

## DOCUMENTATION

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### **U.S., Philippines Reach Agreement on Bases**

*Text of the Memorandum of Agreement between the United States and the Philippines on the 1988 Review of the Military Bases Agreement signed on 17 October 1988:*

The Exchange of Notes between the Government of the Philippines and the Government of the United States amending the Military Bases Agreement, dated January 7, 1979 provides: "in every fifth anniversary year from the date of this modification and until the termination of the Military Bases Agreement, there shall be begun and completed a complete and thorough review and reassessment of the agreement, including its objectives, its provisions, its duration, and the manner of implementation, to assure that the agreement continues to serve the mutual interest of both parties." The first such review, conducted in Manila from April 11 to June 1, 1983, resulted in the signing of a Memorandum of Agreement dated June 1, 1983.

The second scheduled review of the Agreement took place in Manila and Washington from April 5, 1988 to October 17, 1988, with discussions between representatives of the Government of the Philippines and the Government of the United States. Pursuant to the understandings reached during the second scheduled review, the Government of the Philippines and the Government of the United States have agreed to the following:

#### **I. Mutual Security Relationship**

1. The Government of the Philippines and the Government of the

United States reaffirm the importance of their continuing mutual security relationship, of which the military base arrangements form an integral part, and the fundamental principles on which this relationship is based, including in particular their mutual respect for the sovereign equality and independence of both countries, their joint commitment to the defense and stability of their respective territories and to maintaining the freedom and dignity of their peoples, and their mutual interest in strengthening the fabric of peace in the Pacific area and in maintaining global freedom of commerce and trade.

2. The Government of the Philippines and the Government of the United States also affirm the continuing need to adjust their current security relationship in light of present and emerging realities in the domestic, regional and global situation. In the context of the foregoing and in full recognition of and respect for each other's sovereignty and consistent with their respective national interests, both governments reaffirm their commitments under the 1947 Military Bases Agreement and Mutual Defense Treaty.

3. Recognizing the interrelationship of economic, social and security concerns, the Government of the United States will exert its best efforts to provide mutually agreed levels of financial assistance to strengthen the security, as well as to help support the economic and social development, of the Republic of the Philippines.

## **II. Procurement of Philippine Products**

1. The Government of the United States reaffirms its obligations under the 1983 Memorandum of Understanding that U.S. forces shall procure goods and services in the Philippines to the maximum extent feasible and its undertaking in 1986, at the request of the Government of the Philippines, to pursue energetically a Buy Philippines Program aimed at identifying, advising, and assisting potential Philippine suppliers in order to expand the range of goods and services which can be procured in the Philippines. As part of that program, the United States has waived, and will continue to waive for the period of this Agreement, the requirements of the Balance of Payments Program in order to permit purchase within the Philippines of goods and materials that are mined, produced, or manufactured in the Philippines by and for the use of U.S. forces in the Philippines.

2. In order to expand further the potential markets for and use of Philippine products of U.S. military forces, the United States will waive, in addition, the Balance of Payments Program requirements in order to permit purchase of Philippine goods and materials by and for the use of

U.S. forces in the foreign areas of responsibility of the U.S. Commander in Chief, Pacific (USCINCPAC).

3. The Executive Branch of the United States Government will also seek legislation which would permit a waiver permitting purchase of Philippine goods and materials, notwithstanding the restrictions of the Berry Amendment, by and for the use of U.S. forces in the Philippines and the foreign areas of responsibility of the U.S. Commander in Chief, Pacific (USCINCPAC).

### **III. Review of the Base Labor Agreement**

1. Pursuant to an exchange of notes between the Government of the Philippines and the Government of the United States completed on April 12, 1988, representatives of the two countries have met beginning on July 12, 1988 to discuss possible additional revisions to or alterations in the Base Labor Agreement of May 27, 1968 concerning the employment of Philippine nationals by the U.S. forces in the Philippines.

2. The Government of the Philippines and the Government of the United States are committed to the welfare of the Philippine national work force at the bases. The proposed talks reflect the critical contribution made by the Philippine national work force to the effective operation of the U.S. Facilities and will be conducted with a view to ensuring that labor relations involving the Philippine national work force remain harmonious, productive and beneficial to both the employer and the workers. The discussions shall be conducted on the basis of the principles of recognition and respect for the sovereignty of the Republic of the Philippines and equality of treatment.

3. The Government of the Philippines suggests the following issues for discussion: (1) application of Philippine labor laws; (2) preferential employment for Filipinos; (3) uniform or comparative employment standards on wages and other forms of compensation; (4) security of employment; (5) severance pay; (6) regulation of contracting out of services and activities; (7) full recognition of the right to self-organization and collective bargaining; (8) fair and effective dispute settlement, and improvement of the mechanics and role of the Joint Committee; (9) fair standards for contractors and concessionaires. The panels, however, will be empowered to approve their own agenda.

### **IV. Joint Republic of the Philippines–United States Panel on Philippine Veterans' Claims**

Recognizing the commitment of the Government of the Philippines and the Government of the United States to the rights of the veterans

who fought in World War II, the United States representatives have communicated to the highest appropriate United States authority the concerns of the Government of the Philippines regarding the request to reconvene the Veterans' Claims Panel.

#### **V. Social Issue**

1. The Government of the Philippines and the Government of the United States affirm their common concern over the global problem of AIDS virus infection and their common interest in the prevention and control of this disease.

2. The Government of the Philippines and the Government of the United States shall exchange releasable information on the incidence of AIDS virus infection.

3. The Government of the United States reaffirms its policy that U.S. military personnel who test positive for the AIDS virus will not be assigned outside the United States.

4. In recognition of the global dimensions of the AIDS problem, both Governments agree to refer this issue to a bilateral committee consisting of appropriate representatives from both Governments concerned with the limitation and control of this disease, in order to establish and develop programs and identify funding in support of AIDS prevention, education, testing, detection, and control.

#### **VI. Nuclear Weapons**

1. Notwithstanding the provisions of Article III of the 1947 Military Bases Agreement, as amended, the storage or installation of nuclear or non-conventional weapons or their components in Philippine territory shall be subject to the agreement of the Government of the Philippines.

2. For purposes of paragraph 1, transits, overflights or visits by U.S. aircraft or ships in Philippine territory shall not be considered storage or installation. These transits, overflights or visits will be conducted in accordance with existing procedures, which may be changed or modified, as necessary, by mutual agreement between both parties.

#### **VII. Ownership and Disposition of Buildings, Structures and Other Property**

Article XVII of the 1947 Military Bases Agreement is amended to read as follows:

1. It is mutually agreed that the United States shall have the right to remove or dispose of any or all removable improvements, equipment or facilities located at or on any base and paid for with funds of the United

States. No export tax shall be charged on any property so removed from the Philippines. The Government of the Philippines shall have the first option to acquire, upon mutually agreed terms, such removable United States Government property within the bases as the United States Government determines to be excess property available for disposition in the Philippines.

2. Non-removable buildings and structures within the bases, including essential utility systems such as energy and water production and distribution systems and heating and air conditioning systems that are an integral part of such buildings and structures, are the property of the Government of the Philippines, and shall be so registered. The United States shall, however, have the right of full use, in accordance with this Agreement, of such non-removable buildings and structures within the United States Facilities at the bases, including the right to repair, alter or, when necessary for reasons of safety or new construction, to demolish them. There shall be no obligation on the part of the United States or of the Philippines to rebuild or repair any destruction or damage inflicted from any cause whatsoever on any of the non-removable buildings or structures used by the United States in the bases. The United States is not obligated to turn over the bases to the Philippines at the expiration of this Agreement or the earlier relinquishment of any bases in the condition in which they were at the time of their occupation, nor is the Philippines obliged to make any compensation to the United States for the improvements made in the bases or for the non-removable buildings or structures left thereon, the right of use of which shall revert to the Philippines upon the termination of this Agreement or the earlier relinquishment by the United States of the bases where the buildings or structures have been built.

3. Upon final termination of the use by the Government of the United States of the Facilities or earlier relinquishment, the United States and the Republic of the Philippines will take appropriate measures as they shall jointly determine to ensure a smooth transition with respect to custody and control of the Facilities and in order to minimize any disruptive effects of such termination.

### **VIII. Base Security**

1. The Governments of the Philippines and the United States take note of the need to improve the security of the bases in view of increasing intrusions into and other possible threats on the bases. Accordingly, both Governments agree that the Mutual Defense Board (MDB) shall give this need priority in its agenda for 1988 and conclude an action plan, along with any necessary related agreements, that addresses the full range of security concerns regarding physical security of the bases including security

of U.S. personnel off-base, on or before the end of 1988. This tasking shall not affect the general or continuing responsibilities of the Joint Committee created under the 1983 amendment to the 1947 Military Bases Agreement and the MDB shall report to the Joint Committee on the conclusion of its efforts.

Subject to the availability of funds, the Government of the United States is prepared to provide up to \$4 million per year for FYs 1990 and 1991 for the sole purpose of assisting the Philippine Base Commands at Subic and Clark in the maintenance of base security. Prioritization of projects for improvements of base security will be jointly agreed upon by the Philippine Base Commanders and U.S. Facility Commanders and submitted to the MDB for approval.

2. The Government of the Philippines and the United States take note of the presence of squatters on base and Facility lands and of the need to relocate them. Both Governments also take note of the joint action taken by the Philippine Base Commanders and U.S. Facilities Commanders of Clark Air Base and Subic Naval Base to address the squatter problem. For its part, the Philippine Government will take steps to relocate and resettle the squatters and prevent further squatting on the bases. The resettlement program will give priority to those whose relocation is necessary to improve base security and protect them from risks arising from operations at the bases while at the same time improving their conditions. For this purpose, the Philippine Government will carry out a resettlement program, which will include a livelihood component, for squatters at Clark Air Base and Subic Naval Base. For its part, the United States Government is prepared at this time to provide up to \$5 million to fund Philippine Government approved projects.

The recommendations of the Base Commanders and U.S. Facility Commanders will be taken into consideration in the formulation of the resettlement program. Priority for squatter relocation will be jointly agreed by the Philippine Base Commanders and the U.S. Facility Commanders and forwarded for appropriate consideration. To start the resettlement program, a resettlement project will be undertaken in 1988 for squatters at Clark Air Base.

3. The Government of the Philippines reaffirms its obligation under Article V of the 1979 Arrangements Regarding Delineation of United States Facilities concerning access to, egress from, and movement between U.S. Facilities, depicted areas, other base areas of the Philippine military bases which are made available for use by the U.S. forces under the 1947 Military Bases Agreement, and the Tabones Training Complex.

4. With respect to the problem of unlawful entry onto the bases and Facilities, the Government of the Philippines will take necessary and

appropriate steps to achieve strict enforcement of existing laws and to ensure that defendants appear for trial. These steps shall include the circulation to the authorities concerned of relevant Philippine law or rules relating to the periods for which defendants may be detained, and, for defendants who post bail and thereafter fail to appear, the vigorous pursuit of their arrest and detention pending trial. The Philippine Base Commanders and U.S. Facilities Commanders will also continue to work to improve the expeditious proceeding of apprehended intruders.

### **XI. ESF Budget Support Program**

The Government of the United States will develop with the Government of the Philippines a program of budget support for the Philippine Government. The United States will propose rapid disbursement of a substantial portion of \$248 million in ESF for U.S. fiscal years 1988 and 1989 and a substantial portion of the fiscal year 1990 ESF, in the anticipated amount of \$160 million, which may be appropriated for the Philippines to assure continued progress in implementation of agreed on Philippine economic and administrative reforms. These cash transfers would enhance significantly the financial ability of the Government of the Philippines to undertake a voluntary, market-oriented debt reduction program in 1990, or earlier if desirable and feasible.

### **X. Further Consultations**

The Governments of the Philippines and of the United States note that other important subjects, including questions related to criminal justification and military operations, have been discussed during the course of the review, but that no agreement has been reached. The Governments of the Philippines and of the United States note, however, that any further concerns of both Governments regarding the implementation and operation of arrangements in these areas can be further explored under existing consultation procedures.

### **Entry into Force**

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Washington, in duplicate, the seventeenth day of October, 1988.

SOURCE: United States Information Service.

## **Mikhail Gorbachyov's Speech on Foreign Policy**

*Extracts from the speech made by Mikhail Gorbachyov in the East Siberian City of Krasnoyarsk on 16 September 1988.*

Staying here, on this parallel of latitude, it is natural to take a look at the situation in the Asian continent, in the basin of the Pacific and Indian Oceans.

A little over two years ago in Vladivostok we invited everybody to think over a program for rebuilding relations among states in this vast and fastest-developing part of the world, in which the population recently exceeded the three-billion-people mark. . . .

We have given priority to the problems of untangling the knots of conflict and confrontation and to bridling militarism. One is that of international cooperation lagging behind the rapid and uneven economic growth of individual nations. If the gap widens, this will inexorably put the dynamics of further development before a serious challenge in the framework of both the region and the world economy as a whole.

You can see the poles which have originated in the region: Japan is one thing and the Philippines is another, ASEAN is one thing and Burma is another, and so on and so forth. There are many problems arising here that demand giving it a thought, putting international relations right and directing them into the avenue of interaction and cooperation. . . .

In short, when formulating our Vladivostok initiative, we were guided by new thinking.

Some people then attempted to question the sincerity and integrity of our intentions and proposals and to make it appear as though the Soviet Union under the cover of peaceful rhetoric was contemplating further expansion. . . .

The political atmosphere in the Asian-Pacific region is changing. There already are quite a few specific encouraging signs. One can say that the databank testifying to a desire for mutual security keeps growing all the time. Our impression is that the Non-Aligned Movement, too, is turning towards this region. And it is evidently to play its independent role in its destiny. The movement is now searching for more efficient machinery to lend greater dynamism to foreign policy processes. At any rate, we see a desire to share in resolving regional conflicts and in averting them. . . .

Serious headway has been made by now in the issue of settling the situation related to Kampuchea owing to efforts by that country, Vietnam and Laos as well as Indonesia and some other ASEAN nations. The recent informal Jakarta meeting has been a major event, providing a most instructive example. The Soviet Union is prepared to continue facilitating



early agreements on Kampuchea. Direct talks between China and Vietnam could play an important role in solving this problem as well as for improving the situation in Asia in general. . . .

Our relations with ASEAN countries, primarily with Indonesia, as well as with the Philippines and Malaysia, are gaining momentum. A useful dialogue has been started with Thailand, with which we did not have relations for a long time. We are for expanding mutually advantageous, equal relations with all states in this part of the world, irrespective of their size and social system. . . .

We are persistently looking for points of contact with the United States on problems of the Asian-Pacific region. In this context, one often has to query: Why we have no mutual understanding in this area, in contrast to some other important spheres of world politics. There is no evident conflict between our state interests. We do not encroach on diverse economic relations of the USA. We seem to have already proved, as we did elsewhere, that we can take into account existing realities. What is wrong then?

I have already had to speak and even remind when this was omitted that we are for broad participation of the United States in the affairs of the Asian and Pacific region, worthy of its position and its political and economic potentialities. But it should be equal, free from great-power manners and power politics tricks which belong to historical dissertations.

Relaxation of tension, arms reduction and subsequent revision of policies in the military sphere are key elements in improving the situation in this region, just as elsewhere in the world.

The first breach in military confrontation here was also largely due to the INF Treaty. For Asia, where atomic weapons were used against civilian population this event has special, symbolic meaning. And we are prepared to continue searching for new approaches to move in this direction.

As a result of reflections and an additional analysis and striving to further the cause of all-Asian security, the Soviet leadership is coming forward with some new proposals.

First. Aware of the Asian and Pacific countries' concern, the Soviet Union will not increase the amount of any nuclear weapons in the region — it has already been practising this for some time — and is calling upon the United States and other nuclear powers not to deploy them additionally in the region.

Second. The Soviet Union is inviting the main naval powers of the region to hold consultations on non-increase in naval forces in the region.

Third. The USSR suggests that the question of lowering military confrontation in the areas where the coasts of the USSR, the PRC, Japan,

the DPRK, and South Korea converge be discussed on a multilateral basis with a view to freezing and commensurately lowering the levels of naval and air forces and limiting their activity.

Fourth. If the United States agree to the elimination of military bases in the Philippines, the Soviet Union will be ready, by agreement with the government of the Socialist Republic of Vietnam, to give up the fleet's material and technical supply station in Cam Ranh Bay.

Fifth. In the interests of the safety of sea lanes and air communications of the region, the USSR suggests that measures be jointly elaborated to prevent incidents in the open sea and air space over it. The experience of the already existing bilateral Soviet-American and Soviet-British accords as well as the USA-USSR-Japan Trilateral Accord could be used during the elaboration of these measures.

Sixth. The Soviet Union proposes that an international conference on making the Indian Ocean a zone of peace be held not later than 1990. Preparatory work for it is known to have been completed, in the main, at the United Nations organization.

Seventh. The USSR suggests discussing at any level and in any composition the question of creating a negotiating mechanism to consider Soviet and any other proposals pertaining to the security of the Asia-Pacific region. The discussion could be started between the USSR, the PRC and the United States as permanent members of the United Nations Security Council. . . .

In a word, this thought suggests itself — why not organize a meeting of foreign ministers of all the states concerned (or those who wish so) to discuss the first approaches to building new relations in the Asia-Pacific basin.

We follow with interest the activity of the Conference on Asia-Pacific Economic Cooperation, have greeted its recent session in Osaka, and are ready to join the work of that international organization in any form which its members will deem acceptable. The U.N. organizations — the Economic and Social Commission for Asia and the Pacific and the Economic Commission for West Asia — are also in need of greater vigor.

I would not wish you to get the impression that we believe that, with us, everything is in order as far as implementation of the Vladivostok ideas is concerned. That, allegedly, only the external circumstances were the hindrance. We are far from making such a conclusion. This, incidentally, flows out from what I spoke about in the first part of my speech — about our problems and difficulties. . . .

SOURCE: Embassy of the USSR, Press Release, Issue No. 16/88.