

**U.S. BASES VITAL FOR PHILIPPINE SECURITY, OFFICIAL WARNS.**By **Chaitanya Kalbag**, Reuters

344 words

29 July 1987

Reuters News

English

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MANILA, July 29, Reuter - U.S. military bases in the Philippines are vital to the security of both countries but America would respect any decision by Manila to remove them, a senior U.S. diplomat said today.

"The bases are of vital importance," U.S. Charge d'Affaires Philip Kaplan told the influential Makati Business Club.

"They contribute to your security, to ours, and to that of this part of the world," he said. "These facts are understood very well in Moscow and in Hanoi and by the enemies of freedom wherever they may be."

President Corazon Aquino's spokesman said yesterday the bases would play a major role in determining the future of Philippine-American relations.

U.S. diplomats said Washington was studying alternatives to Clark Air Force Base and Subic Naval Base, its largest military installations outside the continental United States. These included the Pacific islands Guam and Palau.

Jovito Salonga, president of the new Philippines Senate, said last week he was against the indefinite continuation of the bases. The chairman of the Senate Foreign Relations Committee had begun a detailed review of a bases agreement renegotiated in 1983, he said.

Under that agreement, Washington pledged 900 million dollars aid over the five years to 1988 instead of rent. The treaty expires in 1991.

Any new treaty would need a two-thirds majority in the Senate, the treaty-ratifying body of the two-house Congress.

Kaplan said today total American expenditure on the bases approached 500 million dollars annually.

Comparing the Philippines to other countries with U.S. bases, Kaplan said Spain received 412 million dollars last year, of which only 15 million was aid. Only one million of the 501 million dollars Greece received was grant aid.

In contrast, 332 million of the 484.6 million dollars received by the Philippines was grant aid.

"I think it is evident that the value of grants to you at this particular point is more than that of loans," he said.

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