Chapter 4

Still Missing in the Rebalance? The United States and the Pacific Island Countries

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Executive Summary

- The regional reaction to the U.S. "rebalance" to Asia is mixed. Many countries are more reassured by the returning U.S. focus on the Asia-Pacific region, while others are concerned that they see more rhetoric than reality. For Pacific Island countries, much of the discussion is summed up as just "more of the same" with island states mostly missing in any discussion of the rebalance's impacts.
- This chapter describes the history of U.S.-Pacific Island relations, highlighting instances of neglect and unwanted attention. While some countries may look to benefit from greater U.S. attention to the region as part of the rebalance, history suggests they should proceed with caution.
- While U.S. disinterest in Pacific Island countries is hardly new, it is more of a mistake today. Globalization has made the world smaller, and international connections, for good or ill, are faster and easier to make. Island nations have built great networks of regional cooperation and are working on ways to connect communities with international actors. Forums, such as those provided by the Daniel K. Inouye Asia-Pacific Center for Security Studies, should be taken advantage of as much as possible. Island states have much to teach the international community about cooperation and resilience, and we should learn to listen.

Introduction

The announced U.S. "pivot" towards Asia in 2011 was welcomed by many U.S. allies and friends in the region. Resources diverted to wars in Afghanistan and Iraq had taken its toll on U.S. forces' personnel and preparedness in the U.S. Pacific Command area. Coupled with concerns over a "rising China," a re-prioritized focus towards the Asia-Pacific alleviated other countries' fears that China's increasing influence would go unchecked.

Almost immediately after its announcement, however, the U.S. government found itself having to parse what it meant by "pivot." First, the policy was retitled the "rebalance" to avoid perceptions of a "quick or sudden move" as the pivot implied for some. Second, beyond the semantics, the U.S. needed to explain how the rebalance was not about confronting China (to avoid tensions with a major trading partner), while at the same time, assuring allies that the rebalance did check an assertive China. Secretary of State Hillary Clinton stressed the former,[1] yet focused more on the latter when out of office.[2] As fiscal constraints became tighter, the United States struggled to give substance to its rebalance rhetoric.

To be sure, there have been visible aspects of the rebalance (though many of these were in the negotiation stages long before the announcement of the rebalance). The porting of littoral combat ships in Singapore and development of the rotating force of U.S. Marines in Darwin, Australia, are certainly among the most visible of military adjustments.[3] Diplomatically and economically, the appointment of the first U.S. ambassador to the Association of Southeast Asian Nations — in 2008, long before the rebalance — and ex-

1 Julian Pecquet, "Clinton: 'Pivot to Asia' about promoting democracy, not countering China," *The Hill,* July 9, 2012, http://thehill.com/policy/international/236743-clinton-says-administrations-pivot-to-asia-really-about-human-rights-democracy.

2 Graeme Dobell, "Hillary's pivot posse and China as Wild West desperado," *The Strategist*, June 30, 2014, http://www.aspistrategist.org.au/hillarys-pivot-posse-and-china-as-wild-west-desperado/.

3 The "full" return of New Zealand into the ANZUS alliance deserves mention as well. Suspended for nearly thirty years due to New Zealand's anti-nuclear policy, US-NZ military relations improved while working together in Iraq and Afghanistan, culminating in New Zealand's full participation in the Rim of the Pacific naval exercises in 2014.

pansion of the Tran-Pacific Partnership also highlight that, while the Middle East was certainly the priority over the last 10-plus years, the United States did not completely lose focus on matters in Asia. In all of these actions, however, there remains a glaring absence of a policy towards Pacific Island countries.

This would hardly be the first time Island nations were afterthoughts in U.S. policy in the Asia-Pacific; if indeed, one could say they were thought of at all. Being ignored in the world of international politics is sadly nothing new for the Pacific Islands, but there are increasingly impending threats that demand their voices be heard on the global stage. Conversely, shifts in great power politics (most notably, the rise of China and India) require the United States to consider many other actors and not take them for granted, while considering the second- and third-order effects of its own policies. The United States' general goodwill and political capital in the region is not endless, nor is it unchallenged; and it would do well to consider how to reinvigorate its profile in the region, particular with Pacific Island nations.

The United States and the Pacific Islands: From Benign Neglect to Unwanted Attention

In the aftermath of World War II, there was no question as to the predominant superpower in the Asia-Pacific. Unlike in Europe, where the Soviet Union could contest American power, the Cold War security arrangement in the Pacific clearly favored the United States. Soviet alliances with the People's Republic of China, North Korea, and Vietnam were never as strong as the Soviets wished. Additionally, these states were surrounded by a network of U.S. bilateral agreements with Japan, South Korea, Thailand, and the Philippines, as well as a trilateral agreement with Australia and New Zealand. These relationships formed a ring around the Pacific Ocean and were the framework of the region's security architecture. The heart, however, of U.S. influence in the region, was, in fact, among Pacific Island nations, particu-

larly island states in free association with the United States. These included the Federated States of Micronesia, Republic of the Marshall Islands, and Republic of Palau. Along with the Commonwealth of the Northern Mariana Islands, they formed the Trust Territory of the Pacific Islands (TTPI).

The TTPI was under a UN trusteeship system administered by the United States for roughly 30 years, starting in 1947. While eleven other trusteeships that included other Island nations, such as Nauru, New Guinea, and Western Samoa, fell under the jurisdiction of the UN General Assembly, the Security Council had oversight over the TTPI. Furthermore, Article 15 of the trusteeship agreement prohibited the agreement from being "altered, amended, or terminated without the consent of the Administering Authority (the United States)."[4] Coupled with U.S. veto power in the Security Council, no other trustee holder had such overarching power over its trusteeship.

The trusteeship period between the end of World War II through the Kennedy Administration is often referred to as a period of "benign neglect," but such a notion is debatable. On the security front, there was certainly no neglect of the TTPI, and the attention was hardly benign. The area was closed off for nuclear testing (even American citizens required a security clearance to enter the TTPI); Island populations from Bikini and Enewetak Atolls were completely displaced for nuclear device testing; and the Kwajalein Atoll population was moved for intercontinental missile and, later, missile defense testing.

While justifications for closing off the TTPI from much of the outside world were to preserve the culture of Island societies, clearly the real intention was to secure military interests. Further, without deference to or understanding of these cultures, the United States established several social programs — universal education, health care, and governmental systems — all patterned after the American model. These caused great problems within these small societies; problems that worsened during the Kennedy and

4 Stewart Firth, *Nuclear Playground* (Honolulu: University of Hawaii Press, 1987), 52.

Johnson Administrations. A UN report highly critical of the handling of the TTPI appeared somewhat embarrassingly the same year that President John Kennedy gave a speech denouncing colonialism before the UN General Assembly. Reports in the popular press referring to the "Rust Territory," "Our Bungled Trust," and "Trust Betrayed," also appeared.[5] The Kennedy Administration responded by throwing more money at the problem. Appropriations for the TTPI — averaging from $1 million to $5 million a year from 1947 to 1963 — exploded to $15 million. Under Lyndon Johnson's "Great Society" programs, appropriations expanded to $35 million. The impacts to the traditional cultures of those under the Trust were devastating.[6]

The late 1960s signaled the end of the colonization era, and the beginning of TTPI members' work to re-shape their relationships with the United States. The Congress of Micronesia (COM) was established in 1965 to further the political development of the TTPI, though the U.S. high commissioner still held much of the governing authority. In 1967, the COM set up a political status commission to explore varying options towards terminating the trusteeship. The COM advocated "free association" (a new status developed between New Zealand and the Cook Islands) and entered into negotiations with the United States in 1969. These efforts stalled as the United States favored commonwealth status, which is essentially complete integration, along the lines of Puerto Rico, Guam and American Samoa. TTPI leaders hoped for maximum independence with maximum financial assistance, while the United States looked to preserve the potential for military use of the islands.

5 Donald F. McHenry, *Micronesia: Trust Betrayed* (New York: Carnegie Endowment for International Peace, 1975), 14.

6 Robert C. Kiste, "New Political Statuses in American Micronesia," in *Contemporary Pacific Societies: Studies in Development and Change,* Victoria S. Lockwood, Thomas G. Harding and Ben J. Wallace (eds.) (Englewood Cliffs: Prentice Hall, 1993).

Free Association and the End of the Cold War

Despite earlier resistance to free association, the United States became more accepting of the idea after the TTPI's unity ended. The Northern Mariana Islands wished to enter into commonwealth status with the United States, and once that agreement was accepted in 1975, the rest of the TTPI began to negotiate separately, looking for the most advantageous deals possible.

The Republic of the Marshall Islands (home to Kwajalein Atoll) and the Republic of Palau (westernmost of the TTPI and a great strategic location) separated from the rest of the TTPI, which remained together as the Federated States of Micronesia (FSM). The Marshalls and FSM formally entered into a Compact of Free Association (COFA) with the United States in 1986. Palau's status was more controversial due to strong anti-nuclear provisions in its new constitution, yet it entered into free association with the U.S. in 1994.[7]

In return for financial provisions and a host of other services and privileges — such as the use of the U.S. Postal Service at U.S. domestic prices and visa-free entry into America — the U.S. kept the right of strategic denial and, possibly, for future military use of the islands. Perhaps most importantly, the Compact places the highest obligation of defense on the United States. Title Three, Article 1 of each COFA establishes the U.S. "obligation to defend the Marshall Islands and the Federated States of Micronesia and their peoples from attack or threats thereof as the United States and its citizens are defended" (emphasis added). Similar wording exists in the Palau Compact. This defense provision is not one-sided, as citizens of the freely associated states serve with distinction in the U.S. Armed Forces.

7 The fight over approval of Free Association status for Palau was particularly contentious, to include the assassination of a Palauan president and the suicide of his successor under suspicious circumstances. See among others Arnold H. Leibowitz, *Embattled Island: Palau's Struggle for Independence* (Westport: Praeger, 1996), Sue Rabbitt Roff, *Overreaching in Paradise: United States Policy in Palau* Since 1945 (Juneau: Denali Press, 1991), and Lynn B. Wilson, *Speaking to Power: Gender and Politics in the Western Pacific* (New York: Routledge, 1995).

The end of the Cold War contributed to return of a general state of neglect by the U.S. towards these Compact States. Relations continued with little controversy, the only exception being that associated with negotiations for compensation for those displaced by and exposed to nuclear testing in the 1950s. Compact States citizens traveled to the United States without visas (and occasionally without passports) and built lives in the United States, while remaining connected to their home islands. The late 1990s to early 2000s included security concerns about "near-peer competitors" (i.e., China), and while Compact States offer geostrategic locations in reacting to potential Chinese aggression, most associated discussions barely included these States, if at all.

"Patching" the Global War on Terror: Failed States and Cooperative Intervention

While Compact security provisions exist until both parties approve their termination, financial provisions had a fifteen-year time limit. A perception had developed that many Compact States citizens had settled in Hawaii and Guam, and had become an economic burden on these governments. Renegotiations resulting in "Compact II" included "impact funds" for Hawaii and Guam, though this was not seen as a major aspect of negotiations, which began in 2001.

Compact renegotiations focused heavily on oversight of immigration of member citizens into the United States. The September 11 attacks made immigration oversight even more of a U.S. necessity. While concerns were raised there would be limitations placed on immigration and/or entry by Compact citizens, the U.S. government's position was that it was simply strengthening oversight, to include implementing machine-readable passports and requiring passports for entry.[8]

8 Eric Shibuya, "The Freely Associated States and the United States 2004-2005: Holding Firm," (Honolulu: Asia-Pacific Center for Security Studies, February 2005).

The "Global War on Terror" reached the Pacific Islands in many ways. In April 2003, allegations arose that Nauruan passports had been found with known al-Qaeda operatives.[9] Though there seems to be little information beyond these initial reports, Nauru terminated its passport sales at the time. Additionally, concerns over the threat of "failed states" and their potential to become terrorist havens entered the discussion and served as the intellectual justification for the Australian-led intervention into the Solomon Islands. (Connecting failed states in the Pacific to potential terrorist threats also allowed Australia to lower its commitment in Afghanistan and Iraq on the justification that it was protecting its "patch" in the Pacific). By 2007, there were also investigations of the rise of Islam in the Pacific, noting that while alarmist cries of an al-Qaeda foothold in Oceania are overblown, the idea of a completely benign environment is also an exaggeration.[10]

The Asia-Pacific Rebalance: Careful What You Wish For (?)

Certainly, the rebalance announcement was a welcome one, but its substance has left much to be desired for many in the region. While there has been a host of diplomatic and economic initiatives — such as high-level U.S. participation at the Pacific Islands Post-Forum dialogue and the Trans-Pacific Partnership — there has clearly been a gap between rhetoric and reality. Significant disagreements within the U.S. government led to a government shutdown that brought into stark relief the fiscal realities the Obama Administration and its successors will confront. This reality also generally dampened expectations around the region of a massive influx of military personnel and equipment, and their associated economic benefits.

There were also some sighs of relief, considering the social and environmental pressures that accompany a large foreign presence. Considerations of long-term potential adjustments in U.S. force structure and presence

9 Uli Schmetzer, "Anti-terror quest leads to tiny Pacific Island," *Chicago Tribune*, April 17, 2003, http://articles.chicagotribune.com/2003-04-17/news/0304170274_1_nauru-passports-kevin-rudd
10 Ben Bohane, "Green Moon Rising: Islam Is Spreading In Melanesia," *Pacific Magazine,* July/August 2007.

could have interesting implications — positive and negative — for Pacific Island nations, especially the Compact States.

Unlike all of the other defense agreements, which deal with the considerations of an attack, the Compact relationship puts a proactive requirement on the United States to defend these States. The Compact States' geostrategic location make them attractive staging points for U.S. assets, and the Compact obligation could justify a greater U.S. presence there. This would undoubtedly bring increased financial benefits and some infrastructure improvements, but again, associated social and environmental tensions should not be downplayed. The rebalance policy could bring greater U.S. attention onto the Compact States, but it wouldn't be entirely beneficial for them, and they may find there are worse things than being relatively ignored by the United States.

Conclusions: Getting the Balance Right in the Rebalance

The U.S.-Compact States relationship is — at least by legal wording — the strongest defense relationship the United States has with another country. The general U.S. indifference regarding this relationship has strained the generally positive relationship and good political capital the U.S. has with these countries. For example, as of October 2014, Palau's budget has been funded by continuing U.S. Congressional resolutions because their Compact budget — originally scheduled for a 2011 approval — was caught up in the budget battle between Congress and the Obama Administration.[11] The U.S. cannot afford for a relatively insignificant disbursement, totaling about $189 million between 2014 and 2023, to cripple the relationship with a country whose location could have greater security implications in the longer term.

Whatever the larger physical manifestations of the rebalance, the policy focus will be a return to greater engagement by the U.S. with the Asia-Pa-

11 Elke Larson, "Prioritizing Palau: Why the Compact Budget Matters," *Pacific Partners Outlook,* 3(10), October 10, 2013, http://csis.org/publication/prioritizing-palau-why-compact-budget-matters.

cific region by expanding avenues for cooperation. For the Pacific Islands, however, there are significant obstacles to expanding cooperation. While many countries in the Asia-Pacific have concerns over erosions of sovereignty in cooperating with the U.S., the Islands must also consider issues of scale. For many island states, there is simply not enough personnel to meet official reporting and coordination requirements that the U.S. and other international donors often place upon them. They're capable of focusing on missions or coordination with larger entities, but frequently cannot do both. Creative solutions — finding different ways to do the same things — are critical in improving cooperation. Taking advantage of small populations and the ability of information to flow quickly could have major benefits in police investigations, for example. What is needed is developing a greater connection between these community networks and the more official policy/security structures.

U.S. entities that facilitate this connection are the Asia-Pacific Center for Security Studies (APCSS) in Honolulu and other Department of Defense regional centers for security studies. They provide powerful venues for building relationships, and greater personal and professional networks among military and government professionals. Representatives of Pacific Islands civil and government organizations attend APCSS courses and workshops — both at the Center and abroad — that build the cultural understanding necessary for greater communication and cooperation.

Greater engagement improves cultural understanding, and greater cultural understanding leads to better, more effective engagement. Ultimately, greater U.S. cooperation with Pacific Island nations may not be an issue of more, but rather better engagement. From issues spanning conflict resolution to resource management, Island cultures have a lot to teach us; we need to learn how to listen.