

THE WHITE HOUSE

WASHINGTON

April 23, 1985

National Security Study
Directive 05-85

U.S. Policy toward Oceania (U)

Introduction

The President has directed a review of the United States Policy toward Oceania. (C)

Oceania includes some 10,000 islands with a population of about 5 million people, scattered over 1/6 of the earth's surface, mostly in the Southwest Pacific. During World War II, the U.S. suffered almost 300,000 casualties (killed and wounded) in this area. Since at least 1970, with the exception of some National Security Studies and Directives on the Trust Territories of the Pacific Islands (Micronesia), there has not been a comprehensive interagency study of Oceania, the changes at work there, and the implications for U.S. policy. Our policies toward the area have been made largely incrementally over a period of years. For the most part we have been fortunate in terms of foreign policy interests. Basically pro-Western, most islanders share our respect for decency and human rights and have modeled their institutions on those of Australia, New Zealand and the U.S. (C)

Now, the scene in Oceania is changing. In 1970 there were only 3 independent or freely associated states and 16 dependent territories in the region. Today, there are 11 independent or freely associated states and 11 territories. In the next few years, the number of independent or freely associated states will probably increase to 15. Imbedded in the region will be 3 U.S. territories and 7 small U.S. insular possessions. (C)

The comfortable, unchallenged situation we have enjoyed for so long is giving way to a situation where we face increasing problems. In addition to the drive for independence by the remaining dependencies, there are other important forces of change at work in the region. (C)

-- The establishment of the 200-mile Exclusive Economic Zones (EEZ) has greatly altered the strategic map of the area, increasing the importance of these island nations, which (with these zones) now form a great bloc across the Central and South Pacific. (C)

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by D. Van Tassel, National Security Council

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- The Soviets are more active in the area than previously, the tactics they are employing to establish influence are more sophisticated and effective than heretofore, and their offers of economic assistance are becoming increasingly difficult for these small, needy island states to turn down. (C)

- Growing anti-nuclear sentiment in the region, fueled in part by French refusal to terminate nuclear testing in French Polynesia (even though it is underground), has led to demands for a nuclear free zone and banning of testing, of radioactive waste dumping, and of storage of nuclear weapons -- with important implications for U.S. strategy toward the region. This has been further complicated recently by the attention focused on the New Zealand Labor Government's policy toward naval ship visits and by concerns over missile testing in the area. (C)

- Resentment over U.S. fishery policy with respect to tuna has caused significant friction between some island nations (e.g., Solomon Islands and Papua New Guinea) and the United States. (C)

- Over the next 15 years, possible technological advances, in such areas as those listed below, may accelerate the rate of change and made the islands increasingly important:
 - Seabed mining technology;
 - Satellite communications;
 - Faster and cheaper air travel;
 - Solar and tidal power;
 - Desalinization of sea water;
 - Biotechnology and sea farming. (C)

Objectives of the Study

The study should examine the area, the changes that have occurred, and the trends underway, and project the likely course of developments over the next 15 years. The study should identify U.S. interests in the states and territories of Oceania, define U.S. objectives in the region, consider external factors affecting U.S. interests, review present U.S. policies, strategies, and resources, and recommend appropriate policy changes along with resource requirements. The fundamental purpose of this study is to recommend what long term U.S. policy toward Oceania should be in light of U.S. interests, the changes underway in the region and likely developments there. (C)

Scope of the Study

The study should consider, but not necessarily be limited to:

- The strategic importance of the region and its entities to the U.S.;
- The political stability of the various entities;
- Communist influence (local); increased Soviet efforts to penetrate the region; the U.S. strategic denial policy; and secure lines of communication through the region;
- Interests and influence of other foreign powers in the region (e.g., Australia, New Zealand, Japan, China);
- Attitudes among the island nations toward nuclear issues, and the effect of the New Zealand port access policy issue on these attitudes;
- Significance of "regionalism" (growing or waning?) -- the role of regional and international organizations;
- Future U.S. policies toward the freely associated states of Micronesia;
- The role of U.S. territories and possessions;
- Military basing in the region;
- Economic prospects, including trade and investment;
- Prospects for mineral exploration and exploitation;
- Fishery policy;
- Transportation needs and likely developments;
- Impact of probable scientific and technological advances;
- Implications of the findings of the study for the pattern of U.S. diplomatic representation in the area, foreign assistance policy, public diplomacy programs, and intelligence collection programs. (Ø)

More detailed terms of reference are attached.

Implementation

The study should be prepared by an Interagency Group for Oceania, chaired by the Department of State. It should be forwarded by June 1 to the Assistant to the President for National Security Affairs, with the objective of preparing a National Security Decision Directive on the policy recommendations by June 30, 1985. (Ø)

The Defense and Intelligence contributions to this study should be classified SECRET and will be treated as separate annexes. (Ø)

Attachment
Terms of Reference

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TERMS OF REFERENCE

U.S. Policy Toward Oceania

I. Area and Coverage. The study will cover the following geographic areas:

- A. The nine independent island nations: Papua New Guinea, Fiji, Solomon Islands, Republic of Vanuatu, Western Samoa, Kingdom of Tonga, Republic of Kiribati, Republic of Nauru, and Tuvalu.
- B. The two freely associated states: Cook Islands and Niue.
- C. Five foreign territories: New Caledonia (Fr.), French Polynesia, Tokelau (N.Z.), Wallis and Futuna (Fr.), and the Pitcairn Islands (U.K.).
- D. The Trust Territory of the Pacific Islands (Micronesia): the Commonwealth of the Northern Marianas, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.
- E. The United States territories of Guam and American Samoa.
- F. The seven U.S. island possessions: Wake, Johnston, Kingman Reef, Palmyra Atoll, Howland, Baker and Jarvis.

The study should include the ocean areas around these islands and take into account the 200-mile Exclusive Economic Zones (EEZ). With respect to the Trust Territory of the Pacific Islands (Micronesia), issues covered by previous NSSD's are not to be reviewed here, although other issues relating to Micronesia, as identified here, are to be considered. The focus is to be on the post-trusteeship relationship with the Micronesian states.

The study is to deal with the outlook over the next 15 years.

II. United States Interests in Oceania.

- A. Strategic.
 - 1. Strategic denial.
 - What do we mean by strategic denial? How successful has this policy been? What are the prospects for the future? What degrees of Soviet presence could we live with (e.g., fisheries agreements, fisheries representatives, port access, trade representatives, etc.)?

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2. Secure Lines of Communication (LOC).

-- Describe the principal LOC's and their importance. What are the principal threats to them? What would be the impact of a nuclear free zone?

3. Military Base Structure and Options.

-- Is our current military base structure throughout Oceania a good one? What are its strengths and weaknesses? What are our likely future options? Ideally, what would we like, and what are acceptable alternatives? Include missile testing, satellite tracking and other military-related requirements.

B. Political.

1. Political Stability.

-- What are the prospects for political stability for the various entities in the region? Include consideration of the implications of population, social, cultural and educational trends. Are there any patterns of leftist or Communist influence similar to those that have developed in the small islands of the Caribbean or in Africa promoted by the Soviet Union or Soviet client states?

2. Maintenance of a Political/Psychological Climate that Will Ensure Continued Support for U.S. Policies.

-- What is present and likely future support for U.S. positions on important regional and global issues, especially those involving U.S.-Soviet relations and nuclear issues? Include consideration of the generation-gap factor, the existence of regional universities whose faculties harbor some professors unfriendly to the U.S., unsophisticated media, etc.

3. Fulfillment of Trusteeship Obligations of the Trust Territory of the Pacific Islands.

-- What is our strategy for termination of the Trusteeship? Include a plan for dealing with partial termination and the continuance of Palau under trusteeship for an indefinite period.

C. Economic.

1. Economic Stability.

-- What are the likely economic prospects for the individual entities and the region as a whole? What are the specific strengths and weaknesses?

2. Equitable Fisheries Access.

-- What is the magnitude of the American fishing industry efforts in the region, the areas of concentration, and the prognosis for future U.S. interest in access?

3. Energy and Mineral Resource Exploration and Exploitation.

-- What are the prospects for U.S. access to onshore and offshore energy and mineral resource exploration and exploitation?

4. Trade and Investment.

-- What are the present levels and future prospects? Distinguish between our economic policies for the U.S. Flag territories, the future freely associated states of Micronesia and the other entities in the region. Include consideration of U.S. government responsibilities for promoting the economies of the U.S. territories and possessions, and the relation between this and our interests in the future freely associated states of Micronesia.

5. Transportation: Airlines and Shipping.

-- What are the interests of U.S. airline and shipping companies in the region? What are U.S. Government needs with respect to airlines and shipping lines in the region? Comment on U.S. Government interest in a rationalization of regional transportation efforts. Also comment on Soviet and other communist country efforts to become involved in regional transportation services.

D. Territorial Interests.

- What are our precise interests in the (future three) U.S. flag territories -- Guam, American Samoa, and the Commonwealth of the Northern Marianas? In the seven U.S. island possessions? What are the likely future problems and prospects?

E. Freely Associated States.

- What are our interests in the future freely associated states of Micronesia--Republic of the Marshall Islands, Federated States of Micronesia, and the Republic of Palau? What are the prospects that any of them will opt for territorial or commonwealth status in the future? For full independence?

E. Scientific Interests.

- What are our environmental concerns in the region? What is the impact of the space age on our interest in the area (e.g., satellite communications)? What will the likely impact be on the importance of the region and our interests there of technological advances over the next 15 years in the following areas: seabed mining technology, satellite communications, faster (SST) and cheaper air travel, solar and tidal power, desalinization of sea water, biotechnology and sea farming? Other?

III. United States Objectives in Oceania.

What objectives do you believe the U.S. should be pursuing in the region?

IV. External Factors Affecting U.S. Interests: the Interests and Influence of Foreign Powers and Regional and International Organizations in the Region.

The Interests, Policies, Objectives, and Influence of the Soviet Union, Other Communist Countries, and Libya in the Region.

1. The USSR.

- What is present and prospective Soviet diplomatic representation in the area?

What are their present and likely future interests and activities with respect to fisheries, economic assistance, trade unions, shipping, oceanographic research, and cruise ships?

2. The People's Republic of China.

-- What is present and prospective Chinese diplomatic representation in the area? Where are there sizeable Chinese ethnic minorities? What are present and likely future Chinese interests in the region?

3. Vietnam.

4. North Korea.

5. Other Communist Countries.

6. Libya.

B. The Interests, Policies, Objectives and Influence of Australia.

C. The Interests, Policies, Objectives and Influence of New Zealand.

D. The Interests, Policies, Objectives and Influence of Japan.

-- Comment particularly on Japan's fishery and commercial interests in Micronesia as well as the island nations and other entities.

E. The Interests, Policies, Objectives, and Influence of Other Pacific Basin and Asian Countries.

-- The ASEAN nations, especially Indonesia; also South Korea, Taiwan, India, etc. Also address the Pacific Basin Community concept and how it may affect the future of the region.

F. The Policies, Objectives and Influence of Other Countries with Special Interests in the Region.

-- United Kingdom, France, the FRG, other.

G. The Objectives and Influence, Both Present and Prospective, of Regional and International Organizations.

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- South Pacific Forum, South Pacific Commission, United Nations Organizations, etc.

V. The Current Situation and Key Variables.

A. Current Situation.

- Include an examination of local communist activity and influence and the likelihood it might grow. Include also a look at the principal educational institutions in the area and their impact. Are they graduating those with or promoting anti-U.S. views?

B. Key Variables.

- In addition to the obvious factors, address the potential impact of such things as: population trends, racial factors, language differences, generation gap problems, educational trends, communal problems in Fiji, border problems and conflicting claims (especially, the Papua New Guinea-Indonesia situation), the influence of carpetbaggers/freebooters--drugs and money, the future of ANZUS, etc. Is there any potential for ethnic or racially based movements such as pan-Melanesian, Polynesian or Micronesian associations?

VI. U.S. Strategy.

A. Overall Strategy for the Region.

- What is it and what should it be?

B. Diplomatic Representation.

- Is our current pattern of diplomatic representation adequate? Should we add resources to the area? If so, should these be a net addition to our total present representation in East Asia, or should other East Asian posts be drawn down to staff new positions in Oceania?

C. Economic Development.

- Comment on the appropriateness of the 1977-78 policy on the organization of U.S. foreign assistance activities in the light of additional changes in the region. Can the U.S. maintain its role as a donor supplementary to Australia and New Zealand? Should U.S. aid be regional or bilateral or mixed?

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D. Regionalism.

-- Assess regionalism as a concept and comment on the effectiveness of regional organizations such as the South Pacific Forum, the likely effectiveness of a Single Regional Organization, other regional cooperative efforts, and such organizations as the East-West Center at the University of Hawaii, the Pacific Islands Development Program, and the University of the South Pacific in Fiji. Comment on a strategy for reinforcing the region's links to larger market economies in the Asia-Pacific region through our efforts to promote Pacific Basin Community ties and activities.

E. Communication.

-- Comment on how the U.S. might improve its communication with the newly independent nations and other peoples of the region. Include future plans for Micronesia, U.S. involvement in regional organizations, and the present and potential activities of the U.S.I.A. Honolulu Program Office, etc.

F. Military Cooperation.

-- What should the U.S. be doing in the region to strengthen the military capabilities of the individual island nations and other entities, and to improve military cooperation between and among them? Should the U.S. consider the establishment of some kind of regional security organization among the island nations?

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H. Oceanographic, Energy, and Mineral Research.

-- Comment on the importance of U.S. research in these areas, its current effectiveness, and the significance of future opportunities, from scientific, strategic, and economic/commercial points of view.

I. Other.

-- Suggest other aspects of U.S. strategy for the region which you believe are appropriate.

VII. Alternative Approaches. Where strong factors tend to mitigate against the strategies covered above, suggest alternative approaches.

VIII. Resource Requirements. What are the resource requirements of the strategies and alternatives listed above?

IX. Policy Recommendations. What are your recommendations for U.S. policy toward the individual entities of Oceania and the region as a whole?