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DEPARTMENT OF STATE

Washington, D.C. 20520

December 15, 1975

Ambassador F. Haydn Williams
The President's Personal Representative
for Micronesian Status Negotiations
Old Executive Office Building
Room 373
Washington, D. C. 20506

Dear Haydn:

I understand that early last week you suggested to the President that a complete review be undertaken of U.S. policies respecting Micronesian Status Negotiations. I am delighted to hear that you took this initiative. As you will recall, during my short tour of duty with OMSN, I was anxious that we start the machinery for such a review; and I agree entirely with you that the time is now ripe for it to be gotten underway. In fact, when I learned that you had made your suggestion to the President, I was in the midst of composing a memorandum setting forth the reasons why such a review seems indicated. That being the case, in order to preserve some of those thoughts that occurred to me, I am taking the liberty of outlining to you some of the concerns that seem to me to merit consideration in the review.

U.S. Interests: Our principal, and virtually our sole, articulated interest in Micronesia is the strategic/security one; and the main component of that is "denial." No one, I think, would argue that denial is an unmeritorious interest; but it does seem that it is important to over-all U.S. interests that denial be thoroughly understood for what it is by U.S. policy makers and that it be weighed carefully against the costs of securing it. It was fashionable in the early 1970's to speak of Micronesia as "lying astride major sea lines of communication." That, of course, is a bit misleading. It does lie close to some routes, and Micronesian islands perhaps could be used as fortress protectors of displaced routes in case of threat to vessels in the travelled routes. Similarly, we are used to talking about the "strategic location" of some of the islands, but that which is strategic for

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E.O. 12958, Sec. 3.5

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some purposes clearly is not for others. We should strive to be clear about this in the context of reasonably conceivable contingencies in the modern era. Dorrance, looking at the Pacific alone, calls our policy "Dutch-door" denial, because we would close the Pacific north of the Equator, but leave it open below the Equator. Looking at all our surrounding oceans, including the Atlantic-Caribbean, our policy might rather be called "Dutch-dike" denial because we would plug one large hole but continue to be open to threat from many others closer to home. Surely, denial should be reviewed from a global perspective. Surely also, denial should be evaluated as to the likelihood that adverse use actually would be made of the islands if we did not have an absolute veto over their use for military purposes. Would the Soviets really wish to establish a base in Truk, and would the Trukese really be willing to allow them to do so? If not, perhaps we should not ask the taxpayers to pay anything for our continued control over them.

As to other U.S. interests, it would seem that we have none. Economically, the islands are now, and apparently will continue to be, losing propositions. They are poor in identified natural resources, distant from probable markets, distant from each other, small in size. There are no continental (island) shelves. For various reasons, including the gentle climate and abundance of naturally occurring fruit and vegetable food, the native population is not pre-disposed to engage regularly in manufacturing, agriculture, or service industries. Fishing is an occasional, lagoon-oriented activity; and, despite intensive efforts by Japan and the U.S., local attitudes favoring commercial fishery on the high seas have not developed to any significant degree. Perversely, the climate, while usually gentle to the human and plant population, combines its tropical and maritime aspects to be intensively corrosive to machines and equipment. Tourism would appear to be a promising industry, but the distance of the islands from tourist starting points and the lack of supporting services have led so far to disappointing results. While economic promise is weak, the costs of government and capital development are exceptionally high because of the widely dispersed and isolated population clusters. There can be no economies of scale.

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Politically, culturally, and psychologically, there appear to be no substantial gains for the U.S. in continued association with the TTPI. The 114,000 people have virtually no impact on the international scene except for the attention provided to them in the UN Trusteeship Council and the need for the U.S. to be seen executing its obligations under the Trusteeship Agreement. There is no apparent reason to teach the people the American way of life or to continue our effort to instruct them in English. Psychologically, the U.S. no longer seems to require a playing out of our expansionist urge; and it seems likely that the U.S. can retain a proper interest in developments in the West Pacific without acquiring territories or other long-term administrative responsibilities there.

U.S. Costs: It seems abundantly clear that the costs of maintaining the proposed relationships under both the Covenant and the Compact and taking advantage of the strategic opportunities we will have created, will be much higher than anticipated. In the Marianas extension of Federal programs consonant with territorial status is a hidden cost over and above the explicit subsidies and payments called for in the Covenant. Although most U.S. agencies have been unable to provide even gross estimates of their annual add-on costs to serve the Marianas, preliminary and conservative estimates are \$5-10 million annually. Under the Compact, the \$600 million economic assistance program promises to be only a start. The Burton amendment to the Covenant legislation would extend to all territories of the U.S. the same programs available to states of the U.S. Overhead costs alone of administering these programs in more than 100 isolated islands promise to be breathtaking. In effect, under the Burton amendment and, to a lesser degree, under the Commonwealth and Free Association arrangements as they now stand, U.S. Great Society programs must change not only quantitatively, to provide for the almost completely disadvantaged and underemployed population of Micronesia, but qualitatively, from continental to oceanic.

In addition, however, costs of using any of the islands for military purposes promise to be extremely high. In Tinian, for example, if the military decides to exercise the land lease option it is paying \$20 million for, costs of relocating or compensating the dairy operation on Tinian under applicable

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federal statutes could be astronomical. The Dairy operator has a long-term lease with renewal options for the land, expensive equipment, and several thousand head of cattle, which might have to be purchased. On Palau we intend merely to agree to negotiate later in good faith for the value of the land needed for exercises. We have no guarantee that agreement ever could be reached and every expectation that Palauans will take advantage of their monopoly position under the Compact and the Micronesian high esteem for land rights to drive hard bargains. Costs of the existing Kwajalein installation only now are becoming apparent. Islands which we thought had been purchased in fee simple by the Japanese turned out only to have been rented by them, and we now are liable in certain cases for 30 years of back rent, compensation for population relocation, and future lease costs yet to be negotiated. Damages claimed by displaced islanders of Enewetak and Bikini and restoration costs of the islands are prohibitive and have been resisted steadfastly by the U.S. Congress. We will not repeat the Enewetak and Bikini experiments, but they illustrate that in Micronesia, land use rights, a few coconut palms and fishing privileges for a handful of islanders can pyramid surprisingly and even outrageously over the long term.

As difficult as the monetary costs are to calculate, the non-monetary costs are even more elusive; but they also are important to consider. Political costs are the most evident. Termination of the trusteeship along the lines proposed by the Covenant and the Compact will be the first termination in which a portion of the trust territory will become a part of the administering authority, a questionable proposition for the country which authored up-lifting statements during the War about our intentions not to annex any territory as a result of the War. It will be the first termination subject to the approval of the Security Council, where a veto of our plans seems a lively possibility. It will be the first termination in which the trust territory becomes, in effect, a protectorate of the former administering authority. There is something a bit 19th. Century about our plans, and they may well be so perceived by the rest of the world.

The social and cultural costs to Micronesians of our current administrative policies, exacerbated by our future political status policies, approach genocide.

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By deciding to buy the allegiance of the Micronesians in 1963, or to "hook" them on the American way of life, we set into motion a process that slowly but surely is eroding their native cultures and substituting for them reliance on methods and machinery sustainable only by unstinting subsidies from the outside. (fn. See my memorandum of September 26, 1975 for elaboration of this idea). The displaced culture and societal patterns adapted to the old ways are dying, and are leaving legacies of social anomie, alcoholism, delinquency, dissatisfaction, and high suicide rates. Rather than responding effectively to these unmistakable signs of incipient social breakdown, we are proposing in the status negotiations to increase the size of our CIP infusions (to be tapered off in the Compact). If our policy makers truly believe that by doing so we can bring the TTPI to economic self-sufficiency, that belief should be tested in light of our experience at least in the TTPI during the past several years, if not in the rest of the underdeveloped world. If they do not believe so (and I find it hard to conclude that they do), our role as administrators and as arbiters of the future political status of the TTPI is deeply faulted. While we cannot undo damage already done, we have a clear and present obligation to limit future damage.

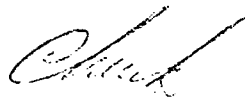
As I have mentioned on several previous occasions, I certainly can not hold myself out to be an expert on Micronesia; and many of these thoughts may be wide of the mark. Moreover, I no longer have an official association with Micronesia, so no one need take these comments into account at all. I have troubled to set this outline to paper because I am convinced that the task of defining a proper and workable relationship between the U.S. and Micronesia is an important one for our policy-makers, and that, in the process, they should not shy away from examining their First Principles despite the many years of hard labor that already have gone into our negotiations. The importance of the review is consonant with some serious Devil's advocacy; and I would hope that it would not exclude any plausible avenues to meet, efficiently, verified U.S. interests, if any, in Micronesia. Independence of Micronesia, followed by establishment of security and economic assistance relationships with the U.S. seems to me, plausible.

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bcc:

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Yours truly,



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