Cato Institute Foreign Policy Briefing No. 12: The U.S. Military Presence in the Philippines: Expensive and Unnecessary

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Executive Summary

Washington's recent decision to vacate Clark Air Base in the Philippines is a long-overdue step in the right direction. But it is a measure of the Bush administration's determination to preserve obsolete U.S. military commitments around the globe that it took an act of God to dislodge U.S. forces from Clark. Not until the eruption of Mount Pinatubo buried the facility in ash and mud, creating in the words of one observer, "a landscape of mind-boggling ruin"[1] that would have cost an estimated $520 million to repair,[2] did the administration finally abandon its goal of retaining the base.

Unfortunately, at the same time that U.S. officials agreed to withdraw from Clark they negotiated a new agreement with the Philippine government that will extend the lease on the Subic Bay Naval Base for 10 years. That action is not surprising. Although Pentagon leaders insisted almost to the bitter end that both Clark and Subic Bay were essential installations, when pressed they conceded that Clark was expendable. Conversely, Subic Bay's deep-water harbor and extensive ship repair facilities were held to be "irreplaceable."

The new base agreement will be extremely expensive for American taxpayers. The official compensation will start at $203 million in "security assistance grants" during fiscal year 1993, down from $481 million per year for both bases in the last year of the current lease. But the official compensation figure is only the tip of the financial iceberg. It will cost more than $200 million just to repair the damage done to the base by the eruption of Mount Pinatubo. Moreover, a large "informal" compensation package has always been an implicit quid pro quo of U.S. access to the Philippine installations. Currently, that includes a $160 million a year contribution to the Multilateral Assistance Initiative, various food aid and disaster relief programs, and Washington's vigorous support for generous World Bank and Asian Development Bank loans to Manila.

The new agreement continues and in some areas even expands such disguised compensation. (For example, Manila expects to receive "surplus" military and medical equipment with a value of more than $150 million a year from the United States.) A spokesman for the Philippine negotiating team estimated that the total compensation would come to at least $773 million a year.[3]

That huge price tag would make the new lease on Subic Bay a dubious bargain even if the United States actually needed the base for its national defense. But the installation is not essential for the protection of legitimate American security interests. That was the case even during the cold war, and it is doubly true in the post-cold-war era.

Flawed Justifications

Those who insist that the United States should retain the Subic Bay base contend that it is useful in three possible

scenarios:

* It would help contain any Soviet expansionist moves in the Far East, especially hostile actions directed against U.S. allies in the northwest Pacific (i.e., Japan and South Korea).

* It would serve as a staging area for the projection of U.S. force into the southern Pacific or Southeast Asia or against the People's Republic of China (PRC) in the event of hostilities.

* It would help support U.S. forces deployed in the Indian Ocean and the Persian Gulf regions in peace- time and might be essential for future large-scale deployments during a crisis.[4]

None of those justifications was compelling even in a cold-war security environment in which the United States undertook to contain Soviet (or more generally, communist) power and protect a host of allies and clients in the Pacific Basin and elsewhere. In a post-cold-war setting, such justifications border on the fanciful.

The Ebbing Soviet Threat

During the cold war there was a widespread perception in the United States that the Philippine bases were a major component of the effort to contain Soviet military power in the Far East. But given the vast distance of those facilities from the primary U.S. commitments in the northwest Pacific, they played only a marginal role in Washington's strategy.[5] The relevance of both Subic Bay and the overall containment mission will decline further in the post-cold-war era.

The mission of protecting Japan and South Korea from a rapacious Soviet Union is increasingly detached from reality. With its massive internal economic and political problems, the Soviet Union is extremely unlikely to embark on an expansionist binge in the Far East. Moreover, having conceded the central issue of the cold war (the political status of Eastern Europe), Soviet leaders are unlikely to seek a confrontation with the United States over lesser stakes in East Asia.

Moscow's Asian policy has, in fact, been moving steadily in the opposite direction. Mikhail Gorbachev's July 1986 speech in Vladivostok signaled the Soviet Union's intention to establish cooperative economic and political ties with the nations of Asia.[6] The Kremlin's actions since the Vladivostok speech have been consistent with that objective. Moscow has moved rapidly to mend relations with the PRC; pressed its principal Southeast Asian client, Vietnam, to withdraw from Cambodia; and withdrawn its own forces from Mongolia. Soviet leaders have also sought a rapprochement with two important noncommunist powers in the Far East, South Korea and Japan.

Although Soviet-Japanese relations have been slow to warm because of the continuing dispute over the status of the Northern Territories seized by the Soviet Union at the end of World War II, modest improvement has taken place and additional cooperative measures can be anticipated.[7] Progress in Soviet-South Korean relations has been far more rapid and substantive. Trade between the two countries reached $1 billion in 1990 (from virtually nothing five years earlier). The extent of the political rapprochement became apparent in June 1990 when Gorbachev and ROK president Roh Tae Woo held a summit meeting in San Francisco. That meeting led to Moscow's formal diplomatic recognition of South Korea in September and the Kremlin's quiet but crucial support of the ROK's subsequent bid for membership in the United Nations.

Although Moscow has not yet severed its military alliance with communist North Korea, it is apparent that the Soviet Union does not desire and would not support an effort by Pyongyang to use force to unify the peninsula. The ROK has much to offer the economically beleaguered Soviet Union; North Korea can offer only burdens and dangers.

As the risk of Soviet or Soviet-inspired aggression has receded, the ability of Japan and South Korea to provide for their own defense has expanded. Japan has the world's second largest economy and a small but sophisticated high-tech military establishment. A modest increase in Tokyo's military budget would lead to the creation of credible deterrent forces within a short time. Similarly, South Korea has twice the population and nearly nine times the GNP of North Korea--the only plausible threat to its security-- and should clearly be able to provide for its own defense.[8]

The prospect of a Soviet military offensive anywhere in northeast Asia or the northwest Pacific is increasingly far-fetched. Yet the specter of possible Soviet aggression against allegedly helpless U.S. allies is still one of Washington's implicit rationales for maintaining a large U.S. military presence in the region and for preserving the mutual defense treaties with Japan and South Korea. The commitments themselves are obsolete. Retaining the Subic Bay base to provide (at most) peripheral support for such obsolete commitments is a case of piling folly upon folly.

Implausible Missions in Southeast Asia and the South Pacific The base does not have much greater utility for deterring the PRC, projecting U.S. power against an adversary in Southeast Asia (i.e., Vietnam), or protecting Washington's ANZUS allies (Australia and New Zealand). As is the case for possible U.S. missions in the northwest Pacific, the scenarios for military action are implausible, and even if one of them materialized, the relevance of the Subic Bay installation would be marginal. It is revealing that neither Subic Bay nor Clark played more than an ancillary role in the massive U.S. intervention in Vietnam during the 1960s and early 1970s.[9]

The likelihood of a Philippine naval base's playing a significant role today is even less. There is no prospect of U.S. intervention in Southeast Asia for any reason. One unpleasant and futile crusade in that region was more than enough for the American people. The fall of the noncommunist governments in Indochina was disastrous for the indigenous populations, but it had no discernible impact on the security of the United States--contrary to the alarmist predictions of U.S. officials during the Vietnam War. There are no intrinsic interests in that region that would ever justify a second U.S. intervention.

Nor is Subic Bay needed to counter a Soviet military presence in Southeast Asia. For years the Pentagon and its political allies cited the Soviet forces stationed at the Cam Ranh Bay naval base (originally built by the United States) as a crucial reason for keeping the Subic Bay facility. But Moscow began to withdraw from Cam Ranh last year, and the withdrawal is now essentially complete.

The possibility of a clash with the PRC is barely more plausible than a U.S. intervention in Southeast Asia. As is the Soviet Union, the PRC is likely to be preoccupied with daunting internal domestic political and economic problems for the foreseeable future. Moreover, Beijing has been concentrating on improving its economic ties throughout the Pacific Rim, not with pursuing territorial expansion. That is not to say that a conflict could never occur between Beijing and one of its neighbors. (The fierce fighting that erupted between Vietnam and the PRC in the late 1970s shows that the possibility exists.) But China lacks both the intent and the capability to launch a concerted expansionist campaign. And, as noted above, the economic, political, and military capabilities of other regional actors continue to grow, serving to deter any aggressive designs Beijing might harbor.

Finally, before China could pose a credible threat to legitimate U.S. security interests in the Pacific Basin, a massive rearmament effort would be required. It would take a concerted build-up--specifically the creation of a sizable modern deep-water navy and the acquisition of long-range bombers or ballistic missiles--to create such a threat. At present there are no significant signs of danger. The notion of an aggressive Chinese navy prowling the western Pacific and threatening the sea-lanes belongs in the realm of paranoid fantasy.

The rationale that the Subic Bay base is needed for the defense of the ANZUS members is the most difficult of all to fathom. As is the case with the security commitments in the northwest Pacific, the vast distances involved mean that forces in the Philippines could provide little effective military assistance to Australia and New Zealand. In the event of hostilities, most U.S. military forces would have to come from Guam, Hawaii, and other points in the central Pacific.[10]

In addition to such logistical realities, the chance that Australia or New Zealand would come under attack is virtually nonexistent. That was true even during the cold war. Of all the defense treaties negotiated by Washington during the "pactomania" of the late 1940s and early 1950s, ANZUS was the most pointless. Proving that foreign policy officials as well as generals typically prepare to fight the last war, ANZUS was an ideal arrangement for deterring aggression by the Imperial Japanese fleet. Unfortunately, when ANZUS was created in 1951, that fleet had been at the bottom of the Pacific for several years. Neither the Soviet Union nor any other hostile power has ever been capable of establishing more than a token military presence in the South Pacific.

Even the meager political relevance the alliance may have had as a symbol of democratic solidarity evaporated in the

mid-1980s when New Zealand and the United States squared off in an acrimonious dispute over Labour party prime minister David Lange's effort to exclude nuclear weapons from New Zealand's territory.[11] By the spring of 1986 the alliance existed in name only because the United States and Australia suspended cooperation with their recalcitrant treaty partner. Although some U.S. officials would apparently like to revive the pact now that there is a National party government in Wellington, only the most creative individuals would be able to come up with a relevant mission for an alliance in a region where no significant military threat exists.

An Unneeded Back Door to the Persian Gulf

The primary purpose of the Philippine bases (especially Subic Bay) has been to provide important logistical support to the U.S. military presence in the Indian Ocean and the Persian Gulf regions. But even that role was based on a worst-case scenario--the need for U.S. forces to stage a massive "back-door" intervention in South Asia or the Persian Gulf.[12] That scenario, in turn, assumed that Washington would be countering a full-scale Soviet military effort to dominate the Persian Gulf oil fields or oil routes.

Even if one accepts the dubious arguments of those who insist that the United States has vital interests to defend in the Persian Gulf region,[13] the need for a back-door intervention (always overstated) has virtually disappeared. As the recent Persian Gulf crisis demonstrated, threats in the area are now likely to come from small or medium-sized regional powers, not Washington's erstwhile superpower adversary. If they felt menaced by an expansionist rival, other countries in the region would cooperate with the United States as Egypt, Syria, Turkey, and Saudi Arabia did in the campaign against Iraq. U.S. intervention would thus come primarily through the "front door" (i.e., the eastern Mediterranean and its environs). The Subic Bay base would be virtually irrelevant.

Moreover, with the ebbing of Soviet expansionism, the principal rationale for maintaining a large U.S. military presence in the Indian Ocean and Persian Gulf regions has lost any validity. It is highly questionable whether America should assume the costs and risks of policing that volatile part of the world merely to thwart midsized regional powers that can and should be contained by neighboring states. Here again, the security environment is entirely different than it was during the cold war; it is no longer even arguable that the United States is the only power capable of preventing or repelling aggression. Lesser threats can be met by lesser powers, acting either individually or collectively. There is no reason to maintain a huge naval base in the Philippines to support an unnecessary U.S. military presence halfway around the world.

An Unsavory Hidden Agenda?

There are indications that the ostensible reasons for preserving access to Subic Bay may be less important than another motive that is rarely discussed openly: the desire to curb growing Japanese power. Hints of such a U.S. objective are emerging with increasing frequency. In the aftermath of the collapse of the Soviet empire in Eastern Europe, former Army chief of staff Gen. Edward C. Meyer speculated that an assertive Japan (along with a reunified Germany) would replace the Soviet Union as the principal threat to U.S. security.[14] Meyer is not alone in his apprehension. A recent Department of Defense report "A Strategic Framework for the Asian Pacific Rim: Looking toward the 21st Century," listed a key U.S. strategic objective regarding Japan as "discouraging any destabilizing development of a power projection capability."[15]

There is an unmistakable desire to preserve U.S. military hegemony in the western Pacific, and Subic Bay is an important symbol of that status. It is only a slight exaggeration to suggest that some U.S. officials already view Japan as the enemy of the future. At the very least, they fear Japan's economic might and fret about the consequences if Tokyo decides to increase its military power. That concern is largely misplaced, but it could lead to a self- fulfilling prophecy if Japanese leaders reach the conclusion that the large U.S. military presence in the Far East is no longer there to protect Japan and other U.S. allies (which was the argument throughout the cold war) but is in fact intended to intimidate Japan. Maintaining the Subic Bay base as part of an implicit strategy to contain Japanese power is an unnecessary and unworthy objective.

Does the U.S. Military Presence Really Benefit the Philippines?

Proponents of retaining both Philippine bases repeatedly insisted not only that the facilities were needed for U.S.

security commitments but that they made an important contribution to the economic well-being of the Philippines. It is estimated that the overall impact of the U.S. presence has been approximately $1.2 billion each year--which accounts for nearly 3 percent of the Philippine GNP.[16] The bases are the country's largest employer; nearly 70,000 Filipinos are employed--20,000 at highly prized full-time jobs. More than half of those people are employed at Subic.

Aside from the point that U.S. defense commitments should never be a thinly disguised foreign social welfare program, the bases have been a serious irritant in U.S.- Philippine relations. In addition to the continuous wrangling over compensation, many Filipinos believe (correctly) that a succession of American presidents supported the corrupt and repressive regime of Ferdinand Marcos largely to maintain U.S. access to those facilities.[17] Understandably, those people do not appreciate Washington's casual willingness to sacrifice their liberties to geostrategic considerations for a decade and a half.

Indeed, many Filipino nationalists have long considered the bases a symbol of U.S. domination, even a reminder of the colonial era. That perception was reinforced when planes from Clark took to the air to help suppress a military coup against the government of Corazon Aquino in December 1989. Even Filipinos who opposed the coup expressed uneasiness about the country's one-time colonial master intervening in that fashion.

The high visibility of the U.S. military presence and its tendency to symbolize American colonialism contribute to a potentially explosive situation. The communist New Peoples Army, which has been steadily growing in strength, has exploited the issue of the bases to portray the Aquino government as a lackey of the "imperialist" United States. Unfortunately, that allegation is widely believed, especially by younger Filipinos. Removing the U.S. military presence would deprive the insurgents of an important propaganda issue. Withdrawal would also eliminate the danger that U.S. military personnel will become major targets of the NPA as civil strife in the Philippines intensifies.

Press for a Total Withdrawal

The new base agreement is already controversial in both the Philippines and the United States. Nationalist critics in the Philippine Senate complain that the lease will continue an unwanted U.S. military presence into the 21st century, and they note that the official compensation package is substantially less that the $825 million a year originally sought by Manila. Conversely, American opponents of the agreement believe that it is too expensive, and many of them question whether the base serves a useful purpose at any price.

It is in the best interests of both the Philippine and American people to reject the agreement. Prospects for ratification in the Philippine Senate are uncertain, as opposition to the U.S. military presence continues to grow. But even if that body approves the agreement by a narrow margin, the U.S. Congress would greatly benefit American taxpayers by refusing to appropriate the funds required for the compensation package.

The importance of the Philippine bases was overstated even during the worst stages of the cold war. Both Clark and Subic have become an utter anachronism in the post-cold- war setting. The United States does not need a large military presence in that part of the world to defend its legitimate security interests. A more modest and appropriate naval and air presence further east in the Pacific can be sustained from facilities located in Guam and other American possessions. American taxpayers should not be burdened with the cost of maintaining a superfluous base in the Philippines.

Notes

[1] William Branigin, "'Declining Asset' in Philippines," Washington Post, July 7, 1991, p. A22.

[2] Don Oberdorfer, "U.S. to Reopen Talks on Damaged Philip pine Bases," Washington Post, July 11, 1991, p. A21.

[3] William Branigin, "U.S. Agrees to Quit Base in Philippines, Keep Use of Subic," Washington Post, July 18, 1991, p. A19.

[4] Standard arguments along those lines can be found in Gregory P. Corning, "The Philippine Bases and U.S. Pacific Strategy," Pacific Affairs 63 (Spring 1990): 7-23; and A. James Gregor and Virgilio Aganon, The Philippine Bases:

U.S. Security at Risk (Washington: Ethics and Public Policy Center, 1987).

[5] For a discussion of the marginal relevance of the Philippine bases for Far Eastern missions, see Paul Kattenburg, "New Strategies for U.S. Security Interests in Southeast Asia, the Indian Ocean, and the South Pacific Region," in Collective Defense or Strategic Independence? Alternative Strategies for the Future, ed. Ted Galen Carpenter (Lexing ton, Mass.: Lexington Books, 1989), pp. 135-38.

[6] Soviet Daily Press, July 29, 1986, pp. 16-18.

[7] Herbert J. Ellison, "Recent Trends in Soviet East Asian Policy," NBR Analysis, no. 6 (Seattle: National Bureau of Asian and Soviet Research, 1991), pp. 21-27.

[8] For discussions of South Korea's formidable advantages, see Doug Bandow, "Leaving Korea," Foreign Policy 77 (Winter 1989-90): 77-93; and Marcus Corbin, "Mission Accomplished in Korea: Bringing U.S. Troops Home," Defense Monitor 19, no. 2 (1990).

[9] Kattenburg, p. 136.

[10] Ibid.

[11] For a concise discussion of that dispute, see Ted Galen Carpenter, "Pursuing a Strategic Divorce: The U.S. and the ANZUS Alliance," Cato Institute Policy Analysis no. 67, February 27, 1986. See also Stuart McMillan, Neither Con firm Nor Deny: The Nuclear Ships Dispute between New Zealand and the United States (New York: Praeger, 1987).

[12] Kattenburg, pp. 136-39; Doug Bandow, "Does Uncle Sam Really Need the Bases?" Defense and Diplomacy 8 (November- December 1990): 38-41.

[13] For criticisms of that assumption, see various chapters in America Entangled: The Persian Gulf Crisis and Its Consequences, ed. Ted Galen Carpenter (Washington: Cato Insti tute, 1991).

[14] Quoted in George Wilson, "U.S. Begins Revamping the Military," Washington Post, November 26, 1989, p. A12.

[15] Quoted in Rochester Institute of Technology, "Japan 2000," preliminary draft, February 11, 1991, p. 145. (The Japan 2000 report is a study commissioned by the CIA that contains more than its share of Japan bashing.) For another example of antipathy toward any larger Japanese military role, see the comments of Maj. Gen. Henry C. Stackpole, commander of U.S. Marine Corps bases in Japan, quoted in Fred Hiatt, "Marine General: U.S. Troops Must Stay in Japan," Washington Post, March 27, 1990, p. A14.

[16] William E. Berry, Jr., "The Effects of the U.S. Military Bases on the Philippine Economy," Contemporary Southeast Asia 11 (March 1990): 306-33.

[17] That long, unsavory association is described in Raymond Bonner, Waltzing with a Dictator: The Marcoses and the Making of American Policy (New York: Times Books, 1987).