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United States Military Bases in the Philippines: Their Strategic Importance and Options for Relocation

William D. Barker
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UNITED STATES MILITARY BASES
IN THE PHILIPPINES

Their Strategic Importance and
Options for Relocation

William D. Barker
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Special thanks to my wife T.J. for her consistent support throughout this project.
The role of the Philippine bases in augmenting the Maritime Strategy of the United States Navy's regional mission of deterrence and sea lane protection is being closely scrutinized due to a leadership change in the Philippines and possible military budget cuts at home. This study evaluates the assets of the Subic Bay Naval Station, Cubi Point Naval Air Station, and Clark Air Force Base and the support provided by these bases to Southeast Asia, Northeast Asia, and the Indian Ocean/Persian Gulf. In the event of a peace-time loss of the bases, options for relocation of forces are evaluated.

Historical development of the bases since 1947 is reviewed with the specific intent of demonstrating how the base agreement has evolved from almost total U.S. control to the weak U.S. position which exists today. At the same time, the Soviet threat has continued to spread into the region as the developing countries have expanded their economic and political influence. The study concludes that the Philippine bases are currently an irreplaceable component of the Navy's effort to maintain a viable naval presence in the region.
CHAPTER ONE
INTRODUCTION

For many years, the United States enjoyed a very convenient arrangement with former Philippine President Ferdinand E. Marcos which provided facilities for huge U.S. military bases in the Philippines. However, this arrangement has not been without conflict. Congress has played a vital role by keeping the issue of the Philippines and the Marcos regime a highly visible foreign policy matter over the years by forcing administrations to constantly justify and re-examine policies towards Marcos, the Philippines, and the U.S. military facilities located there. Members of Congress in both parties have criticized Marcos at least since 1972, when he imposed martial law. In 1979, Representative Tony P. Hall, D-Ohio, made the first major effort to block military aid to the Philippines as a protest against Marcos. The Carter administration defeated that attempt, arguing that the aid was needed to carry out an agreement for the U.S. basis in the Philippines.

The Reagan administration successfully used the same argument to thwart similar attacks on aid to the Philippines. But, the 1983 Aquino assassination changed the mood in Congress and made it impossible for the administration to quell anti-Marcos sentiment. Consistent rumors of economic corruption and human rights violations in the Philippines by the Marcos regime added further irritation to Congress.
In 1984, over President Reagan's objections, Representative Stephen J. Solarz, D-New York, pushed through a formula by which congress reduced military aid, and increased economic aid, as a symbol of Congressional unhappiness with Marcos. Congress took the same step in 1985, threatening future aid reductions unless Marcos held free elections and made other reforms. In October 1985, responding in part to Congressional pressures, Reagan sent Senator Paul Laxalt, R-Nevada, to Manila with warnings to Marcos that the United States was serious about the need for reform. Laxalt's warnings apparently helped convince Marcos to call the "snap" elections, as well as ask for official U.S. observers.

Following the February 7, 1986 election, the observer delegation produced evidence that documented the extent of fraud on the part of the Marcos ruling party, convincing the Reagan administration that Marcos had stolen the election. Immediately after the election, the Senate passed a Resolution (S RES 345) denouncing fraud by Marcos' party and a House subcommittee initiated legislation to suspend U.S. aid. The final, almost incredible, series of actions that led to Marcos' downfall began on February 22, 1986 when Defense Minister Juan Enrile, a close Marcos associate, and LT. General Fidel Ramos, the armed forces deputy chief of staff, abruptly resigned, demanded that Marcos give up power, and took up positions in military installations in Manila. With the increasing pressure of the U.S. Congress and his friends and associates fleeing his side, Marcos received
guidance from Senator Laxalt to step down and left the Philippines on February 25.

This rapid series of events thrust Corazon Aquino, the U.S. educated widow of assassinated opposition leader Benigno S. Aquino, Jr., into the Philippine presidency and has created serious concerns for the United States and the future potential for maintaining our bases in the Philippines. Corazon Aquino inherited a country with a depleted treasury, stagnant economy, and communist supported guerrilla war which is attempting to destabilize the Aquino government.

To further complicate the matter, for the first time ever, a president has come to power in the Philippines having made a statement several years ago favoring the eventual removal of the bases. In 1984 and 1985, Aquino also said she would not accept any other foreign base on Philippine soil after the U.S. military leaves. Although Aquino's election and post-election comments on the issue have narrowed somewhat, she has made no guarantee regarding the future of U.S. military bases in the Philippines. Most recently, President Aquino has indicated (Clad, 1986) that the "options are open" after the current base agreement expires in 1991.

With the recent events noted above, this paper will focus on the role of the United States military bases in the Philippines, their strategic importance, and options for alternative basing arrangements in the Southwest Pacific. The
two specific hypotheses that are addressed through a review of the politics and geography of the Philippines are:

The U.S. military bases in the Philippines are critical to the promotion of regional stability, and the ability of the U.S. Navy to carry out its maritime strategy of forward deployment as deterrence.

and

The options for alternative basing arrangements are unacceptable and inadequate if the U.S. is to maintain the current capabilities in the South China Sea and Indian Ocean/Persian Gulf.

To test the above hypotheses, several considerations are addressed. The physical facilities and capabilities of the current bases in the Philippines are described including a brief history of the base agreements. The strategic importance of the bases are reviewed as they apply to the Indian Ocean/Persian Gulf Region, Northeast Asia, and Southeast Asia. In addition, the application of the U.S. Navy's maritime strategy of obtaining regional deterrence through the forward deployment of assets is evaluated in connection with the U.S. bases in the Philippines. The influence of both Soviet naval activity and the Association of Southeastern Asian Nations are reviewed in relation to the Philippines. Finally, alternatives for relocating the assets and facilities are evaluated and include Japan, Guam, Tinian, Saipan, Taiwan, Singapore, and Palau.
CHAPTER TWO

THE PHILIPPINE BASES

A History of the Base Agreements

Historically, the Philippine bases have been under some type of U.S. influence since 1898, when the Philippines and Guam were acquired from Spain as a result of the Spanish-American War and the Treaty of Paris. However, it was not until after World War II that they developed the importance that they hold today. Immediately following the war, negotiations began for the use of the bases with the initial agreement being signed in 1947. Under the terms, the United States received unrestricted use of 23 bases throughout the country, rent free for 99 years. Additionally, a joint military advisory group was established to help train and rearm the Filipino military. Free access was granted for U.S public vessels and aircraft, as well as full authority for operational use and control.

In response to the Filipino fear of another U.S. abandonment similar to the one in 1941, after the Japanese invasion, the Mutual Defense Treaty was signed in 1952. Article IV states:

Each party recognizes that an armed attack in the Pacific area on either of the parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes (May 1985).
This article resulted in ambiguities concerning the rights of the United States to unrestricted use of the bases in non-Filipino matters and the U.S. obligation against domestic insurgencies.

In 1959, some of the doubt was removed when the American Ambassador and Philippine Foreign Secretary established the "prior consultation" clause in the Treaty. The United States now had to consult with the Philippine government before engaging in military operations not associated with the 1952 Mutual Security Treaty. This essentially gave Veto control over U.S. operations originating from the bases to Philippine leaders.

By 1966, the first major change to the original base agreement occurred with the changing of the terms of the lease. The original 99 years was changed to expire in 1991, at which time the lease would become indefinite but subject to the cancellation by either party after a one year notification.

The next major base agreement conference in 1979 incorporated several changes that gave the Philippine government much greater control over the bases. In particular, these were:

1) Recognition of Philippine sovereignty over the bases.

2) Placement of the bases under Philippine command while retaining U.S. control of the facilities within the bases.

3) Turning peripheral security over to the Philippine military, while retaining the right for the U.S. Commander to participate in security activities within the bases, but not outside the U.S. facilities.
4) Mandating of a continuous five year review of the base agreements.

5) Agreements for a rent-type payment of $500 million in grants and loans over the next five years (U.S. Congress 1984a).

By 1979, the number of active facilities maintained by the U.S. Military in the Philippines was down from the original 23 to the following six:

1) U.S. Naval Base, Subic Bay/Cubi Point;
2) Clark Air Force Base;
3) John Hay Air station, Baquio City;
4) The U.S. Naval Radio Station, Capas, Tarlac;
5) The U.S. Naval Communications Station, San Miguel; and
6) Wallace Air Station.

The last base agreement review took place in 1984 with President Marcos raising questions about the use of the bases for Middle East operations. In 1982, while attending a White House dinner, he warned his host that Philippine-based U.S. forces do not have "carte blanche" to operate in the Middle East but are restricted to hostilities necessarily relevant to the safety and security of the Philippines and Southeast Asia. Regardless, the conference ended in a new agreement with President Reagan promising to push Congress to raise the $500 million grant and aid package to $900 million for FYs 85-89. In reviewing the new agreement, Admiral Robert L. J. Long, Commander of U.S. Forces in the Pacific in 1983 stated:
I believe our objectives were met. The principal elements of the memorandum of agreement are:

1) reaffirmation of our continual unhampered use of our military facilities;

2) establishment of a joint committee to deal with issues which arise with the implementation of the Military Bases Agreement; (We have similar committees in Japan and Korea for the same purpose);

3) reaffirmation of the U.S. commitment for consultations prior to use of the U.S. facilities in the Philippines for military combat operations (other than those conducted in accordance with the U.S.-Philippine Mutual Defense Treaty) prior to establishment of long range missiles on the U.S. facilities;

4) formalization of procedures for access by the Philippine Base Commander and his designated representative to the U.S. facilities for the submission of information regarding U.S. forces permanently stationed in the Philippines and their equipment and weapon systems; and

5) agreement to meet within six months to discuss possible revisions to the base labor agreement (U.S. Congress 1984a).

The next review in 1991 will be the first in which the base agreement will be operating under the one year termination clause. Additionally, it will be the first involving the new, more liberal government of the Philippines. Preliminary discussions have been initiated; however, it is far too early to discern any indications for the future of the bases agreement. The concern on the part of the United States is the stability of the Aquino government. In the first fifteen months of her term, she has had to deal with rebellion within the military ranks, political adversity from rivals, and the ever present communist party (New Peoples Army).
Of additional concern to the United States is the trend of the base agreements. It has evolved from once absolute U.S. control, to the present agreement in which indirect rent is paid to the Philippine government and acknowledgement of sovereignty of the land is recognized. Additionally, the trend of reduction from the original 23 facilities to the current six previously noted is significant.

Capabilities and Facilities of the Bases

In view of the recent political events in the Philippines, and the trend of the agreements for the bases to recognize Philippine sovereignty, it is appropriate to evaluate the physical facilities of the U.S. bases in the Philippines. As noted previously, there remain only six operational U.S. military installations. Only two of these, the naval complex at Subic Bay/Cubi Point and Clark Air Base, are considered to be of primary importance. The rest, John Hay Air Station, U.S. Naval Radio Station, U.S. Naval Communication Station, and Wallace Air Station are considered to be extensions of either Subic Bay or Clark.

Subic Bay Naval Base is the largest U.S. operated complex outside the United States, covering over 36,000 acres including:
Subic Naval Station;
Naval Ship Repair Facility;
Naval Supply Depot;
Naval Magazine;
Public Works Center;
Cubi Point Naval Air Station;
Naval Hospital; and
Naval Communications Station (San Miguel).

It is the traditional backbone of the Seventh Fleet's deployed operations. Its 45-foot deep harbor is one of the few in the Western Pacific with the capacity to take an aircraft carrier pierside, and is large enough to accommodate several carrier battle groups. Subic Bay's natural asset, a well-protected harbor in a warm tropical climate, has been a prize of major naval powers since Spain began constructing a naval facility there in the late nineteenth century. The U.S. Navy currently has one ship homeported in Subic, the USS Sterett (CG-31), a guided missile cruiser.

Logistical and supply tasks are carried out at Subic Bay by three major facilities: the Naval Magazine, the Naval Supply Depot, and the Naval Ship Repair Facility. The Naval Magazine stores, services and distributes ammunition and explosives to all units of the Seventh Fleet. Currently, it handles over $200 million worth of ammunition which is stored in approximately 200 permanent magazines and stands.

One of Subic Bay's primary tasks is the storage and distribution of fuel and other consumable goods for the U.S. Seventh Fleet, U.S. Medical Center, Clark Air Base, and John Hay Air Station. This mission falls under the Naval Supply Depot.
A 43 mile pipeline, owned and operated by the U.S. Air Force, has been constructed from Subic Bay to Clark Air Base for the transport of fuel. A significant portion of the Seventh Fleet's prepositioned wartime oil reserves are stored at Subic Bay, and the Seventh Fleet and other vessels are supplied by the Pacific Fleet Combat Logistic Force operating out of Subic. With a capacity for handling over one million barrels of fuel a month, and an inventory of over 150,000 supply items, Subic Bay is the largest and most comprehensive support facility available to the U.S. Navy in the Indian Ocean/South Pacific Region.

Just as important as the deep harbor and supply facilities is the Ship Repair Facility (SRF) which performs about two-thirds of all maintenance on ships of the Seventh Fleet. It overhauls about 250 ships annually, has three wharfs that can dock any ship in the fleet, and a dry dock large enough to hold any ship except an aircraft carrier or battleship. Additionally, the SRF uses highly skilled local labor with relatively low pay scales. According to Pentagon officials, the labor on an overhaul at Subic costs one-third as much as one performed in Japan, and one-sixth as much as one performed in Guam.

Cubi Point Naval Air Station is situated across the Bay from the Subic complex. The air station consists of a 9,000 foot runway and ramp space for 200 aircraft, as well as all the associated maintenance, industrial, and hotel support for several major aviation squadrons. Capacity is available for
handling both the C-141 and C-5 transport aircraft, plus P-3C patrol squadrons used for antisubmarine and surveillance patrols in the Western Pacific and South China Sea. Cubi Point also has a 200 bed Naval hospital. Both Cubi Point's and Subic Bay's facilities exclusive of the land, are valued by the U.S. Navy at $1.187 billion.

The San Miguel Naval Communications Station provides communication relay needs for deployed ships and submarines. It is very critical in the communications link with fleet ballistic missile submarines deployed in the area. Located about 45 minutes from Subic Bay, the Communication Station also has housing available for military families.

Clark Air Base includes over 63,000 acres within the areas actually used by the U.S. and includes:

- Clark Air Base Proper;
- Wallace Air Station;
- John Hay Air Station; and
- Crow Valley Weapons Range.

The facilities include a 150-foot by 10,500-foot runway, and 590,000 square yards of ramp space, which can accommodate all current USAF airlift aircraft. Included are all the support facilities for the tactical units permanently stationed at Clark - hangars, machine shops, warehousing, personnel accommodations, fuel farms, and magazines. These include the USAF's 3rd Tactical Fighter Wing, 374 Tactical Airlift Wing, and small operational units. The base also has a 370 bed hospital which houses the USAF regional medical center, and is headquarters for
the 13th Air Force. The base is also a major link in the U.S. military's global communication system.

Wallace Air Station is the air defense coordination center for the area as well as the location for a Voice of America installation. The Crow Valley Weapons Range provides an excellent location for live tactical training due to the elaborate instruments which let pilots check their combat skills. This allows deployed U.S. forces to maintain their combat proficiency. The estimated total value of the military facilities, exclusive of land value is $972 million. The base populations for Subic and Clark are noted in Table 1. The bases employ over 43,000 Filipinos, representing the largest source of employment in the country beyond the Philippine government itself.

**Strategic Importance of the Bases**

The facilities comprising the U.S. military bases in the Philippines are certainly substantial and have been described by the Pentagon as critical elements of U.S Pacific strategy. In the 1960s and early 1970s, the Philippines were the principal support area for Vietnam. Today, they have taken on a much different role. The physical location and developed facilities make it unreplaceable as a base from which to protect both American interests and deter Soviet influence and expansion (which will be reviewed in Chapter 3).
TABLE 1
SUBIC BAY AND CLARK AIR BASE POPULATIONS

<table>
<thead>
<tr>
<th></th>
<th>U.S. military</th>
<th>U.S. civilian</th>
<th>U.S. dependents</th>
<th>* Foreign civilians</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clark</td>
<td>9,260</td>
<td>309</td>
<td>12,220</td>
<td>2,454</td>
<td>24,243</td>
</tr>
<tr>
<td>Subic</td>
<td>5,016</td>
<td>615</td>
<td>6,883</td>
<td>9,581</td>
<td>22,095</td>
</tr>
</tbody>
</table>

(* This does not include the tens of thousands of foreign civilian employees who work on the bases as "indirect hires" for contractor provided services.)

The importance of the Subic Bay/Clark complexes stems from the advantageous combination of several factors, the most obvious of which is its geographic location. The Philippines sit astride the sea lanes from Japan and South Korea to the Indian Ocean - routes carrying the Persian Gulf oil on which those two countries depend. Japan currently receives 60 percent of its oil from the Persian Gulf via this route. The traditional route was down the west side of the Philippines through the South China Sea around the southern tip of Southeast Asia and then northwest through the Straits of Malacca, between Singapore and Sumatra.

Beginning in the mid-1960s, liquid bulk ships mushroomed in size, with many large tankers needing more than 50 feet of water. Consequently, much of the shipping from the Indian Ocean to Japan/South Korea now goes to the east of the Philippines, passing through the deeper Sundra Straits or Lombok Straits, west and east of Java (see Figure 1). Without U.S. influence of the Philippine bases in the South China Sea to keep the sea lines open, the oil dependent economies of our Asian allies would be at great risk.

U.S. strategy in East Asia has had a northern and southern wing supported by U.S. bases in Japan and the Philippines. This arrangement is reinforced by U.S. assets in South Korea backing up Japan, and Guam supporting the Philippines. However, without the Philippines, the whole equation is weakened due to the superior geographic location and facilities in the Philippines,
The Sundra Straits (indicated by Route A) west of Java and the Lombok Straits (Route B) to the east of Java, permit large deep-draft tankers to transit from the Indian Ocean, east of the strategic Philippines and deliver oil to Japan, South Korea, and Taiwan.
and the recognition of the Korean and Japanese dependency on the Southeast Asian sea lanes for their fuel supply.

The physical spacing of the Philippines between Hawaii and Diego Garcia in the Indian Ocean provide a natural way-point for deployed U.S. Navy ships transiting between the Indian Ocean and the West Coast of the U.S. The harbor facilities, repair and refueling capabilities have long made Subic Bay a natural port to visit. The Philippine bases are ideally located for airlift support to the Indian Ocean through Clark Air Base, which is the major hub for airlift traffic into the Persian Gulf/Indian Ocean.

Forward deployment of U.S. facilities has been a facet of our maritime policy since World War II, and the Philippine bases have been an intrical part of this military strategy. Admiral Long, former Commander in Chief Pacific Fleet, stated in 1983:

The U.S. military facilities in the Philippines serve important U.S. global and regional objectives and national security interests.

- First, they are an intregal part of a deterrent system that signals to potential foes our resolve to meet our commitments. They enable us to maintain the readiness and capabilities needed to meet those commitments. They contribute to the confidence our friends and allies have in U.S. will to fight.

- Second, they support U.S. capabilities in crisis and contingencies, not only throughout the Pacific Region but also in the Indian Ocean, the Middle East, and up the East Coast of Africa.

- Third, they provide the capability to protect air and sea lanes important to the U.S. and to our allies.
- Fourth, they are a visible manifestation of U.S. power in an area of obvious interest to the Soviet Union. These facilities provide for capabilities that impose certain defense considerations on potential adversaries. They also provide us with important capabilities in the event of worldwide conflict.

- Fifth, they are a part of a worldwide defense system providing unique communications facilities of importance to U.S. strategic interest.

- In addition to providing the U.S. with major military capabilities and serving important American regional and global policy objectives and national security interest, U.S. facilities in the Philippines contribute directly to the defense treaties the United States has in force with allies in the region. U.S. military facilities and forces in the Philippines, therefore, provide the practical means by which the United States can meet these commitments (May 1985).

The previous quote notes the strategic importance of the bases in the Philippines to the United States and her allies.

Although Admiral Long made the above remarks in 1983, Admiral Lyons, the current Commander in Chief Pacific Fleet, has shown a similar regard for the strategic importance of the Philippine bases. Additionally, Admiral Crow, the Chairman of the Joint Chiefs, recently completed an assignment as Commander in Chief Pacific Fleet, and has continued his strong concern for the strategic importance of Southeast Asia in the policy making environment of Washington and the Pentagon.
CHAPTER THREE

SOUTHEASTERN ASIAN NATIONS

Association of Southeastern Asian Nations

Southeast Asia holds a vital interest to the Free World due to its strategic location along the sea lanes connecting the Indian and Pacific Oceans, and as a rapidly developing world trade center. This strategic importance is evidenced by the passage of enough oil through the Malacca Straits to supply 75 percent of South Korean and Philippine oil needs and 60 percent of Japan's. In addition, over 4,000 merchant ships pass through the Straits per month (Armitage 1985).

Following the end of the Vietnam War in 1975, the Association of Southeast Asian Nations (ASEAN), consisting of the Philippines, Thailand, Malaysia, Singapore, Indonesia, and now Brunei, demonstrated a remarkable economic growth and an improved worldwide diplomatic status. ASEAN is now the fifth largest trading partner of the United States, with trade growth from $2.8 billion in 1972 to $26.6 billion in 1984 (Armitage 1985).

ASEAN's improved international standing resulted in the selection of Thailand to the United Nations' Security Council and a greater voice in world affairs. This prestige was used to generate a United Nations backed protest of the Vietnamese
invasion of Cambodia. As a group, the countries have been able to resist any outside world power interference in the management of their development and growth.

Instituted as an economic, social, and cultural alliance and not a military treaty organization, ASEAN is not capable of providing mutual defense for members from outside intrusion. The development of armed forces has strictly been for self-protection against internal threats such as the New People's Army (NPA) of the Philippines. Some expansion of an ASEAN military role has been discussed, but the fragile, developing economics of each country, which are extremely cash flow dependent, would be hard pressed to sustain a nonprofit making expenditure such as a military force. The countries realize that Vietnam is so much more advanced militarily (the fifth largest army in the world) and know they are incapable of financing a military force able to resist a viable threat. Their decision has been to not attempt a buildup.

The rapid growth of the region along with its acknowledged lack of military strength has resulted in a dangerous vulnerability. Fully aware of this situation, the ASEAN countries are extremely sensitive to any signs that the United States might be reducing its overseas commitments. The loss of the Vietnam War, the removal of U.S. bases from Thailand, the proposal during the Carter administration to remove U.S. troops from South Korea have raised concerns of the ASEAN countries regarding the U.S. commitment to the region. The Philippine
bases are especially of concern to ASEAN since they are the local symbol of U.S. presence in the area. The Soviet backed Vietnamese invasion of Cambodia has heightened this apprehension with a resultant growing dependency of Thailand on China for assistance against the Vietnamese threat. Each country knows that if the U.S. military power is reduced they will be forced to accept a growth in Soviet sponsored influence.

**Southeast Asian Communist Threat**

The Soviet threat in the Western Pacific Region has grown significantly over the last 15 years, in response to a perceived weak military and political status there. Although a Soviet master Asian development plan does not seem to exist, there are some definite goals that must be examined and understood to appreciate the actual Soviet threat. These goals are:

1) Relentless and continuous effort to alter the military balance in the Pacific.

2) Continued efforts to weaken the present U.S. backed Western Pacific Alliance systems of ASEAN and ANZUS.

3) Continued efforts to contain China's development while attempting to improve relations without major concessions.

5) Attempts to prevent any strategic ties between the United States and the ASEAN countries, while consolidating Soviet-Vietnamese relations.

6) Establish the Soviet Union in a position to play a prominent role in the Asian security system (U.S. Congress 1984a).

The Soviet military buildup in the Asian Region has been massive in order to use the resulting influence toward the establishment of a greater political and economic base. This military expansion has included:

1) Establishment of a strategic command and control center for their Far East theater of operations.

2) Modernization and enlargening of their Far East ground forces. Over 500 thousand troops are stationed along the Sino-Soviet border with an additional ten thousand troops based in the Soviet occupied Japanese Northern Territories.

3) The 29 divisions and 800 tactical aircraft in the Southern Theater near the Persian Gulf have been modernized.

4) A buildup of the Pacific Fleet to include two Kiev class carriers, 439 surface combatants, and 134 submarines. Major basing facilities have now been established at Cam Rahn Bay and DaNang, Vietnam, thus placing the Soviets 2,000 miles closer to the critical sea lanes and out-flanking China (see Figure 2).

5) Establishment of SS-20 missile sites east of the Ural mountains with the capability of striking into the Western Pacific (U.S. Congress 1984b).

The Soviets want to be considered an Asian power, but have experienced difficulty developing their political influence in the region with their only real success coming in Vietnam. Partially to blame is the strong role of the United States in the area, but more importantly has been ASEAN rejection of the
Figure 2 depicts the current situation where U.S. Forces have the use of the Philippine bases while the Soviets are based at Cam Ranh Bay and DaNang in Vietnam. The 600 n.m. radius represents reasonable operating ranges for forces operating from the respective bases. Within the area common to both, equally capable forces could fight at comparable efficiency. Outside the common area one side pays a significant time-distance penalty.
Soviet backing of the Vietnamese invasion of Cambodia. Vietnam only accepted Soviet aid after China sided with Thailand and Cambodia against her. They were not anxious to have the hated American domination replaced by a Soviet one. Plus, the Vietnamese know that the Soviets would willingly sacrifice their involvement if necessary to improve their overall standing with ASEAN.

In addition to a Soviet backed threat, two other Communist nations in the region must be considered. North Korea has expanded its military strength far beyond that needed for strictly a defensive role. Their well-exercised and modernized army has grown less dependent on China and the Soviet Union and has become more of an independent power. Kim IL-Sung, the North Korean leader, has long advocated that he would reunite the two Koreas under one Communist rule.

China, although a formidable power, has not demonstrated a desire to extend its control over the region. There have been attempts at helping both Thailand and Cambodia against the Vietnamese, but generally without much success. The Vietnamese army is simply too powerful to be controlled by the Chinese. Realizing this, the Chinese leaders have elected to concentrate more on the recovery of their failing economy than in regional hegemony.
CHAPTER FOUR

OPTIONS FOR RELOCATION

In view of the problems which are beseeing the new Aquino government in the Philippines and the fact that the basing agreement has evolved from one of complete U.S. dominance at no cost, to one of increasing Philippine control and considerable financial cost to the U.S., there is sincere concern on the part of the U.S. military and the U.S. government as to whether the U.S. will be able to retain its bases in the Philippines. When one considers the trends of reduced number of bases, the dilution of U.S. control over the bases, the increasing cost of the bases, as well as the instability of the Philippine government, the future of our U.S. bases is indeed shakey.

A political climate definitely exists for the U.S. to suffer a peace time loss of the bases in the Philippines. It is therefore, of the utmost importance that the loss of the bases be considered a possibility, and options considered for relocation. The impacts of operating from other locations must be considered as well as the political realities of trying to relocate to alternative sites. Three relocation options are reviewed. In developing these options and assessing alternative sites, the physical facilities of Subic Bay Naval Station and Clark Air Base must be kept in mind. The three options reviewed are:
Option 1: Use of existing and expanded U.S. Bases in Japan (including Okinawa) and Guam.

Option 2: Develop new U.S. base structures in Micronesia.

Option 3: Develop new bases along the Coast of the South China Sea.

In reviewing these options, the key considerations should be operational effectiveness, cost, and political feasibility. It should be noted, however, that while military functions can be accommodated at other locations, the favorable environment and inexpensive, abundant work force of the Philippines cannot be easily duplicated anywhere else. Because of the sheer size of the facilities at Subic and Clark, relocation would have to involve spreading the activities over several other bases as opposed to moving everything to one new location.

Option 1

Use of Existing and Expanded U.S. Bases in Japan
(including Okinawa) and Guam

Under this option, the one Navy ship homeported in Subic Bay would be reassigned to Yokosuka, Japan where the remainder of its battle group is based. The Ship Repair Facility could be relocated to Yokosuka or Guam, requiring enlarging the facilities presently there. The tactical fighter wing and tactical airlift wings from Clark would require considerable base expansion wherever relocated. The two best sites for relocation would be either Okinawa or Guam, with Okinawa being
the preferable site for the fighter wing as that would enable the wing to have some access to the area of its present primary mission; i.e., support for Southeast Asia; and be ideally located for its current secondary mission; i.e., support for Northeast Asia. The tactical airlift wing could be relocated to Guam.

A. Operational Impact

The ability of the U.S. to provide operational support in the Indian Ocean/Persian Gulf Region, Northeast Asia, and Southeast Asia would be severely hampered under this option. Figure 3 shows the operating zones for land based aircraft under this option. The U.S. would be unable to effect sea control over the South China Sea from land.

Provision of adequate support for operations in Southeast Asia would require an increase in U.S. forces. There are two reasons for this requirement. The increased steaming time (1,500 nautical miles - 3 days transit time) or flight time to the operating area would require adding additional forces to maintain the same number of units on station; and extra forces would be required to defend against Soviet forces who would be able to operate more efficiently from their nearby base. A worse case would result if the Soviets were to gain Subic and Clark by way of a Communist overthrow of the Aquino government, which would only increase our need for sea control. Figure 4 indicates such a scenario. Increased force requirements ranging
Under Option 1, U.S. forces would have great difficulty contesting Soviet control of the Straits of Malacca, and some difficulty with the Indonesian Straits. A significant increase in force structure would be required to counter Soviet control in those areas, and ensure our ability to support operations in Southeast Asia, and the Indian Ocean/Persian Gulf.
Under this variation of Option 1, Soviet use of the Philippine Bases would make our mission in the area even more difficult, requiring even greater increases in the force structure. Without the increases, the U.S. could lose all control of the Straits of Malacca, and would see use of the Indonesian Straits strongly contested by the Soviets.
from a minimum of two additional carrier battle groups in a
daytime best case scenario, to a maximum of six additional
carrier battle groups for a war time scenario where the Soviets
also have control of the Philippine bases have been confirmed by
Congressional studies. The absence of such forces would place
the security of the Southeast Asia sea routes in extreme
jeopardy.

Support for Northeast Asia operations would be affected
under this option also, as it would appear logical that Guam
would be tasked with additional sea control support functions in
Southeast Asia well beyond those it now performs. Concurrently,
although any aircraft relocated to Okinawa would be signifi-
cantly closer to Northeast Asia, the increased need for them to
provide support to the south would tend to offset any potential
gains in support for Northeast Asia operations.

Support for operations in the Indian Ocean/Persian Gulf
would be affected in two ways. First, the route to the Indian
Ocean via the Straits of Malacca would be less secure —
especially if the Soviets gained access to the Philippine bases.
Secondly, the U.S. would be dependent on an ally or friendly
country granting refueling privileges for U.S. aircraft bound
for the Persian Gulf because of the greater distance from Guam
to the Indian Ocean. Even in daytime this has proven to be a
problem, as happened in the airlifts to Israel during the past
Middle East Wars.
B. Cost Considerations

Military construction and other moving costs would be the least under this option although estimates run as high as a billion dollars. Expanding existing facilities usually costs less than building from nothing, although additional land requirements could prove expensive.

The cost of new forces is the highest under this option with the four to six additional battle groups costing upwards of $60 billion. Additional land based forces for Guam would add to this cost.

Operations and maintenance costs would increase significantly as a result of the increased force levels and the less efficient basing arrangements. Higher funding requirements would also result from the much higher wages paid in Japan, Okinawa, and Guam as compared to the Philippines. In 1982, a 12 hour shift in Subic Bay cost $29 per shift laborer, whereas Yokosuka costs were as high as $179 for the same shift. Labor shortages on Guam might even necessitate importing of labor to meet the increased maintenance demand. Additionally, Guam's Apra harbor has a dry dock big enough to hold a carrier, but the inner harbor, where all the Navy's facilities are located, is too shallow for a carrier. The outer harbor could be developed, but it would be more exposed to the severe storms that occasionally batter the island.
in the Pacific, if the Navy were to maintain its tempo of operations in the South China Sea from the Marianas (see Figures 5 and 6).

Support for operations in Northeast Asia would improve slightly over Option 1. The expanded bases in Guam and the Marianas should be better able to provide support, although an increase in tactical air forces at Okinawa would again be necessary to counter the Soviet land based forces to the south.

Persian Gulf and Indian Ocean operations would have improved support as compared to Option 1 since the base at Palau would improve the security of the sea routes through the Indonesian Straits. Airlift operations would still be strained due to distances and would require a refueling point.

B. Cost Considerations

Military construction and moving costs would increase noticeably due to the need for new base construction. Current estimates indicate a requirement for up to $8 billion. Force procurement costs would be slightly less, but still upwards from $45 billion. Operation and maintenance costs would be the same as Option 1 or higher, due to the increase in new bases spread over a wider area, and the increased need for labor to support them. These costs would essentially offset savings resulting from the shorter steaming distances provided by the bases at Palau.
Under Option 2, the U.S. would continue to have great difficulty contesting Soviet control of the Straits of Malacca, although the new base at Palau would considerably improve our situation in the Indonesian Straits by giving U.S. control over them. Increase in force levels would still be required, although not at the level required under Option 1. The Indian Ocean/Persian Gulf would be less threatened, but Southeast Asia would still be a difficult area to control.
FIGURE 6

OPERATING AREAS UNDER OPTION 2:
U.S. RELOCATION TO OKINAWA AND NEW BASES
IN THE MARIANAS AND PALAU,
WITH SOVIET OCCUPATION OF THE PHILIPPINE BASES

Soviet acquisition of access to the Philippine bases would enhance their control of the Straits of Malacca and put some pressure on U.S. use of the Indonesian Straits. Support for operations in Southeast Asia would be more difficult, but support of Indian Ocean/Persian Gulf operations would be about the same.
C. Political Feasibility

Domestically, the higher military construction costs would face considerable opposition, as would the funding for the increased force levels. Again, a delay in funding would severely jeopardize the U.S. ability to maintain sea control, and could result in the loss of the sea routes if a crisis arose early.

A more important problem could arise with the base in Palau, as the Palau constitution outlaws nuclear weapons on its territory. Efforts to amend this constitution have thus far been unsuccessful.

Summary

This option would correct some of the problems with the first option by reducing overcrowding at existing bases. The bases at Palau would improve our ability to contest the sea and air routes through the Indonesian Straits and east of the Philippines, although the South China Sea would remain an area where U.S. forces would operate under a handicap in time of war.

Option 3

Development of New Bases Along the Coast of the South China Sea

Under this option, new basing agreements would be sought with countries along the mainland. Two possible prospects would be Singapore and Taiwan. Singapore was once the site of a major
British presence and may have land and other assets available for negotiation. There is a strong industrial base which could develop to provide the maintenance support presently enjoyed in the Philippines. Taiwan has space problems, but land might be made available and its modern work force and industrial base could certainly meet U.S. needs. Other possibilities exist in Thailand, Malaysia, or Indonesia.

A. Operational Impact

As can be seen in Figures 7 and 8, support for operations in Southeast Asia would be greatly enhanced over the other two options. With bases in Singapore and Taiwan, land based airpower could effectively counter the entire Soviet presence. As a shore based facility, however, Singapore could face attack from the north and is therefore much less secure than the Philippine assets. To ensure lines of communication with a base in Singapore, it would be advisable to provide a base at Palau.

Operational support for Northeast Asia would be enhanced by facilities at Taiwan. The base in Singapore would lessen the need for bases at Taiwan and particularly Okinawa to project strength southward.

Support of operations in the Persian Gulf would be enhanced by the ability to provide a much greater security for the sea and air routes to the Indian Ocean. In addition, securing of the refueling stop at Singapore would enable the U.S. to maintain its present airlift capabilities.
Under Option 3, U.S. would be able to effectively counter the Soviet presence in Vietnam. Some force level increases would be required because forces would be dispersed to three widely separated areas with reduced capability to reinforce one another. U.S. ability to support operations in Southeast Asia would be much improved as would its ability to support the Indian Ocean/Persian Gulf operations.
Although Soviet occupation of the Philippine bases would strengthen their presence, the U.S. would still be able to effectively counter under this option. As before however, the widely spread U.S. bases would require greater force levels, and the increased Soviet presence would require those force levels to be increased even more.
B. Cost Considerations

Base relocation costs under this option would be higher than under either of the other two options because rental costs would be added to the military construction and moving costs. New force acquisition costs would be considerably less and would not require a new battle group unless the Philippine bases were occupied by the Soviets and significant new numbers of ships assigned there. The likely availability of cheap labor should result in lower maintenance costs, and the significant reduction in new force assets would result in much less growth in operational costs.

C. Political Feasibility

Political obstacles to this option may be unsurmountable. Domestically, the proposal to lease military bases in new host countries would have to run the spectrum of the entire U.S. foreign policy making process in the Executive Branch and Congress, facing opposition on policy as well as fiscal grounds. Although the direct costs may be less than the other options, if extensive foreign aid were tied to the proposal, Congressional opposition would be high.

Additional opposition from the Navy would probably meet with intentions to establish facilities in Singapore. Despite the excellent industrial facilities which would carry out ship repairs, the Soviets have routinely used Singapore repair facilities. In view of the recent series of security
compromises in the U.S. Navy, facilities in Singapore under the watchful eye of Soviets would not be welcomed.

On the foreign scene, a new base in Taiwan would present a major confrontation with the People's Republic of China. Tremendous progress has been made in the past fifteen years in regards to U.S.-China relations, and any basing agreement with Taiwan would have to be handled very carefully to avoid a major rift in our relations; possibly presenting an impossible situation. In view of recent trends towards increased independence in the ASEAN countries, it may well prove impossible to gain agreement with Singapore or any other country for a new U.S. base agreement on their territory.

Summary

This option would do the most to counter Soviet presence in the South China Sea and has the least direct costs. At the same time, it is the most difficult politically. These political obstacles make the option extremely doubtful of execution.
CHAPTER FIVE
SUMMARY AND CONCLUSIONS

There are two major purposes in writing this paper. The first is to make the reader aware of the tremendous facilities and importance of the U.S. military bases in the Philippines. As a career naval officer who has been limited to duty stations along the east coast of the United States, but whose next assignment will be in the Subic Bay, the education process involved with this paper has been invaluable. The second purpose has been to evaluate alternatives for relocating the Philippine bases in view of the base agreement expiring in 1991.

Chapter One reviews some of the pivotal circumstances which led to the fall of President Marcos and the establishment of Corazon Aquino as the leader of the Philippine government. The political pressure which the U.S. Congress brought on Marcos cannot be overlooked regarding the collapse of his administration. However, it is questionable as to whether Congress or President Reagan will have similar influence over President Aquino. The new Philippine government faces a severe challenge in solving its economic problems and confronting political insurgency within the country.

The fact that President Aquino has made no guarantees concerning the future of the bases has led to concern in the U.S. Defense Department. Additionally, Congress has hesitated
to allocate needed funds to the Philippine bases. The House Armed Services Committee denied authorization for all Philippine base facilities improvements in June 1986 on the grounds that future access to Clark and the Subic Bay Naval Base was uncertain (Roberts, 1986). However, the Appropriations Panel argued that the bases were necessary and that denial of the new projects would "send a wrong signal" to the new Aquino government.

Chapter Two describes the physical facilities at Subic and Clark and their capabilities to handle ships and aircraft supporting the Seventh Fleet. The tremendous repair facilities, fuel and ammunition storage, along with the strategic location of the Philippines make these bases an invaluable asset. In February of 1986, President Reagan said foreign bases are vital to keeping open the "sixteen choke points in the world, and I don't know of any that's more important than the bases on the Philippines" (Felton, 1986).

For the productive economies of U.S. allies in Asia, oil which passes through the sea lanes in the Southeast Pacific is critical. The U.S. presence in the Philippines guarantees that the sea lanes will be open, but without the Philippine bases, the United States would not be able to support and maintain its level of operations in the Indian Ocean/Persian Gulf. Additionally, the Philippine bases are vitally important to carrying out the U.S. maritime strategy, whereby the presence or proximity of U.S. assets are a deterrent to potential threats in the region.
Chapter Three addresses ASEAN's progress and development as a world trading power. Many world economists believe that the greatest strides in world trade will come in the South Pacific over the balance of this century. Despite the strength of their trade, their security remains dependent on the U.S. presence in the region. The sincerity of the United States' commitment to this region has been questioned with the Vietnam War, removal of bases from Thailand, and the proposal to withdraw U.S. troops from South Korea. The withdrawal of the U.S. from the Philippines could be detrimental to ASEAN and security in the South Pacific.

The Soviets want to been seen as a power in Asia. This is supported by the large naval buildup in Vietnam noted in Chapter Three. The Soviet presence is menacing, especially considering the importance of the South China Sea's sea lanes to the health of the West's economy.

Chapter Four proposed three options for relocating the U.S. assets currently in the Philippines. However, there is no relocation option that provides an operational effectiveness approaching that of the present basing arrangement. Of the options considered, the first two put our ability to exercise sea control in the South China Sea in jeopardy and carry with them enormous costs for new operating forces. The third option, while providing the best capability for sea control, is also the most difficult to effect due to international and domestic opposition, and will give the U.S. the least secure bases.
Options One and Two face strong political opposition as well, due to the costs involved. Consequently, construction of new facilities would be funded (minimal costs) while the operational forces (high costs) would suffer. The result being that U.S. forces would not be able to operate effectively in the South China Sea or Indian Ocean/Persian Gulf.

A basing structure involving some combination of Options Two and Three would probably give an acceptable operational arrangement, although the force level costs would still be prohibitive. Even if funded, the arrangement would not be as effective as our present base arrangement.

In retrospect, the answer to the hypotheses stated in the introduction should lead the reader to an easy conclusion; i.e., yes. The U.S. military bases in the Philippines are critical to the promotion of regional stability, and the ability of the U.S. Navy to carry out its maritime strategy of forward deployment as deterrence. The options for alternative basing arrangements are unacceptable and inadequate if the U.S. is to maintain its current capabilities in the South China Sea and Indian Ocean.

Should U.S. forces withdraw from the Philippines due to lapse of the base agreements or fall of the Aquino government, the probable outcome would be an initial relocation to existing bases in the Western pacific. Over time, the additional basing of Option 2 would be effected, but the additional forces required will be only partially realized, with the result being the forced acceptance of increased risk to the military. In
wartime there is a strong likelihood that we would lose control of the area at least temporarily with a lengthening of the crisis and more costly battles resulting.
APPENDIX I

ADDITIONAL LAND ASSETS IN THE WESTERN PACIFIC

Northern Marianas

Under a provision of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union to the United States of America, a lease was executed at a cost of approximately $32 million, for a 50 year period, renewable for another 50 years at no additional cost, to make certain lands available for military use by the U.S. These lands include:

1) 17,799 acres on Tinian
2) 177 acres at Tanapag Harbor on the island of Saipan
3) 206 acres comprising the entire island of Farallon de Medinilla (for use as a live fire target range).

Palau

Under the terms of the Compact of Free Association with Palau, land options for a lease period of 50 years have been executed. The lands made available include:

1) 30,000 acres for non-exclusive use for training and maneuvers on the island of Babelthuap
2) 2,000 acres for exclusive U.S. use on the island of Babelthuap for support facilities and ammunition storage
3) 40 acres for exclusive use in Malakal Harbor for port facility development
4) Joint use of Airai airfield on Babelthuap Island with 65 acres adjoining the airfield for exclusive U.S. use.

5) Joint use of Anguar airfield on Anguar Island with 65 acres adjoining the airfield for exclusive U.S. use.


