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MEMORANDUM FOR: Deputy Director for National Foreign Assessment

FROM: Director of Central Intelligence

SUBJECT: Pacific Ocean Islands

1. Attached is a two-page paper on why the island areas of the Pacific Ocean are important today and how their importance may grow in the future. With it is a longer study of this issue. Both were done by a professor friend of mine from the University of Kansas named Felix Moos. He did the basic study while on assignment with the Department of State recently. He did the two-page condensation at my request. I had in mind that this is an area we have never discussed during my time with the Agency. It's an area I have never presented anything to the President on. Perhaps it is not worth either but I suspect it might make a useful topic for a short discussion in both fora.

2. I would appreciate your looking it over with a particular reference to whether there are intelligence requirements that might come out of this area in the next few years.

  
STANSFIELD TURNER

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## WHY THE PACIFIC?

1. The "fisheries issue" - and the US's position on off-shore fishing of "highly migratory species" within the 200 mile economic zones of the Pacific Island nations.

South Pacific Forum nations control more than 6 million square miles of ocean that are extraordinarily rich in fish and other marine resources.

Estimated annual fish catch is some 462,000 + metric tons, mostly tuna, but Pacific Island nations so far account for only 10 per cent of that catch, Japan 60 per cent, ROK, Taiwan and USSR are principal other "outside" beneficiaries.

Greater US interest is advisable as eastern Pacific waters are being rapidly depleted. (The US currently consumes more than half of the world tuna production).

Pacific Island perception is that control of fisheries resources is the only option for island-micro-states to control their economic destiny-- this becomes major foreign policy issue for the Pacific region.

With Micronesia's 1.5 million square miles of ocean and the SPF's 6 million square miles these potential resources, ultimately recoverable, may surpass any dry land area contained resources.

2. Not until the late 1960s did the idea of independence spread in the Pacific --most major powers have been rather indifferent until now. The Japanese are back. The Chinese are here and so is the USSR. What was primarily a Western-controlled area (every island from Indonesia to Hawaii controlled by France, Britain, Australia, New Zealand or the United States) has become an arena for potential conflict.

3. With the assumption that Japan no longer can use the Malacca straits for super tanker traffic to and from the Middle East, the straits of Lombok have assumed an immense importance for Japan. Japan's sea lanes now pass through Micronesian waters, and in terms of traffic with Australia, through the waters of Melanesia as well. Soviet naval activities in the Pacific are on the rise, and so is the USSR's ability to influence, potentially, Japan's continued access and supply of raw materials. As a result the USSR's direct interests in the Island nations are concomittently also heightened.

4. With an assumption that Japan has decided not to rely on the United States any longer for all of its defense needs and capabilities, Japan may choose eventually a) becoming a neutral and nuclear-free Pacific power, or b) she will, in earnest commence to re-arm and thus, eventually require different security and strategic arrangements in the Western and South Pacific.

5. Japan has established embassies in Papua New Guinea and Fiji. Japanese Overseas Volunteers (Peace Corps) personnel are active in Western Samoa and on other Pacific islands. Japanese tourists are the most visible of all the tourists in the area -- The Pacific Island nations want the United States to re-assure them, in terms of this extensive Japanese presence, by some increased attention, either by regional or bi-lateral arrangements.

6. The USSR has, through her overtures to countries like Tonga and Western Samoa, brought about a greater PRC presence in the area. The PRC Embassy in Western Samoa has some 14 individuals assigned to it!

7. There continues to exist a great reservoir of good will towards the United States in Melanesia and Polynesia. This good will can be maintained by small-scale, low cost and well planned economic and technical assistance. However, such integrated planning for Micronesia, Polynesia and Melanesia should be initiated now.

8. The negotiations with Micronesia have entered a critical (final?) phase-- In Micronesia, the US has created economic and political expectations that may not be fulfilled. The "price" for Micronesian options is rising rapidly, good will towards the United States in Micronesia is being eroded - and thus, other political influences may well play an increasing role. Thus, the relationship between the four Micronesia entities (N. Marianas, the Federated States of Micronesia, Palau and the Marshalls) and the US will become more complex, rather than less.

9. Although a new base agreement with the Philippines has been concluded, other Pacific options may have to be kept open. Such options should take into account possible other defense arrangements in Japan, Korea and the Philippines than those now in existence. Pacific islands may provide some interim solutions. (Palau, N. Marianas).

10. Both Australia and New Zealand have tacitly come to welcome a greater role for the US in the Pacific islands region.

11. Low intensity conflict on Papua New Guinea's border with West Irian, and strong support for the PM movement within Papua New Guinea, may provide eventual possibility for "outside" involvement in this conflict.

12. Fiji's 600,000 population is now more than half Indian. Some racial unrest could well become an issue that might be exploited by "outside" forces.

13. Rising social tensions in such traditional island societies as Tonga and Western Samoa - may result in changed political and economic aspirations in which "outside" forces may increasingly become involved.