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TREMORS IN THE WESTERN PACIFIC

MICRONESIAN FREEDOM AND U.S. SECURITY

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THIRTY years after the Pacific campaign of World War II, the fortunes of the island groups of Micronesia are once again crucial to the disposition of American military power in the Pacific. And that disposition, according to the prevailing view within the Nixon administration, will in turn constrain and shape the United States' post-Vietnam role in Asia.

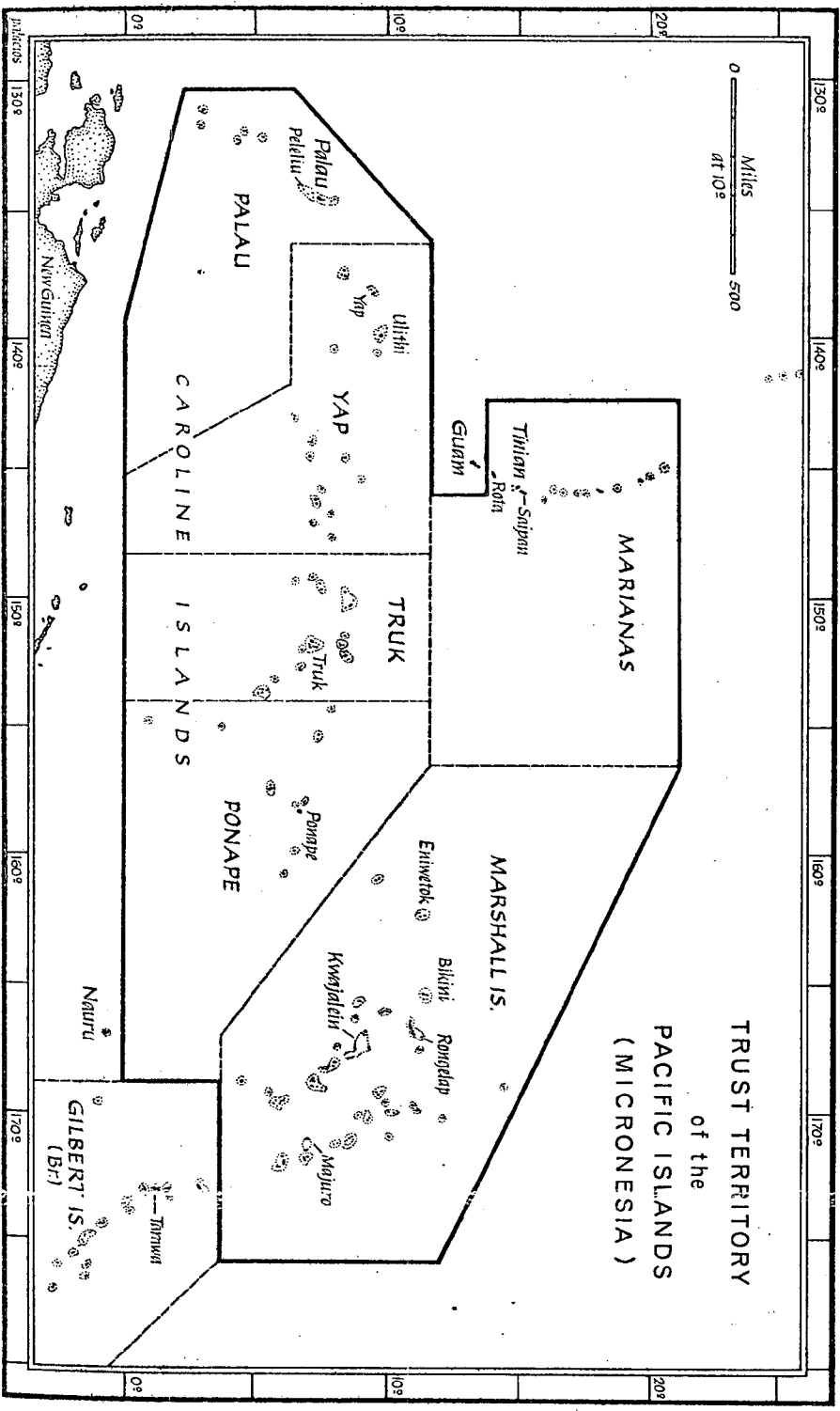
A confluence of events in Asia and in Micronesia (formally the Trust Territory of the Pacific Islands) has brought the islands back onto the stage. Political and military shifts in Asia have dimmed prospects for U.S. military installations elsewhere in the Western Pacific. The United States will have withdrawn all but token forces from the Asian mainland in the near future. Force levels in Japan, the Philippines, and Taiwan are falling for reasons peculiar to the bilateral relations with the former two states and to U.S.-China relations in the case of the latter. And deployment of the forces that remain in these countries is constrained by diplomatic considerations. That leaves only the U.S. Territory of Guam, an island that is geographically but not politically Micronesian, as an assured site for U.S. military facilities. A renewed military interest in the Trust Territory was inevitable.

As that interest has wakened, the nationalism which swept away Europe's empires in the fifties and sixties has belatedly touched Micronesia. The United States, as administrator of the territory under the U.N. trusteeship system, has come under increasing pressure to resolve Micronesia's political future. All the trust territories, with the exception of New Guinea and Micronesia, have gone off on their own. New Guinea is self-governing and, joined with the Australian colony Papua, is scheduled to attain independence on December 1, 1974, or shortly thereafter. Micronesia is not self-governing; it has attained a lesser degree of autonomy than any other major territory in the Pacific.

The combination of these trends—contraction of base sites in Asia and rising pressures to give Micronesia autonomy or independence—creates an issue for the United States to the extent that U.S. policy is based on two assumptions: that the defense of the United States necessitates maintenance of a number of forward positions well to the west of Hawaii; and that the United States should maintain in those positions forces capable of supporting its commitments in limited and counterinsurgency wars in Asia. By these lights, Guam alone is not adequate. The island is small, and military installations there are practically contiguous. And if the nearby Micronesian islands are accessible to other powers the island is particularly vulnerable—a lesson drawn from World War II.

The basic assumptions are questionable and I shall examine them below. The point here, however, is that they now determine Washington's policy vis-à-vis Micronesia. This then raises the question: Is there an inherent conflict between U.S. policy and the interests of its wards, the Micronesians?

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II

The United States wrested the Micronesian island groups—the Marshalls, Marianas, and Carolines—from Japan after a protracted and costly struggle. At the war's end, the U.S. military urged annexation of the territory, with its 2,140 islands and three million square miles of ocean space astride the mid-Pacific sea and air lanes. President Truman opted instead to place it in the U.N. trusteeship system. As a concession to the military, Micronesia was designated a "strategic trust," a unique status that gave the United States virtually a free-hand. The United States, however, also committed itself to offer the Micronesians (then less than 100,000 in number, today 114,000) the exercise of self-determination in the (indefinite) future. In 1947, decolonization seemed far off, and the white man's burden was still heavy.

Washington, and specifically the Department of the Interior, has ruled benignly, but badly. Through 1961, budgets were niggardly—a maximum of \$7 million—and Interior could neither repair war damage and clear away the debris nor bring economic activity up to the prewar level. It could only maintain law and order and a few social services. Micronesia, in those years, was a caricature of Somerset Maugham fiction: it was a tropical slum. The Kennedy administration recognized this and initiated a spending program with results that will be described later on.

One early Interior program was relatively successful, though not in terms of its initiator's expectation. This was a scheme to introduce democratic institutions. In 1966, the year-old Congress of Micronesia, a territory-wide bicameral body elected by universal suffrage, launched a campaign to revise the political status of the territory.

The Micronesians' initial desires were quite modest in the context of the times. They wanted the territory to become a commonwealth of the United States along the lines of Puerto Rico. Washington was irritated. Then, as later, Washington had difficulty in viewing Micronesia as a foreign, and thus colonial, problem. Perhaps this was an inevitable result of the bureaucratic management of the territory. Micronesia was a responsibility of the bureau that also manages Eskimo and Indian affairs. Interior countered in 1970 with the suggestion that Micronesia become a territory of the United States, with the same standing as American Samoa and Guam. Interior declined to address the Micronesians' principal concerns: cultural integrity and eminent domain, control over land. On small Pacific islands, land is the central political issue for it is the most precious resource. Washington, on the other hand, was constrained to keep all options open for the military. Thus began a minuet in slow motion that still plays on. One partner dwarfs the other and consistently moves a beat behind the music; the other moves with agility but responds to music wafting in from other rooms.

The Micronesians flatly rejected the territory option. Washington then, in mid-1970, offered Micronesia commonwealth status, with qualified eminent domain. It did so under growing pressure from the Micronesians and the Western powers in the Trusteeship Council, where Micronesia was becoming a minor scandal. By that time though, the Micronesians had become incensed at American attitudes and emboldened by their awareness of decolonization

on other continents and in the Pacific. They proposed a "Free Association." This relatively new type of political status entails a recognition of qualified sovereignty, but leaves foreign affairs and defense, plus an obligation to subsidize, with the former metropolitan power. Either party can terminate the relationship at will. Britain has such a tie with six of the smaller Caribbean states. The Micronesians reasoned that Free Association would serve American security interests (base rights, which they were ready to concede, and denial of the territory's lands and seas to other powers) on the one hand and give them the wherewithal to run an economy that had become highly dependent on U.S. fiscal support, on the other. Washington responded that the proposal was outlandish and that Micronesia was not ready for self-government. The talks were suspended from May 1970 to October 1971. By then, voices in the territory were clamoring for independence—and Washington was talking Free Association.

This almost theatrical thrust and parry of ever greater demand and reluctant concession was very much in the historical decolonization pattern. The emergence of an independence movement should have signaled that the last act was about to begin. It did not. Rather, it proved to be only a minor event in a process that has seen the United States and Micronesia drift together into an imbroglio that is unique in the postwar history of decolonization.

As elsewhere, violence erupted as discontent with the metropolitan power's policies mounted. Interest in independence intensified. And, as other metropolitan powers before it, Washington reacted by taking the Micronesian question, for the first time, seriously. The simultaneous acceleration of the phase-down of American participation in the Vietnam War and deterioration of prospects for U.S. military facilities in other Asian areas undoubtedly played a role in subsequent events. The President now shifted responsibility for negotiations with the Micronesians from Interior to the National Security Council. In 1971, he appointed F. Haydn Williams, head of The Asia Foundation, to lead the talks, conferred on him the rank of ambassador (a signal that the Micronesians were no longer, in administrative terms, overseas Eskimos), and gave him the bureaucratic weight to resolve interdepartmental disputes on the issue. Heretofore, American positions had been compromises worked out by an assistant secretary of Interior between the views of the Department of State, which tended to reflect U.N. pressures toward decolonization, and those of the Department of Defense, which resisted all changes that would limit its options.

Williams' first accomplishment was to induce DOD to articulate, for the first time, what it wanted in Micronesia. The military wanted, in the context, quite a bit: a major airfield on Tinian (the launch site for the 1945 atomic bombs) in the Marianas for the Air Force; indefinite use of the existing missile test site on Kwajalein in the Marshalls for the Army; an option on a small harbor and land for a logistics facility in Palau in the Carolines for the Navy; and—apparently for the sake of symmetry—another option on 30,000 acres in Palau for Marine maneuvers. Most important, DOD wanted assurance that other powers' forces would be denied access to Micronesian lands and waters—indefinitely.

The Micronesian negotiators provisionally accepted the base demands, in

large part because of an expectation that the United States would pay rents of similar magnitudes to those it had paid Spain. The sticking point was the future. The Micronesians balked at any arrangement that did not offer them the option to break away from the United States to become an independent state. To them, the "free" in Free Association meant precisely that.

On this, as on previous points of conflict, Washington ultimately came around. By the round of negotiations in April 1972, the American position incorporated all the principal Micronesian demands. The moment should have been climactic; but again Micronesia broke from the conventional pattern. The two sides not only failed to reach a settlement, the prospect of agreement began to recede precipitously.

III

The problem was, and is, fragmentation. Elsewhere, internal disunity has generally followed independence. In Micronesia, the sequence has been accelerated. Micronesia is fragmenting before its political future is resolved. The explanation for this trend, however, is traditional. Micronesia is an artificial political entity. Its boundaries are a by-product of European, American, and Japanese political ambition. The territory is, in fact, six discrete units—the Marianas, the Marshalls, Palau, Yap, Truk, and Ponape—each with a language (or two), a complex and developed culture, and a distinct traditional political structure. Allegiance commonly extends no further than the clan. Because of the vast ocean spaces between these units, now formally constituted as the Trust Territory's administrative districts, the peoples of Micronesia have had more contact with outsiders than with each other.

Micronesian unity began to take root in the educational system and in two political institutions: the Congress of Micronesia and the Trust Territory government. The generation of political leaders now in office schooled together and took degrees at the Universities of Guam and Hawaii together. The Congress of Micronesia, now eight years old, brought them into an institution focused on territory-wide problems. A few from this group entered the American administration which, for a time, served as a unifying force. Until recently, the territory was run much like a British colony: an all-powerful High Commissioner (appointed by the President) at the center and senior administrators in each district to ensure that the chief executive's writ ran to the peripheries. The Congress was primarily an advisory body. So were the six district legislatures, also elected by universal suffrage. Traditional political leaders (clan chiefs) continued to wield some authority—directly on local issues and indirectly through the young men holding office.

The building of Micronesian identity and political unity halted, and then reversed, roughly two years ago. One cause was that universal political issue—money. The Congress had passed a modest income tax bill. This triggered a squabble over the division of tax revenues, which then led to the first serious contention over the allocation of U.S. financial inputs. A second source of trouble was the status negotiations with Washington. The frustratingly slow pace, in the context of accelerating expectation, and the apparent intractability of Washington in the early stages unleashed an inter-

district antagonism. Politicians found votes and a chance to build a territory-wide reputation in attacks on the United States and the Micronesian leadership of the moment. Also, district ambitions came into play, with each district jockeying for what it conceived to be financial and political advantage at the starting line for a future state.

The policies pursued by the American administration contributed to the problem. In the context of rhetoric extolling unity and of expenditures in the tens of millions on physical infrastructure that could serve unification (airfields, telecommunications, shipping), High Commissioner Edward E. Johnston elected to decentralize major decision-making to the district level and appointed local men as district commissioners. His stated aim was to hasten Micronesian assumption of authority. The result was a virtual rebirth of the districts as autonomous political units.

These changes transformed the Congress of Micronesia. Previously, the Congress and its status committee had spoken with one voice (and the United States with several). The Congress now became a Babel. Negotiations within the Congress, among representatives of the six parties, were far more complex than negotiations with Washington.

Worse yet, by late 1972 the United States was no longer negotiating with just one committee. It was conducting simultaneous negotiations with the Congress of Micronesia and with the Marianas District. The Marianas, for reasons described below, had decided to remain closely tied to the United States, as a commonwealth (like Puerto Rico) if possible. At first, this portended the emergence of two new political units. The Marshall Islands, however, have since also established a political status commission and have signaled Washington that they too want a separate deal. To indicate their seriousness, the Marshallese have held conspicuous talks—ostensibly about merger possibilities—with Nauru, the phosphate-rich but land-poor republic of 6,000 people in the South Pacific, and with the Gilbert Islands, a British colony likely to achieve a new status soon. The Marshalls District legislature has voted to end participation in the Congress of Micronesia (an act of indeterminable significance). In the western Caroline Islands, the Palau District has threatened to go down a similar path.

Against this background, the principal Micronesian negotiator, Senator Lazarus Salii, proposed in early 1974 that a Free Association arrangement not come into force until 1981. Such gradualism was once the dream of colonial administrators reluctant to surrender power. That the suggestion came from a nationalist politician is doubly remarkable. At present, virtually no voices in the territory call for independence. Only a few advocate a unitary or federal Micronesian state, associated or not. The notion of a loose confederation of states somehow attached to the United States is gaining ground, more from despair at the lack of a feasible alternative than from optimism that confederation would work. Others envision a patchwork arrangement, with some districts closely tied to the United States and other districts independent under some sort of American protection.

IV

The United States and Micronesia have arrived at a critical point. The

present internal structure and the Trusteeship are no longer feasible. The alternative governmental structures under discussion are grim. Confederations have a dismal history. The patchwork notion is an administrative, economic, and political nightmare. However, the effort to replace the Trusteeship with a compact of Free Association between the United States and five of the six districts¹ continues. Free Association, with the financial ties it implies, would exert a centripetal force. It could prevent disintegration. It could offer a chance to build a viable state.

In April 1974, the Micronesian chief negotiator, Senator Salii, with his legal adviser, former U.S. Assistant Secretary of Defense Paul C. Warnke, met his American counterpart, Ambassador Williams, and, within a matter of days, agreed to a preliminary draft compact. In view of the Micronesians' previous response to similar though financially less generous terms, this was a remarkable breakthrough and something of a volte-face. The probable explanation: on the one hand, money; on the other, the quickened pace of the separatist drive by the Marshall Islands served as a strong inducement to get a preliminary agreement in hand as soon as possible—to preempt direct dealings between the Marshalls and Washington. The United States had already demonstrated in its willingness to discuss a commonwealth arrangement with the Marianas that impatience and military interest, legitimized by the long-standing American commitment to the concept of self-determination, could override concern for territorial unity. And from the perspective of the other districts, the loss of the relatively prosperous and populous Marshalls, following on the defection of the Marianas, would be devastating to their bargaining position vis-à-vis the United States and to prospects for future viability.

The derivation of the draft compact, and its terms, presage a Perils of Pauline future for the proposal, not only in Micronesia, where there will be hard bargaining among the deeply divided districts, but in the United States and the United Nations. But this effort offers the best, and perhaps the last, chance of concluding a negotiated agreement in the mid-seventies.

The terms of the draft, in brief, are these: the United States and Micronesia would enter into a Free Association after a transition period of up to six years. During that period, Micronesia would choose its own form of government in a constitutional convention (in 1975) and then vote, by referendum, on the compact by mid-1976. Fifteen years after the compact finally came into force, Micronesia could opt for independence providing that, prior to doing so, it reached agreement with Washington on a mutual security pact. The pact would guarantee the United States indefinite tenure for its military installations and would commit the Micronesians to deny their lands and waters to other powers' forces. The United States would subsidize Micronesia for the transition period and for three five-year periods thereafter, during which the subsidy would gradually decline. The U.S. contribution would total more than \$1 billion.

The proviso that subsidies should decline is an imaginative attempt by Ambassador Williams to undo the harm done by recent American largesse. After the financially dry years prior to 1961, budgets for the territory

¹ The talks with the Marianas are proceeding.

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spiraled. Today, appropriations are nearing \$70 million, or almost \$700 per capita (more than the per capita GNP of all but a few developing countries), and they are rising. The results have been mediocre in the short term and damaging as regards long-term prospects. Physical infrastructure is only moderately developed—airports, ports, roads, and power supplies range from poor to adequate. The territory still lacks good sanitation and clean water. Social infrastructure—schools, hospitals, welfare—is fairly well developed, but of low quality, not suited to local conditions, and expensive.

The high cost reflects the magnitude of the government bureaucracy. Micronesia's administration, in relative terms, is one of the world's largest and most costly. One result is the emergence of a middle class, almost all on the government payroll, with American consumption habits. Yet the establishment of income-producing enterprises that could support the government structure has been largely ignored. The data are poor, so one can only estimate the nongovernmental element of the GNP at about \$125 per capita. This derives largely from copra production, tourism, retail trade, and a small fish-processing industry. Prospects are not encouraging. Tourism and fishing offer the best possibilities for expansion. Barring an oil or mineral discovery, Micronesia will be hard pressed in the foreseeable future to sustain living standards without large-scale external support.

The economic facts clearly limit Micronesia's political options; they also limit options for the United States and the United Nations. This is no guarantee that the Free Association proposal, which is the only formula offered so far that addresses the economic issue, will survive. The number of hazards cannot yet be counted. The minimum steps, each a potential pitfall, are these: First, in Micronesia, the proposal must go through the negotiating committee, the Congress, then a constitutional convention (not a formal hurdle for the compact, but a gathering at which it could come under effective fire) and a plebiscite. The action will then shift to Washington where the U.S. Congress will be asked to accept the proposal in its final form. At the least, the assumption of defense responsibility for an overseas territory, virtually in perpetuity, and the provision for new and potentially expensive bases should arouse more than a little interest on Capitol Hill. The same can be said of the 21-year forward commitment of funds in the ten-figure range. The entire package will be vulnerable. Finally, the U.N. Security Council will be asked to legitimize dissolution of the Trusteeship and the new status. Free Association is not popular in New York; nothing short of independence is. The United States may find itself faced with the choice of proceeding in the face of an adverse vote, or of starting all over again. The former course will be politically feasible only if the Micronesians overwhelmingly endorse the arrangement in a plebiscite observed by U.N.-designated officials. Thus the key to final settlement may be at the starting point, in Micronesia.

v

The United States and Micronesia have been on the verge of agreement several times before. In recent years, the fissiparous tendencies in Micronesian politics have proven an insurmountable obstacle. They may be so again. The question is: Assuming the effort is bound to falter at some point,

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what steps could improve the chances of ultimate success? In my view, Washington will need to reverse several American policies and revise the American military desiderata.

Agreement, and progress through a constitutional convention to a plebiscite, presuppose inter-district cooperation. Recognition of economic necessity could conceivably produce that cooperation in the coming 12 months. Barring such a fortuitous outcome, the United States will have no option but to alter the territory's political equation. The present structure discourages the coalition politics on which inter-district cooperation would be based. The central government is feeble, but it still must allocate revenues among districts. The government is in American hands. Micronesian politicians are thus induced to coalesce exclusively on district lines to compete for shares of the pie. The first step toward breaking the impasse would be appointment of a Micronesian as High Commissioner. Preferably the appointee should come from the district now moving fastest in a separatist direction, the Marshalls. A Micronesian chief executive with resources at his command and political ambitions would have the instruments and the incentive to build broad support for his policies and to begin building political unity. To the extent that he succeeded, he could speak for Micronesia in dealing with the United States. An alternative approach to the same end would be replacement of the High Commissioner with an executive council, with one member per district and a chairman elected by and from among the members. Such changes have a more general virtue. Experience has demonstrated that the earlier an indigenous government is formed, the better the prospects for smooth handling of a constitutional convention and other elements of transition. (The Congo illustrates the opposite approach.)

The administrative decentralization of the territory should be reversed. The Secretary of the Interior can order the return of now-surrendered powers to the center. Next, Washington should assert as emphatically as possible that it will not deal with individual districts. As long as that door is perceived to be open, the temptation to go through it will be disruptive.

Negotiations with the Marianas probably cannot be halted. A commonwealth agreement may be reached this year.² But a lesson can be learned. The Marianas were encouraged to go it alone by the announcement of the military's interest in a large and therefore locally economically attractive facility in Tinian. Hostility in the Marianas to the other, less Westernized, districts, plus a boom in Japanese tourism and related investment were also factors. It is no coincidence that the strongest separatist tendencies today are in the two other districts where the military has interests: the Marshalls and the Palau District of the Caroline Islands. Washington has mitigated the problem by minimizing direct base rents in the proposed compact. But salaries and potential economic multipliers of bases are at least as significant as rents. The Marshalls, because of the existing Army facilities on Kwajalein,

² Any such agreement, it now appears, is likely to face stiff opposition in the U.S. Congress. There is not expected to be much enthusiasm for a new commonwealth with a population of only 14,000. Guam, moreover, will certainly demand that it receive at least as good a deal as the Marianas, i.e. that its status be upgraded. The Marianas may ultimately be faced with a choice of merger with Guam or reentry into Micronesia.

generate nearly 60 percent of the entire territory's income taxes.

A more drastic change in policy, I believe, would better serve both Micronesian and American interests. That would be elimination of plans for new bases in the Marianas and the Carolines, and acceleration of the inevitable phaseout of the Marshalls facility. For the islands, such a shift would remove a divisive element from the political equation. And it would avert future economic distortion and social dislocation.

From the American perspective, the argument for elimination of bases in Micronesia rests on an evaluation of their potential utility, and on an assessment of the military's priorities. The proposed bases in the Marianas and the options in the Carolines are a backup for Guam: two additional baskets for the military eggs. Guam by itself is clearly vulnerable. The question is: Would the construction of nearby, and equally vulnerable, bases improve the odds markedly? The military will be hard pressed to make the case to the Congress that the investment will pay off in terms of defense of Hawaii and the continental United States (no financial estimates have been made public, but major airfields are costly). It will be even more difficult to justify further spending to bolster a forward strategy based in part on development of a capability to support U.S. commitments in limited Asian wars. Intervention in such wars is widely believed to be politically insupportable at home. And thus the threat to intervene is not a credible political instrument. If these assumptions are valid, additional bases in the islands will have little value. Guam, in the context of a Micronesia closed to foreign military forces, should be sufficient to meet U.S. requirements.

The question of bases obscures a more immediate and greater threat to U.S. security in the Pacific—a threat which action in Micronesia could diminish. That is the prospect of a naval arms race, with the United States and the Soviet Union as the initial and principal actors and Japan, China, and others as future players. The buildup of ships has begun, though it has not yet gained the momentum of the race in the Mediterranean. One ominous indicator of the direction events are taking was an overture by the Soviet Union to Western Samoa for refueling and other privileges. The Samoans declined, but there will be other attempts.

The Soviet fleet now operates over long supply lines from Vladivostok. Supply and maintenance points in the mid- and South Pacific have the same attraction to the Soviet Union that Diego Garcia has to the United States in the Indian Ocean. Given the number of small and impoverished Pacific island states, it would seem just a matter of time before one or another state finds a Soviet base arrangement irresistible. The United States would then be confronted with a Soviet fleet operating out of harbors relatively close to Hawaii, on or near the major sea lanes from the United States to Asia and Australia. The U.S. response is not difficult to predict. The potential impact on stability in the area could only be negative. For the U.S. budget it would mean new burdens; for the islands, the prospect of economic and social distortion.

The Micronesia imbroglio affords an option that might head off at least this aspect of a naval race in the area. That option is neutralization of the South and Western Pacific island states—creation of a zone clear of foreign

military forces. The United States would take the lead by eschewing construction of any bases in Micronesia for a trial period of, for example, four years. It would simultaneously propose or, preferably, urge one of the island states to sponsor, an agreement among the states in the area to refuse base rights to foreign powers and refueling and service facilities to foreign naval vessels. The United States, the U.S.S.R. and other naval powers would be asked to endorse the arrangement and to increase their economic aid to compensate for revenues forgone by the islands. Such endorsements are not likely to be forthcoming in all cases, particularly from the U.S.S.R., but the agreement could conceivably work without them. The island governments have so far demonstrated a strong resolve to husband their sovereignty. They are likely to accept a foreign military presence only if their economies are in desperate straits. Thus American and other external financial assistance, if adequate to the need, should tip the scales against new bases. The agreement would clearly stand a better chance if both the United States and the U.S.S.R. were formally committed to respect it. This suggests a bilateral deal that would cover not only the neutralization question but also naval force levels and perhaps submarine missiles and the number of submarine patrols.

Neutralization per se freezes a status quo that favors the United States, with its facilities in Guam and American Samoa. (Territories would not come under the plan.) U.S. willingness to forgo bases in Micronesia is thus a sine qua non if such a plan is to have a chance, either with or without an American-Soviet agreement.

For the United States, Micronesia has been a story of lost opportunities. Five years ago, an amicable partnership was possible. Today, there is a chance for establishment of a formal relationship, but the years have taken their toll and any relationship will be difficult. This is unfortunate in view of the congruity, rather than conflict, of interests. Micronesia needs American financial support; the United States needs assurance that Micronesia will not fall into potentially hostile hands. The Free Association arrangement could serve these ends. At this point, recognition of self-interest by the Micronesians and a more enlightened American administration of the islands could retrieve some ground. And a serious attempt to try the neutralization approach could make Micronesia a key to stability in the area, rather than an old battleground once more in reserve for future conflict.