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THE PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS
WASHINGTON, D.C. 20240

QMSN-C-18-80

June 9, 1980

MEMORANDUM FOR ROZANNE RIDGEWAY

FROM: Peter R. Rosenblatt

SUBJECT: Defense Concerns of the Senate Energy and
Natural Resources Committee

(U) This memorandum recounts the background of the June 3, 1980 oversight hearing of the Senate Energy and Natural Resources Committee on the Micronesian political status negotiations, defines our current problem with the Committee and suggests a series of optional responses which the Administration might take to satisfy Committee concerns.

Background

(U) The Senate Committee on Energy and Natural resources will have primary jurisdiction for the Compact of Free Association when it is submitted for Congressional approval, as it did with respect to the Northern Mariana Islands Covenant. Over the years the senior Democrat on the Committee with specific responsibility for territorial affairs, Senator J. Bennett Johnston (D. La.), and the ranking Republican with such responsibility, Senator James McClure (R. Idaho), have developed more detailed familiarity with the TTPI than exists elsewhere in the Senate.

(U) The June 3 oversight hearings on the political status negotiations were part of the Committee's continuing effort to keep itself abreast of progress in the negotiations. We have know, from the Committee's current attitudes and those which it exhibited during the Marianas proceedings, that its primary concern is to insure that the Compact of Free Association will assure the attainment of U.S. defense objectives in Micronesia.

(C) On May 25, 1978 I met with Senators Johnston and McClure to discuss the next steps in the negotiations in light of the Hilo Principles which had just been signed and which specify a fifteen-year assured term for U.S. defense

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-2-

rights. They expressed concern that at the end of the first fifteen-years of free association the Micronesians might be in a position to see us out and bring in the Soviets. In response to their concerns and in consultation with Committee staff, we subsequently negotiated Section 231 of the Compact which provides for the commencement of renegotiation of U.S. defense rights and economic assistance two years prior to the expiration of the first fifteen year period. It specifies that if these negotiations are not concluded to our satisfaction in that time, a two year extension of our defense rights and economic assistance is automatically triggered to permit a full four year period in which to renegotiate for our continuing defense objectives. We were aware of no problem with this response to the Senators' concerns up through the Kona meeting at which Committee staff was present.

The Present Situation

(C) The sole topic of discussion during the question period which followed the opening statements at the June 3 hearing was the limitation of strategic denial of Micronesia to the fifteen-year term of our plenary defense rights under the Compact. While we had not known that this issue still remained so central for Senators Johnston and McClure, I am convinced that their desire for long-term denial represents a deeply held conviction. To achieve it, they seem willing to forego termination of the Trusteeship or, in the free association context, to countenance significantly expanded federal program assistance to the Micronesian states.

(C) Senators Johnston and McClure informed us that they would have to oppose the Compact in its present form. While the Committee has not adopted a formal position and the ultimate position of other Committee members on this question is not known, we do know that Senators Johnston and McClure carry a great deal of weight with the other members on territorial issues. Chairman Jackson (D. Wa.) has not yet articulated his position but seems inclined to go along with Senators Johnston and McClure. The Senators offered to seek a formal Committee position on the question of long-term denial if we thought such would be helpful for our negotiating purposes; but I demurred, suggesting that further consultation with them would be the best course to

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

follow. I am scheduled to see Senator Johnston, and perhaps also Senator McClure, on Thursday afternoon, June 12, and would like to have an Administration proposal for dealing with the problem to take with me.

Analysis of the problem

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[REDACTED]

During the renewed negotiations, however, the method for achieving our defense objectives, including long-term denial, underwent significant alteration. We concluded, and the Hilo Principles and the Compact are based on this premise, that the best way to assure ourselves of the long-term stability of our defense interests in the area is to separate them from the political relationship. The latter could thereby become freely terminable by any party but our military rights were fixed at a given number of years regardless of any termination of the political relationship. The general mood of the world as well as the political sophistication of the Micronesians has so developed since 1976 that to expect the Micronesians to agree now to perpetual U.S. denial of their area is unrealistic, even if we were willing to commit ourselves to concomitant perpetual economic assistance.

[REDACTED]

In this context it should be remembered that the U.S. has never been willing to contemplate guaranties of specific economic aid for a period significantly longer than fifteen years.

(S) That period was deemed sufficient as an initial term for our defense rights and it was felt that the relative postures of the parties was such that the Compact Section 231 provision would suffice to insure our ability to negotiate continuation of the rights. Part of this calculation

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-4-

was based on our conviction that a defense agreement as comprehensive as the one we contemplate with the Micronesians is worth only as much as the political relationship which sustains it. To attempt now to alter this approach would so fundamentally change the nature of our future relationship and our understandings with the Micronesians as to require a fundamental revision of the Hilo basis of the negotiations and preclude realization of the Administration's 1981 Trusteeship termination objective.

(C) We have before us then the task of meeting the concern of the Senate Committee, but in a way which requires no change or only very minimal change to the draft Compact.

Administration Options

(C) The options outlined below are flexible and general. They require additional refinement within the Executive Branch as well as informal discussion with the Congress and negotiation with the Micronesian political status commissions whose Washington counsel, at least, are aware of the basic upshot of the June 3 hearing. They begin with the option requiring the least renegotiation. Except for option 4, they address the situation which would occur if, at the end of the seventeenth year, we had failed to renegotiate our defense and denial rights.

(C) 1. The U.S. would unilaterally declare its intention to continue to defend Micronesia and its view that the establishment of a military installation in Micronesia by another nation would constitute a hostile action directed at the U.S. The Micronesian states could either concur in the statement publically or remain silent. The declaration would be made prior to or upon signature of the Compact, or at the time of any future failure of agreement for extension of U.S. rights.

Advantages:

-- If determinedly pursued, it would achieve the essence of strategic denial on a cost-free basis to the U.S.

-- would require no renegotiation of the Compact.

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-6-

-- would effectively project U.S. influence into the region.

Disadvantages:

-- negotiation of long-term base rights now, under these circumstances, would probably be granted only on terms which would effectively commit extension of U.S. economic aid for the full duration of the leases.

-- might require some reorientation of the Senate Committee's thinking since Senators Johnston and McClure have focussed on denial, not basing.

-- base rights not supported by a close political relationship with the Micronesians could become decreasingly secure over time.

(C) 3. The Micronesians would unilaterally declare, or the Compact would provide that if the renegotiation of defense rights is not successful, the Micronesian states would, without more, remain entirely demilitarized, subject only to the remaining term of use and occupancy rights attaching to our bases. Combine this with a unilateral U.S. declaration to defend the demilitarization of Micronesia.

Advantages:

-- would effectively close the area to military use by other nations based on Micronesian and U.S. declarations.

-- would be seen by the Micronesians as a politically appealing stance to take.

-- may prove beneficial in gaining the support of the international community to the free association compact

Disadvantages:

-- the concept of demilitarization may prove impossible for DOD to accept.

-- raises the problem of whether demilitarization and

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the presence of U.S. bases are compatible.

- demilitarization could later be repudiated by one or more of the Micronesian states.
- the concept of Micronesian demilitarization may not prove conceptually salable to the Senate Committee.
- the Micronesians may demand continuing U.S. economic assistance as a price for their demilitarization.

~~let~~ 4. Insert into the Compact a provision for permanent strategic denial of the area.

Advantage:

- meets the concern of the Senate Committee in the exact terms it was articulated.

Disadvantage:

- probably unacceptable to at least some of the Micronesians on any terms.
- any Micronesian government prepared to accept the concept would do so only on the basis of a virtually permanent commitment of U.S. economic and program support, for which support is lacking in the negotiating instructions.

Conclusion

~~let~~ Only option 4 would meet the Senate concern directly but it is the option which would require the biggest change in the Compact as well as in the Administration's economic proposals. Therefore, if the Administration were to adopt one of the other options, or any combination thereof, we will have to convince at least Senators Johnston and McClure that effective long-term denial is achieved. This effort takes on additional importance when seen in the light of these two important Committee members' evident desire for a personal stake in the Compact's terms.

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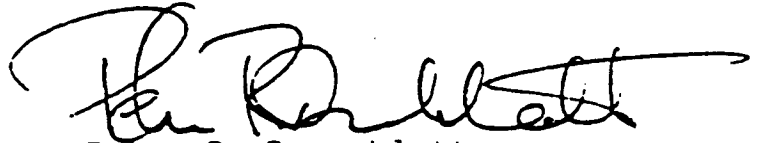
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-8-

(S) Option 1, standing alone, probably will not satisfy the Senators since it depends solely on our will to enforce it, possibly under changed and politically difficult circumstances in Micronesia. Option 3, on the other hand, may go too far in that it purports to achieve the objective of continuing U.S. influence and denial by denying so much of the area as is not covered by U.S. base agreements to the U.S. as well as others, and this may be unacceptable to DOD as well as the Committee. Option 2, that of long-term base rights, seems to strike the best balance but requires that Senators Johnston and McClure extend their own concepts of denial to encompass this option. Option 2 could also be combined with option 1 to provide a clearer statement of what we intend.

(S) POSTSCRIPT: After the foregoing was written I heard that the FSM delegation now in town (President Nakayama, Ponape Governor Falcam and Truk Governor Aten), at a 1 1/2 hour meeting with Senators Johnston and McClure, agreed to accept permanent denial on the basis of continued U.S. health and education and some sort of program for energy self-sufficiency. Details are completely lacking at the moment.

(U) The FSM group is to meet with Chairman Burton this evening.


Peter R. Rosenblatt
Ambassador

bcc:
Richard Holebrook, State
Jeffrey Farrow, DPS

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