval presence in Southeast Asia will continue to play a stabilizing role in the region.

Philippine-U.S. Bilateral Security Relations

The United States is determined to remain a Pacific power. At present, the Philippines remains a treaty ally under the MDT and as such continues to play a role in American strategy in the Asia-Pacific region. The United Sates has expressed its belief that the MDT still serves its security interests. This was emphasized by former Secretary James Baker during the ASEAN Post-Ministerial Conference (ASEAN-PMC) in July 1992 when he said that the U.S. would stand by its commitments under the treaty. With the termination of the MBA, however, the MDT must necessarily

develop an existence not tied to the presence of U.S. facilities in the Philippines.

According to the former U.S. ambassador to the Philippines Richard Solomon, the MDT must become more than just a paper treaty.[82] The mutuality of interests which the MDT symbolizes must be sustained by way of increased defense cooperation. As maintained in the joint statement made during the Mutual Defense Board meeting on November 6, 1992, this would mean the continuation of the annual "Balikatan Exercise," intelligence exchanges, port visitations, aircraft transit and disaster assistance. The U.S. is also interested in the use of Subic even after the formal turnover of the facilities to the Philippine government.[83] Whether this is based on an access arrangement similar to that which the U.S. signed with Singapore or a commercial arrangement similar to that with Malaysia does not really matter to U.S. policy-makers.[84] They are not, however, keen

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[82] See transcript of Ambassador Solomon's appearance before the Manila Overseas Press Club on November 23, 1992, p. 13.

[83] Ambassador Solomon said that Washington was ready to enter into an agreement with Manila for access to Subic. ***Manila Chronicle***, September 29, 1992, p. 6.

[84] Among military officers, however, a commercial arrangement or any arrangement which involves monetary transactions in exchange for security privileges dilutes the intent behind a mutual defense arrangement.

on a new treaty which requires the ratification of the Philippine legislature.

The United States has made it clear that they believe the MDT to be flexible enough to accommodate any concern between the two partners. Upon presentation of his credentials to President Ramos in September 1992, Ambassador Solomon said that "[t]reaties are cumbersome and very time consuming to negotiate and I would say that there is a general feeling on our part that our existing arrangements provide flexibility and clear broad commitments."[85] After the experience with the PACT, the United States does not want to enter into possibly acrimonious negotiations over a new treaty. At the same time, there is also some concern that the Philippine Senate may once again complicate matters as it had done in the PACT. There is also a sense among U.S. military and diplomatic officials that the Philippines needs to clarify its security interests first before it could be an effective bilateral defense partner.

The importance of the Philippines as a treaty ally has been greatly diminished by the termination of the MBA. From the anchor of the U.S. security network in Southeast Asia, it has become a non-essential component. This perspective

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[85] *Manila Standard*, September 5, 1992, p. 2.

is most evident in the attitude of defense and military officials towards the MDT. Philippine proposals to amend the treaty to include the *Kalayaan* Islands within its scope to ensure that the United States would defend it in case of an attack have been rebuffed by the United States government. What is significant, however, is the preparedness of the United States to disengage completely from the Philippines in the event that the Philippines insists on renegotiating the MDT.[86] With the expansion of U.S. security ties in the region, the Philippines has become practically expendable as a treaty ally. Since the loss of its facilities, a total disengagement from the Philippines would hardly affect the U.S. strategic posture any further as it is presently structured in Southeast Asia.

The Philippine-U.S. security relationship at present remains an important component of the regional security network of the United States. It is nonetheless, no longer of such decisive importance that the United States would be willing to politically accommodate what it perceives to be unreasonable Philippine conditionalities to the continuation of that relationship. Unless the Philippines clarifies where its security interests lie, the United States will

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[86] This became evident in the author's meetings with various officials from the Department of Defense and the U.S. Pacific Command.

find less and less incentive to actively continue its defense ties with the Philippines.

Chapter Four

Conclusion

The termination of the Military Bases Agreement presaged the end of an era in Philippine-American security relations, and paved the way for the dawning of a new one. Clearly, Philippine-American security relations without the U.S. facilities will not be the same as it was before. The main point, however, is to identify a future for this security relations without the facilities in the Philippines.

In the past 45 years, what was supposed to be a security relationship was in fact a case of United States dominance. It was a source of tension between the two countries, but at the same time it represented the mutuality of the security interests that the Philippines and the United States professed to share. With the demise of the Bases Agreement, it would seem natural that the mutuality of the security interest of the two countries should go the same way.

Yet, the Philippines and the United States persist on the notion that the security ties between them go beyond the MBA. The MDT now presents the framework upon which these ties are to be maintained. There are, however, already signs that even the MDT may be unravelling.

The Philippines continues to wrestle with its colonial past. While the MDT does not have the same emotional pull which the MBA possessed, it has begun to draw the ire of Philippine nationalists. It may not be as easy to create nationalistic fervor over the MDT as with the MBA. The MBA went beyond symbolism inasmuch as the U.S. facilities themselves presented a physical basis for compromised sovereignty. The MDT draws from the principle of mutual security interests without the physical essence of overseas military presence. Nonetheless, Filipino government officials (particularly in the Senate) remain uncomfortable about the Philippines' security relations with the United States. As with the case of the MBA, there does not seem to be any unanimity on the source of discomfort.

Nationalist officials continue to pursue the theme that security relations between the Philippines and the United States must necessarily be broken if the Philippines is to be truly independent. This is now rationalized in consonance with the supposed realities of a more peaceful world order brought about by the end of the Cold War. On the other hand, officials with nationalistic pretensions but who believe in maintaining the relationship with the U.S. continue to harp on old issues regarding the certainty of the response clause in the MDT, especially as it applies to perceived threats to Philippine security. Within this

context, the Spratlys issue remains a source of tensions between the two countries with the Philippines practically demanding that the MDT be amended to specifically include the Spratlys within its scope.

The United States, however, does not wish to change the MDT. Defense and military officials have made it clear that the MDT as it is presently construed serves the interests of the two parties concerned. Security relations with the Philippines remain important as part of the regional security network which the United States has established in Southeast Asia. It is, however, no longer so important that the U.S. feels obliged to respond to every whim that Philippine officials express. There is a clear if unspoken position that if the Philippines persists in pushing for changes in the MDT, then the United States will disengage from its formal commitments to the Philippines. The harshness of this position stems partly from residual ill will from the experience of the PACT. It also has to do, however, with the idea that the Philippines is no longer inexpendable.

As a treaty partner, the Philippines has become unpredictable. From the American standpoint, unless the Philippines clarifies its security priorities then it is better to maintain the current low-level relationship.

There appears to be some hope that eventually the United States will once again have access to facilities in the Philippines and that exchanges will be increased to a level that is more appropriate between treaty allies. Evidently, however, this is something that the Philippines must determine on its own.

The future of the Philippine-U.S. security relationship therefore rests on a clear definition of what security interests are shared by the signatories. The difficulty that the partnership has been and is still continuing to experience is due to a lack of clarity in the interests involved. This is more critical on the part of the Philippines than it is on the part of the United States. Unless policy-makers on both sides are able to settle this matter, the MDT will remain a paper treaty -- one that would be difficult to maintain in the face of the political climate that has developed between the Philippines and the United States.

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