

## **RAMOS'S VISIT TO WASHINGTON: A CHANCE TO REBUILD THE PHILIPPINE-AMERICAN ALLIANCE**

**When Philippine President Fidel Ramos visits Washington on November 22, he and Bill Clinton should begin rebuilding an old alliance to meet future military and economic challenges in Asia. Philippine-American relations have been in a downward spiral for several years, mainly because of acrimony over the presence of U.S. forces on Philippine soil. However, a year has passed since the last American military forces departed from Philippine bases, and new leaders preside in Manila and Washington. Presidents Clinton and Ramos must now update the U.S.-Philippine military alliance to assure the future interest of both nations in the security of this strategic hinge of Asia. They also can seek ways to promote free trade in Asia in order to spur economic growth and create jobs in both countries.**

**From 1898, when America replaced Spain as the Philippines' colonial ruler, until 1991, American strategists have relied on access to Philippine military bases to defend U.S. interests in Asia. When the U.S. granted the Philippines its independence in 1946, friendship remained strong. In 1951 both countries signed a Mutual Defense Treaty that remains in effect today. The U.S. and the Philippines were allies in World War II, and later in Korea and Vietnam. But in September 1991, the Philippine Senate rejected a treaty to renew American access to Philippine bases, and the U.S. Navy departed from the last U.S. base in the Philippines, Subic Bay, in November 1992.**

**Many Filipinos—though not the majority—were relieved to be rid of what they regarded as a politically divisive remnant of American colonial rule. For Washington, the treaty rejection meant budget relief. Total assistance to the Philippines—direct aid plus money spent on the bases—declined from a high of about \$1.2 billion in 1991 to \$158 million in 1993. Washington also was relieved of having to support shaky Philippine governments, first led by the authoritarian Ferdinand Marcos, and then by Corazon Aquino, who was beset by repeated military coup attempts and weakened by her own political and economic mismanagement.**

**Good Reasons to Improve Relations.** The May 1992 election of the reformist government of Fidel Ramos and America's enduring strategic interests in Asia are two good reasons for Washington to improve its relationship with the Philippines. A 1950 graduate of the U.S. Army Military Academy at West Point, Ramos is a veteran of the wars in Korea and Vietnam. When President Marcos tried to arrest then-Armed Forces Chief of Staff Ramos following the presidential election Marcos rigged in February 1986, Ramos led a military revolt that allowed Corazon Aquino to become president. As Armed Forces Chief of Staff and then as Secretary of Defense, Ramos defended Aquino against seven military coup attempts. In May 1992, Ramos prevailed in a seven-way race for Philippine president, winning 24 percent of the vote.

**Despite his weak mandate, Ramos has embarked on an ambitious "Philippines 2000" program to reform what he calls an "undemocratic economy" characterized by "political entrepreneurship" and "crony capitalism." Ramos intends to promote economic growth by unshackling the Philippine economy from excessive bureaucracy, protection, and monopolies. The economy Ramos inherited failed to grow in 1992. It suffers from severe electric-**

ity blackouts and other infrastructure problems, and is burdened by a foreign debt which consumes 40 percent of the national budget.

While the press and some in the business community have criticized Ramos for not achieving reforms fast enough, he is making progress. Ramos has broken the monopoly of the inefficient national phone company, has sold the government-owned Philippine Airlines, and has deregulated foreign exchange markets. He is accelerating construction of new power plants to address the nation's overburdened electrical generating facilities. And through peace negotiations, the Philippine President has promoted a destructive split in the once powerful Communist Party of the Philippines.

Unlike his predecessors, Ramos also has actively sought to promote foreign investment instead of asking for more and more foreign aid. He has become an enthusiastic supporter of the ASEAN Free Trade Area (AFTA), which seeks to reduce tariffs among its six members, thereby increasing opportunities for trade and foreign investment. The former U.S. Navy base in Subic Bay has been made a free port to encourage investment.

The result of all these positive changes: increased confidence in the Philippine economy by citizens and foreign investors alike. The Philippine economy is expected to grow about 2 percent this year and over 4 percent in 1994.

**Rebuilding an Alliance.** Neither Bill Clinton nor Fidel Ramos was in office during the nadir of U.S.-Philippine relations. Thus, they should be free to begin a new relationship. Both leaders should now begin the process of rebuilding an alliance that exists today largely on paper. Their objective should be to fashion an active alliance that advances the interests of both countries in promoting peace and prosperity in Asia. Both countries need to increase trade in order to stimulate domestic economic growth. The U.S. and the Philippines also have shared security interests, such as preventing North Korea from building nuclear weapons. If Pyongyang acquired nuclear weapons, Tokyo might follow suit, reviving unhappy memories of World War II and destroying stability in Asia. In addition, neither Washington nor Manila wants any other power to dominate Asia.

To help rebuild a new U.S.-Philippine relationship, President Clinton should at the November 22 meeting:

✓ **Urge Ramos to proceed with his economic reform program as the best way to open the Philippines to American investors, and simultaneously promote Philippine economic growth.** Clinton should promise to help Ramos identify Philippine investment opportunities for American business. Clinton also should ask Ramos to help expand trade between the U.S. and the Philippines by supporting free trade linkages between AFTA and the NAFTA.

✓ **Tell Ramos that America wants to rebuild an equal military relationship based on the 1951 Mutual Defense Treaty.** The Philippines has a negligible self-defense capability and little money to afford modern air and naval forces. Clinton should offer to sell at low prices such excess U.S. military equipment as the TA-4J training aircraft and later, F-16A combat aircraft. This will help the Philippines achieve an independent self-defense capability and enable greater U.S.-Philippine military cooperation. Clinton should also ask Ramos to consider increasing the number of exercises with U.S. military forces, and expand access by U.S. forces to Philippine bases. This should help America to respond to crises that threaten the security of both countries—like a conflict on the Korean Peninsula or another war in the Persian Gulf.

Philippine-American relations have been allowed to languish for too long. Both countries share a tradition of democracy. Both desire peace in Asia, and economic growth through greater trade. Ramos's visit to Washington should mark the beginning of a new era of U.S.-Philippine relations.

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