

# Washington's Pax Silica and the return of extraterritoriality in the Philippines

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On April 16, 2026, the Philippines formally joined Pax Silica, a US-led coalition to secure supply chains for semiconductors, artificial intelligence and critical minerals, and signed on to host the coalition's first physical project: a 4,000-acre industrial hub at the former Clark Air Base in Pampanga.

Within weeks, the *Wall Street Journal* reported what Washington actually demanded: that the hub operate under US common law with diplomatic immunity, extending protections equivalent to those of an American embassy. The economic zone effectively would be US soil. Joshua Bingcang, president of the Bases Conversion and Development Authority (BCDA), the state corporation overseeing the site, confirmed "that was their [Washington's] request."

While Manila formally rejected the demand, the supplemental agreement governing the hub's operating terms has not been signed, and the question of jurisdiction remains unresolved. Washington is actively preparing a war against China and is reaching for the oldest instruments of colonial domination to do it.

Pax Silica was launched in December 2025 with seven founding signatories—the United States, Australia, Israel, Japan, South Korea, Singapore and the United Kingdom—and has since expanded to 13 members. Its architect, US Under Secretary of State Jacob Helberg, told Congress in February 2026 that controlling "the industrial foundation of artificial intelligence" was essential to American "national survival." A \$250 million seed fund aims to leverage \$1 trillion in investment from state-linked sovereign wealth funds. The explicit target is China.

The Clark hub is the coalition's opening move on Philippine soil. The site is adjacent to existing military installations under the Enhanced Defense Cooperation Agreement (EDCA), the 2014 executive agreement that governs the terms of the return of American military bases to the Philippines. The broader Luzon Economic Corridor (LEC)—the trilateral US-Japan-Philippines framework within which Pax Silica sits—links the former American bases at Subic Bay and Clark through Manila to Batangas, handling 80 percent of Philippine port traffic.

Operations at the Clark hub are not projected to begin until the end of 2028, the final year of Ferdinand Marcos Jr.'s presidential term. Republic Act No. 12252, signed by Marcos in September 2025, is the legal framework for the LEC, extending maximum land lease periods for foreign investors to 99 years—a Marcos priority bill whose implementing rules were launched at a ceremony at New Clark City itself. BCDA President Bingcang

declared the lease should "transcend several administrations."

The US demand for legal immunity in an enclave on Philippine soil has deep historical roots. Britain went to war against China in 1839 in the First Opium War to assert the right of its merchants to sell narcotics to the Chinese people against the explicit prohibitions of the Chinese state. Having inflicted a military defeat on a country it had poisoned, Britain extracted extraterritorial rights from the wreckage: its citizens in China would answer not to Chinese courts but to British consuls, their persons and property beyond the reach of the sovereign whose territory they occupied. A second criminal war in 1856 extracted further concessions.

The United States secured the same privileges, without firing a shot, through the Treaty of Wangxia in 1844. Within decades, more than 80 treaty ports had been carved out across China—legal enclaves where Western and Japanese citizens stood above Chinese law, where the labor and resources of Chinese workers fed foreign profits under the protection of foreign arms.

The Shanghai International Settlement was governed by a foreign municipal council on Chinese territory, with its own police, courts and prison: a colonial state planted inside a sovereign nation. Extraterritoriality was the legal architecture of plunder—the means by which imperial powers asserted that their right to exploit another people's land was beyond the jurisdiction of the people being exploited.

In the Philippines, extraterritoriality was not a postwar imposition—it was the continuation of American colonial rule, established through years of savage military conquest that killed hundreds of thousands of Filipinos at the turn of the 20th century and never fully relinquished its character. Clark and Subic were not merely bases. They were sovereign American territory planted in the heart of the Philippine archipelago, housing tens of thousands of servicemen beyond the reach of Philippine law.

The United States used its bases to stage the air war over Vietnam, launching hundreds of thousands of sorties from Philippine soil against a people Filipinos had no quarrel with and no voice in attacking. Around the bases, the military presence generated vast economies of exploitation—Olongapo outside Subic, Angeles City outside Clark—built on the systematic impoverishment of the surrounding population.

Filipino workers and their families, living in the shadow of American extraterritorial immunity, were subjected to harassment, assault, rape and murder. Servicemen who killed Filipinos faced American military tribunals, not Philippine courts. Cases were

transferred, quietly closed and forgotten. Children were shot dead by sentries who claimed they had mistaken them for pigs.

The 1976 film *Minsa'y Isang Gamu-gamo*, set in Pampanga at Clark, depicted one such killing and argued for what the Philippine Senate finally delivered in September 1991: a 12-11 vote rejecting renewal of the Military Bases Agreement and expelling the US military from Philippine soil.

The Visiting Forces Agreement (VFA), ratified by the Philippine Senate in 1999, restored the principle if not the permanent garrisons. American servicemen accused of crimes on Philippine soil would remain in US custody, tried if at all by American military tribunals—the same arrangement under which killings at Clark and Subic had been buried for decades. The cases that followed confirmed nothing had changed.

US Marine Daniel Smith, convicted of rape by a Philippine court, was transferred to the US Embassy rather than a Philippine prison—the Embassy itself being sovereign American territory under international law. US Marine Joseph Scott Pemberton, convicted of the killing of Jennifer Laude, was held at a Philippine military camp under American supervision rather than in Philippine custody. The demand for a US-law enclave at Clark is not an innovation. It is an extension of a legal doctrine that has never, in over a century of American presence in the Philippines, been relinquished.

The EDCA arrangement is not a restoration of the Cold War bases. It is their transformation from a coercive regional deployment to a platform for a war that is being actively prepared. The United States now operates from nine EDCA sites across the archipelago, positioned with deliberate strategic precision: in Cagayan, facing Taiwan across the Luzon Strait; in Palawan, commanding the South China Sea; and at the former Clark complex in Central Luzon.

In April 2024, Typhon Mid-Range Capability launchers—ground-based platforms firing Tomahawk cruise missiles with ranges exceeding 2,500 kilometers—were deployed to Philippine soil during the annual Balikatan joint military exercises and have not left. In the 2026 Balikatan exercises, a Tomahawk was test-fired from Tacloban in Leyte to a target in Nueva Ecija—a live operational demonstration, not a drill. From Luzon, these missiles can strike Beijing, Shanghai and the entirety of China's eastern seaboard.

The Philippine military has announced its intention to acquire the system permanently. The Typhon launcher has no defensive function. It cannot intercept a single incoming missile or protect a single Filipino life. It is there to fire first.

Japan is the second pillar of this war mobilization. Through official development assistance (ODA), Japan is funding rail, port, 5G and energy infrastructure along the Subic-Clark-Manila-Batangas axis—the logistics spine of the former American base complex. Under the Partnership for Indo-Pacific Industrial Resilience (PIPIR), Pax Silica's defense industrial arm, it is also co-producing with the US solid rocket motors for guided weapons and facilities on Philippine soil to manufacture and assemble 30mm cannon ammunition.

Historically, the United States and Japan are the two states most directly responsible for the destruction of the Philippine economy

and the mass killing of its people. The Japanese occupation killed over one million Filipinos during World War II. The Battle of Manila in February 1945—fought street by street through the capital as American forces drove out the Japanese—killed an estimated 100,000 civilians and left Manila the second most destroyed Allied city after Warsaw.

As compensation, Japan paid \$550 million in goods over 20 years: ten cents on the dollar of the Philippines' own assessed war damage, disbursed in a form that simultaneously reopened Philippine markets to Japanese capital. American colonial destruction was never compensated at all. Both powers describe their relationship to the Philippines as one of investment. What they are investing in is a new war, to be fought on the same ground, at the expense of the same people.

The economic premises of Pax Silica do not survive examination. China controls over 91 percent of global rare earth refining capacity and dominates the processing of 19 of 20 strategic minerals essential to AI and semiconductor production. Industry analysts assess the coalition as “a declaration without large-scale domestic separation capacity, magnet manufacturing, or permitting reform needed for execution.” Even optimistic US projections place China's processing share at 75 percent by 2040—a monopoly position.

The Philippines exports more than one-quarter of the world's nickel ore, and over 87 percent of it flows to China, because China has the smelters and pays for the nickel. A bill banning the export of raw ore—which might have compelled the construction of domestic processing capacity—was stripped of its key provision in June 2025 under pressure from the mining industry.

The critical minerals memorandum of understanding Washington signed with Manila in February 2026 promises a pivot to domestic processing but provides no means to achieve it. Washington offers pledges; Beijing offers contracts. Pax Silica is not economic competition with China. It is the industrial and logistical mobilization for a war against it, and the Philippines, its sovereignty bartered away for a 99-year lease, is one of the grounds on which that war will be fought.



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