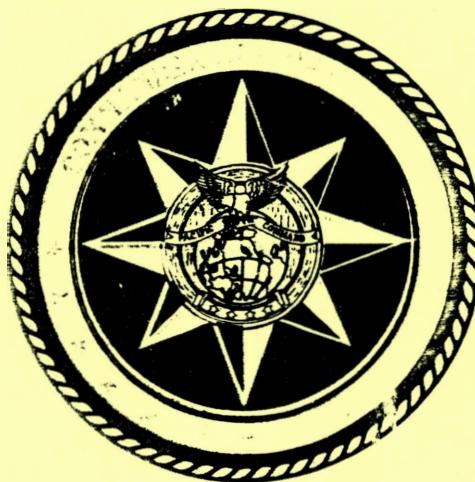


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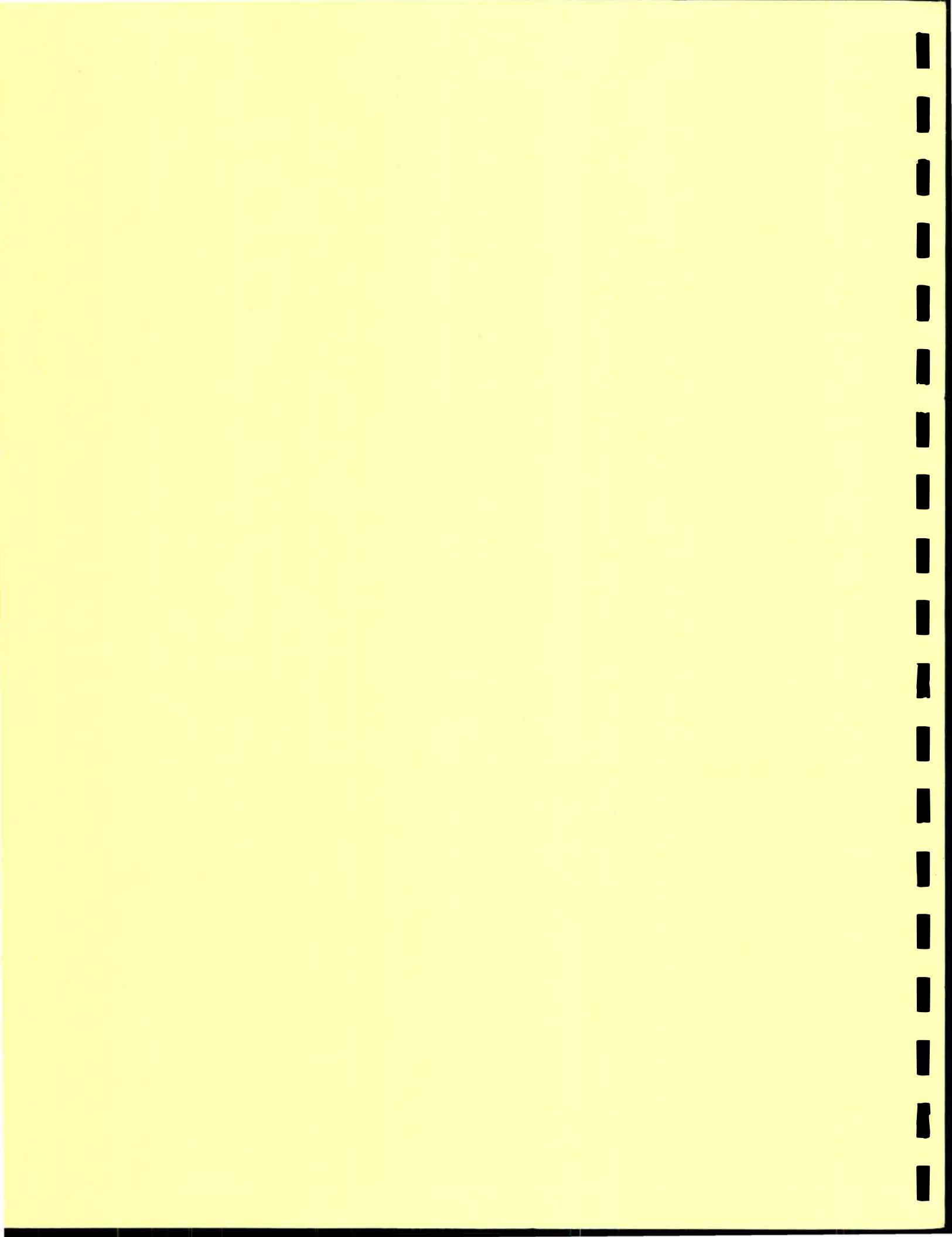
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CHAPTER XI

POLITICAL-MILITARY RELATIONSHIPS

SECTION I--OVERVIEW

Selected Chronology 1977

(U) This unclassified chronology was compiled from Department of State Bulletins, the periodical Current History, and the wire service chronology submitted by the CINCPAC Public Affairs Office.

4 Jan - President Ferdinand Marcos of the Philippines said negotiations on a new treaty for the continued presence of U.S. military bases in that country were at a standstill and would probably remain so until the Administration of President-elect Jimmy Carter takes office.

12 Jan - President Park Chung-hee said South Korea will not oppose the withdrawal of U.S. troops from its territory if North Korea agrees to a non-aggression pact between the two Koreas.

19 Jan - President Ford tentatively ordered honorable discharges for an estimated 700 military deserters who served in Vietnam and were wounded in action or decorated for valor.

20 Jan - James Earl Carter was sworn in as the 39th President of the United States.

- The worst floods in nearly a century swamped Jakarta, inundating nearly two-thirds of the capital city and forcing the evacuation of 100,000 persons from the worst-hit areas.

21 Jan - In keeping with a major campaign promise, President Carter ordered a "full, complete, and unconditional" blanket pardon for Vietnam draft evaders.

22 Jan - Economic ministers of the Association of Southeast Asian Nations (ASEAN) agreed to establish preferential trading arrangements among member nations.

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24 Jan - U.S. and Bangkok officials signed a memorandum of agreement relating to the storage of ammunition in Thailand.

1 Feb - President Carter and Soviet Ambassador to the United States Anatoly Dobrynin met in Washington to discuss arms limitations.

2 Feb - Khmer Rouge soldiers attacked two Thai villages about 15 miles south of the area where they earlier massacred 30 Thai civilians.

- Vietnam said it is still looking for the remains of American servicemen missing in action and it urged the United States to resume negotiations on that problem and on U.S. aid for postwar reconstruction.
- President Carter named Washington lawyer Paul C. Warnke as Director of the Arms Control and Disarmament Agency and as Chief Negotiator with Russia at the Strategic Arms Limitation Talks (SALT).

5 Feb - A U.S. Air Force F-4C Phantom jet en route to Japan crashed in a rice field shortly after takeoff from Clark Air Base in the Philippines.

- In an article in the Communist Party newspaper PRAVDA, Georgi A. Arbatov, Director of the Institute of U.S. and Canadian Studies, said that the Soviet arms buildup was aimed at achieving military parity with the West, not superiority.
- In retaliation for the Soviet Union's order to an Associated Press correspondent to leave the USSR within a week, the State Department ordered Vladimir Alekseyev of the Washington bureau of Tass (the Soviet press agency) to leave the United States within one week.

7 Feb - A manned Soyuz spacecraft was launched for an attempted hookup with an orbiting space station.

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8 Feb - President Carter proposed an early agreement with Russia on a ceiling for strategic arms and suggested deferring questions on Soviet bombers and U.S. cruise missiles.

10 Feb - South Korean President Park Chung-hee announced plans to build a new capital city 60 miles south of Seoul.

11 Feb - The 21st working level meeting of the North and South Korea Red Cross was held at Panmunjom, but, according to the official North Korean News Agency, the two sides remained deadlocked again over how to reunify their divided countries.

- Thai and foreign diplomats said Thailand's border problems have escalated into serious troubles for the anti-communist Bangkok government.

17 Feb - Soviet dissident Andrei Sakharov revealed a letter from President Carter assuring him of the U.S. Government's commitment to human rights.

18 Feb - Republic of the Philippines Defense Secretary Juan Ponce Enrile said today that 1,441 people are being detained for "crimes against national security." This was the first time the Philippine Government had revealed a specific number of political prisoners.

20 Feb - South Korean Foreign Minister Park Tong-jin said in an interview that his country has no plan for nuclear armament to cope with the projected withdrawal of American ground troops from South Korea.

24 Feb - Japan's Kyodo News Agency reported that Kim Jung-il, the eldest son of North Korean President Kim Il-sung, has been picked to succeed his father as the nation's leader.

- U.S. and Singapore officials effected an agreement relating to the establishment of a U.S. Air Force management training assistance team in Singapore.

25 Feb - The nuclear-powered aircraft carrier USS ENTERPRISE cruised off East Africa as U.S. military officials kept watch on the situation in Uganda where President Idi Amin had ordered all Americans detained.

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25 Feb - Japan said it will not recognize a "unilateral" Moscow declaration that waters around four tiny islands off Hokkaido are part of the Soviet Union's 200-mile economic zone.

- The State Department announced that President Carter would send a high-level commission to Vietnam in March to negotiate for an accounting of the more than 1,900 Americans still missing in action.

2 Mar - Four U.S. Army soldiers were killed in the crash of a helicopter at a point about 60 miles southeast of Seoul, South Korea.

4 Mar - Communist guerrillas killed or wounded 44 militia volunteers in the bloodiest attack of Thailand's insurgency.

- Foreign ministers from Thailand and Malaysia signed a border agreement in Bangkok that established joint border patrols for "hot pursuits" across either country's border if troops were chasing guerrilla insurgents.

7 Mar - Prime Minister Zulfikar Ali Bhutto led his party to a landslide win in Pakistan's first General Parliamentary Elections to be held under civilian rule.

10 Mar - Prime Minister Malcolm Fraser told parliament that Australia would maintain pressure on the United States to keep up American naval presence in the Indian Ocean.

11 Mar - South Korea's largest opposition party expressed "concern and shock" over President Carter's latest statement calling for the withdrawal of American ground troops from the country.

12 Mar - An American C-141 Air Force cargo jet arrived in Bangkok resuming cost-free support for Thailand's fight against communist insurgency.

- Wall posters in Canton, China announced the appointment of former Deputy Prime Minister Teng Hsiao-Ping as Deputy Chairman of the Chinese Communist Party.

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13 Mar - An article in PRAVDA, the Communist Party newspaper, stated that President Carter's position on human rights may affect the mood of the strategic arms agreement negotiations.

14 Mar - About 3,200 Malaysian troops joined Thai forces in a combined military offensive in southern Thailand against communist guerrillas.

18 Mar - The Vietnamese Government handed over to a U.S. presidential commission remains it said were those of 12 American pilots killed during the Vietnam War.

- An executive order that has kept Americans from traveling to four communist countries expired. U.S. citizens are now free to travel to Cuba, Vietnam, North Korea, and Cambodia.

21 Mar - President Carter told Japanese Prime Minister Takeo Fukuda that U.S. ground troops will be withdrawn from South Korea, but that the United States will honor its obligations to defend that nation.

22 Mar - France tested a powerful nuclear bomb at its Pacific testing grounds in Les Nouvelles de Tahiti.

23 Mar - President Carter announced that the United States will resume negotiations without preconditions or delay to establish friendship and normal relations with Hanoi.

24 Mar - Morarji Desai, the new Prime Minister of India, was sworn into office.

25 Mar - Libya and the Philippines agreed on a peace formula in the four-year-old Moslem secessionist rebellion in the southern Philippines.

27 Mar - An attempted coup failed in Bangkok; four military officers were arrested. General Arun Thavathasin, commander of the First Army Division, was the only reported casualty.

29 Mar - The New York Times reported that the Government of Cambodia refused a U.S. request for an official meeting with members of a U.S. delegation seeking information about U.S. servicemen still missing in Southeast Asia.

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30 Mar - Secretary of State Cyrus Vance and Soviet leader Leonid Brezhnev ended talks on ways to resolve the deadlocked SALT without any agreement being reached.

31 Mar - In Moscow, Soviet Foreign Minister Andrei A. Gromyko accused the United States of unrealistic demands for arms limitations.

4 Apr - More than 150 persons were killed--100 of them in Prime Minister Zulfikar Ali Bhutto's home province--in anti-government demonstrations across Pakistan over the past three weeks.

5 Apr - A direct, daily satellite news service was inaugurated between the United States and Japan, the first such satellite link in history.

7 Apr - Secretary of State Vance conferred with Soviet Ambassador Anatoly Dobrynin about resuming SALT.

8 Apr - The Soviet press said that American military construction on Diego Garcia was gathering speed even as Washington talked about demilitarizing the Indian Ocean.

9 Apr - President Carter ordered the Coast Guard to seize the Soviet fishing trawler TARAS SHEVCHENKO for violating the new U.S. 200-mile fishing zone limit.

12 Apr - President Carter met with Soviet Ambassador Dobrynin at the White House to discuss the strategic arms talks and the "question of Soviet fishing violations" in the new U.S. 200-mile zone.

13 Apr - Communist troops attacked a party of senior government officials north of Bangkok, killing two army colonels and shooting down an army helicopter.

19 Apr - At least six persons were killed and more than 50 injured following clashes between members of the opposition Pakistan National Alliance and the ruling Pakistan People's Party.

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21 Apr - The U.S. Army announced plans to move training devices containing quantities of lethal gas from military bases in 10 U.S. states and the Pacific island of Guam to its Rocky Mountain Arsenal in Colorado for disposal.

- General Chalard Hiranyasira, accused of plotting an attempted coup in Thailand in March, was executed without trial; four others involved in the coup were sentenced to life imprisonment.

23 Apr - Final returns on the referendum in 13 southern Philippine provinces showed that nearly 98 percent of the votes were against a government run by the separatist Moro National Liberation Front in an autonomous Moslem region.

25 Apr - The House of Representatives solidly rejected the concept of a congressionally mandated withdrawal of U.S. forces from overseas--particularly South Korea--in debate on a \$35.9 billion military procurement bill.

26 Apr - Director of the Arms Control and Disarmament Agency Paul Warnke reported today that the United States and Russia would resume formal SALT in Geneva in May.

27 Apr - Prime Minister of Japan Fukuda met in Tokyo with Philippine President Marcos to discuss Asian defense policies.

- A joint communique issued at the end of a 3-day visit in New Delhi by Soviet Foreign Minister Gromyko reaffirmed the intentions of the Indo-Soviet treaty of friendship of August 1975.

28 Apr - After one month of negotiations, the United States and Cuba reached agreement on fishing rights in their overlapping fishing zones.

30 Apr - After six months of negotiations on the Moslem insurgency in the southern Philippines, government officials and representatives from Moslem Middle Eastern states ended their talks without reaching any agreement.

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4 May - North Korean troops fired on a South Korean army border patrol, killing one South Korean soldier and seriously wounding another, the United Nations Command (UNC) reported. The spokesman said the North Korean attack took place along the midwestern sector of the shaky Korean truce border north of Chorwon 45 miles northeast of Seoul. South Korean military sources said the shooting occurred at 6:30 a.m. (Korea time).

- Two years after the fall of Saigon, the United States agreed to drop its opposition to Vietnam's entry into the United Nations.

7 May - Three Philippine Government troops and three communist rebels were killed in an encounter near the Clark Air Base perimeter fence. It was the third encounter in nine days in the Central Luzon Plain, and brought the number of deaths to 19, including five troopers.

19 May - President Carter recalled MAJ GEN John Singlaub, Chief of Staff of the U.S. Forces in South Korea, for consultation after the general had publicly disagreed with the President's decision to withdraw all U.S. troops from South Korea in 4 or 5 years.

20 May - Thai Government troops wiped out a communist camp and killed 14 insurgents in the bloodiest single battle lost by the guerrillas. An officer at the scene said one government policeman was killed in the 7-hour battle in Patthalung Province, 380 miles south of Bangkok.

- Secretary of State Vance and Soviet Foreign Minister Gromyko concluded three days of talks in Geneva. They agreed on a formula to end the impasse in the SALT.

21 May - President Carter ordered the Defense Department to reassign MAJ GEN John Singlaub.

24 May - U.S. Navy Rear Admiral Warren C. Hamm, Jr., was named to serve as Senior Delegate of the United Nations Command to the Korean Military Armistice Commission.

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24 May - The American aircraft carrier USS CONSTELLATION put into Thailand for a first-ever port call which U.S. officials called routine. At the same time the CONSTELLATION dropped anchor near the resort village of Pattaya, 96 miles south of Bangkok, two accompanying warships put into Bangkok Harbor. Five thousand sailors were given liberty at Pattaya and Bangkok, the most American servicemen in this country in well over a year.

27 May - MAJ GEN Singlaub was reassigned to the staff of the Army Forces Command at Fort McPherson, Georgia.

31 May - The Soviet Union launched the 913th satellite in its COSMOS series.

3 Jun - Vietnam, seeking normalization of relations with the United States, handed over the names of 20 more missing Americans it said had been killed in the Indochina War. The disclosure was made in the second day of talks in Paris between Assistant Secretary of State Richard Holbrooke and Deputy Vietnamese Foreign Minister Phan Hiên.

4 Jun - Prime Minister Takeo Fukuda said Japan will not give up its claim to four Soviet-held North Pacific islands.

- In a formal note verbale to the U.S. Embassy in Manila, the Philippine Department of Foreign Affairs "strongly urged" American authorities to prevent the departure of a U.S. Navy officer accused of ordering a body search of Filipino women employees at Subic Bay Naval Base.

5 Jun - The South Korean and Japanese Governments were officially informed by U.S. officials that 6,000 American soldiers would be withdrawn from South Korea by the end of 1978.

16 Jun - Cambodia sided with China against Vietnam in a dispute over China Sea islands, but called for negotiations to settle the issue. A statement by the Cambodian foreign ministry also took the Chinese side in a continental shelf dispute with Japan and South Korea.

19 Jun - U.S. troops and equipment started a \$20 million, 2-year cleanup and decontamination project on Enewetak, the Marshall Islands site of U.S. nuclear testing.

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21 Jun - President Park Chung-hee said South Korea is developing a new strategic concept and modernizing the combat equipment of its 600,000-man Army to offset the planned withdrawal of American ground troops.

- A U.S. Navy C-130 Hercules transport plane carrying 16 persons crashed shortly after taking off from Wake Island en route to Guam.
- In Moscow, Chief U.S. arms negotiator Paul Warnke started discussions on demilitarizing the Indian Ocean.

23 Jun - The Commerce Department refused to permit the Control Data Corporation to sell a Cyber-76 computer to the Soviet Union on the grounds that the advanced computer could be diverted to military use.

25 Jun - More than 200,000 persons demonstrated in the North Korea capital of Pyongyang on the Korean War anniversary demanding immediate U.S. withdrawal from South Korea. ,

30 Jun - The Southeast Asia Treaty Organization ceased existence. The flags of the six remaining member nations--the United States, Thailand, Australia, New Zealand, the Philippines, and the United Kingdom--were raised without ceremony for the last time shortly after dawn. Absent were the banners of Pakistan and France, both of whom withdrew at the turn of the decade.

1 Jul - North Korea charged the UNC with firing into their sector of the 2.5 mile-wide DMZ but rejected a UNC proposal for joint investigation of the alleged incident.

- The Soviet Union accused the United States of starting an arms race in the Indian Ocean and called on Washington to dismantle its military bases in that strategic area.

5 Jul - The Pakistani army seized power in an apparently bloodless coup, arresting the Prime Minister and other leading political figures and ending nearly six years of civilian rule.

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7 Jul -- A pilot of the Communist Chinese Air Force flew his MIG-19 jet fighter to Taiwan and said he wanted to defect.

- U.S. and Soviet negotiators began talks in Geneva on a joint move to initiate an international agreement that would outlaw the use of the most dangerous chemical weapons as a step toward a total ban on chemical weapons.

11 Jul - Former United Auto Workers President Leonard Woodcock was sworn in as the fifth U.S. Envoy to China.

12 Jul - Japanese and U.S. officials effected agreements relating to programs for the production and acquisition in Japan of the Improved HAWK Missile System, additional F-4EJ aircraft and related equipment and materials, and the SPARROW missile for ship-to-air application necessary to enhance the defense capability of Japan.

13 Jul - Two U.S. military helicopters crashed near Taegu, in South Korea, killing three servicemen and injuring nine others.

14 Jul - An unarmed U.S. army helicopter accidentally crossed into North Korean airspace and was shot down by North Korea ground fire in an eastern sector of the truce border between South and North Korea.

15 Jul - The United Nations Law of the Sea Conference closed with the delegates from the 145 nations unable to complete a treaty.

- South Korea rejected a North Korean move to enforce a 200-mile economic zone effective 1 August.

17 Jul - North Korea released the bodies of three dead and one surviving crewmen of the American helicopter shot down on 14 July.

- In an apparent attempt to counter the U.S. Government's criticism, the South Korean Government released 14 imprisoned political dissidents, 4 clergymen, and 10 university students.

- In Bangkok, Laotian and Vietnamese officials signed a statement reaffirming that a "special relationship" exists between the two countries.

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20 Jul - The United Nations Security Council approved Vietnam for membership in the United Nations.

21 Jul - Wall posters in Peking announced the dismissal from the Communist Party of the "Gang of Four," including Mao Tse-tung's widow Chiang Ching.

22 Jul - In China, the Central Committee of the Communist Party officially confirmed the restoration of Teng Hsiao-ping to his former post. The Committee also confirmed Hua Kuo-feng as Party Chairman.

25 Jul - Having arrived in Seoul, South Korea two days before to discuss the planned withdrawal of American troops, Defense Secretary Harold Brown presented a letter to South Korean President Park in which President Carter emphasized "that our ground force withdrawal plans signify no change whatsoever in our commitment to the security of the Republic of Korea."

26 Jul - A joint communique was issued in Seoul, South Korea stating that the bulk of U.S. combat troops will remain in Korea until "the final phase of their withdrawal" in 1982.

- U.S. and Japanese officials effected an agreement providing for Japan's financial contribution for U.S. administrative and related expenses for Japan Fiscal Year 1977 pursuant to the mutual defense assistance agreement of 8 March 1954.

28 Jul - North Atlantic Treaty Organization officials reported that 89 Soviet submarines had been deployed in the North Atlantic in a display of Soviet naval power.

31 Jul - The Chinese Military Attaché in North Korea demanded the dissolution of the UNC and withdrawal of all American military forces from South Korea "immediately."

1 Aug - The North Korean press agency reported the establishment of a "military sea boundary" that applied to civilian and military ships and planes. The zone extended 50 miles from the shoreline of the Yellow Sea and the Sea of Japan. A 200-mile fishing zone also went into effect.

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1 Aug - A ferry boat from South Korea carrying 465 passengers successfully reached a South Korean-held island 10 miles off the North Korean coast in the Yellow Sea. South Korea refused to recognize the military sea boundaries.

4 Aug - The second summit meeting of the ASEAN heads of State began in Kuala Lumpur, Malaysia.

22 Aug - Secretary of State Vance arrived in Peking for talks with Chinese leaders.

29 Aug - Politburo member Li Hsien-nien, after discussions with Secretary Vance, stated that China was unhappy with President Carter's policy of supporting Taiwan.

3 Sep - Pakistan's deposed Prime Minister Bhutto was arrested and charged with murdering the father of a former member of parliament.

6 Sep - In Peking at a news conference with officials of the Soviet press, Deputy Prime Minister of China Teng Hsiao-ping stated that the recent visit of Secretary Vance led to a setback in the informal relations between the two countries.

9 Sep - The United States and Pakistan signed an agreement on procedures for mutual assistance in connection with matters relating to the Lockheed Aircraft Corporation and the Boeing Company.

12 Sep - U.S. and Japanese officials signed a joint determination for reprocessing of special nuclear materials of U.S. origin.

20 Sep - Vietnam was admitted to the United Nations.

- The Philippines observed its fifth year under martial law amidst warnings that the Communist New People's Army again was threatening the country despite the capture of its top leaders.

21 Sep - In an address to the General Assembly of the United Nations, Vietnamese Deputy Prime Minister Nguyen Duy Tring stated that his country is prepared to continue to try to normalize relationships with the United States.

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23 Sep - Soviet Foreign Minister Gromyko conferred with President Carter at the White House; speaking to reporters after the conference, Gromyko stated that both countries "expressed their readiness and willingness" to continue to negotiate new arms limitation agreements.

25 Sep - In Moscow, the official press reported that Russia agreed to abide by the 1972 strategic arms limitation treaty even though it expired in October.

30 Sep - A joint U.S. military honor guard and a casket-bearing team accompanied by a two-man State Department delegation loaded the remains of 22 Americans who died in the Vietnam War aboard an Air Force C-141 jet transport for their trip home from Hanoi.

1 Oct - At least 11 soldiers were killed in the southern Philippines this week in separate incidents allegedly launched by Moslem rebels in violation of a cease-fire agreement reached last December.

2 Oct - In Bangladesh, 11 senior air force officers were killed in an attempted coup.

3 Oct - United States, British, and Soviet negotiators began meetings in Geneva to discuss a treaty banning all types of nuclear testing, including underground blasts.

- The United States and the Soviet Union agreed to limit their military activities in the Indian Ocean to their present level.

4 Oct - President Carter addressed the United Nations General Assembly and asked all nations to curb the arms race, stating that on a "reciprocal basis we are willing now to reduce [our nuclear weapons] by...50 percent."

5 Oct - The National Assembly of Sri Lanka approved a constitutional amendment that provided for a French-style parliamentary system.

7 Oct - The agreements effected between Japan and the United States on 12 July entered into force.

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11 Oct - While they were on a peace mission on Jolo Island off Mindanao, BGEN Teodulfo Bautista, 5 of his aides, and 28 soldiers were killed by Moslem guerrillas.

12 Oct - The State Department announced that new American Ambassador David Newsom will continue high-level negotiations with the Philippine Government on the future of two key U.S. military bases there.

14 Oct - Former U.S. Representative Richard Hanna (D., CA) was indicted by a federal grand jury in Washington, DC on 40 felony charges as a result of an investigation of alleged bribery and influence peddling on the part of South Korean Tongsun Park.

19 Oct - The Government of Bangladesh executed 37 members of the armed forces for their roles in the attempted coup of 2 October.

20 Oct - The Speaker of Parliament in Sri Lanka signed into law the constitutional amendment of 5 October.

- In a bloodless coup in Thailand, a military junta deposed the conservative civilian government of Prime Minister Thanin Kraivichien.

21 Oct - A U.S. Marine Corps helicopter crashed and burned during an amphibious landing exercise in the central Philippines, killing at least 10 of 39 persons aboard and injuring an undetermined number of others.

25 Oct - The U.S. Justice Department said that the South Korean Government had refused to allow its investigators in Seoul to question Tongsun Park on the subject of Korean bribery of U.S. officials.

28 Oct - U.S. intelligence officials reported that the Soviet Union was constructing a 500-foot long nuclear submarine capable of launching 20 to 24 long-range ballistic missiles. The submarine was the largest ever built by the Soviets.

31 Oct - President Ferdinand Marcos of the Philippines eased martial law restrictions that were first proclaimed in 1972.

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31 Oct - The United States unexpectedly cut the number of military advisers in Thailand by more than half.

1 Nov - President Carter signed a \$6.7 billion foreign assistance appropriations bill. Because of human rights violations, Vietnam, Laos, Cambodia, and Uganda would receive no aid.

4 Nov - Admiral Maurice F. Weisner, CINCPAC, warned that the Soviet Union had improved and increased its naval capabilities to such an extent that it could pose a threat to our maritime interests in the Pacific Ocean. Admiral Weisner was the featured speaker for a Sea Power symposium titled "The Ocean Seas...America's Future."

- South Korea, with the world's fifth largest army, was capable of defending itself now, according to a special report by the Center for International Policy. "South Korea's ground forces--the fifth largest army in the world--outnumber the North's by about 140,000 men" and had reserves of about 2.7 million compared to 1.8 million in the North, the report said.
- In Peking, Deputy Prime Minister Wang Chen told visiting British businessmen that China intended to purchase Britain's Hawker Harrier vertical takeoff fighter planes.

9 Nov - Moslem rebels sacked a remote farming village in the southern Philippines and killed 15 farmers, military sources reported. The sources said the rebels struck during early November in Zamboanga Del Sur Province, 600 miles south of Manila.

11 Nov - North Korean patrol boats captured a Japanese fishing vessel for possible violation of the communist country's 200-mile economic zone.

- General Kriangsak Chamanan was appointed Prime Minister of Thailand, replacing Thanin Kraivichien.

16 Nov - The Philippines and the United States agreed in principle to place American bases in the Philippines under a Filipino commander.

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20 Nov - North Korea said another Japanese fishing boat crossed into its military zone in the Sea of Japan and warned Japan will be held "wholly responsible for all the consequences." The boat was later released in consideration of good neighborly relations between Japan and North Korea.

23 Nov - The State Department announced the United States and Vietnam would meet in Paris in early December for their first attempt since the end of the Vietnam War to negotiate the establishment of normal diplomatic relations.

30 Nov - The United States formally returned the 1,416 acre Tachikawa Air Base to Japan after holding it for 32 years.

3 Dec - Army troops repelled a force of about 100 Moslems rebels from a southern Philippines island after five days of fighting in which 13 government fighters died.

5 Dec - Representatives of the U.S., the Soviet Union and the United Kingdom resumed negotiations in Geneva for an agreement that would outlaw nuclear weapons testing.

7 Dec - The Civil Liberties Union of the Philippines called for dismantling U.S. military bases in the Philippines to remove the possible threat of involvement in the event of a nuclear war among the big powers. "The overriding fact is that the continued presence of U.S. bases on Philippine soil poses the real and imminent risk of inviting a nuclear holocaust that would mangle and mutilate this nation and its inhabitants beyond recognition," the Union said.

- U.S. Secretary of Defense Harold Brown confirmed that the United States planned to drastically curb the deployment of cruise missiles as part of a SALT agreement with the Soviet Union.

10 Dec - On U.N.-designated Human Rights Day, the Soviet government placed under house arrest 20 dissidents who were reportedly planning to commemorate the day with a silent vigil.

- SOYUZ 26 was launched with two astronauts; the spacecraft was expected to dock with a space station, SALYUT 6, within the next 2 days.

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11 Dec - Election returns gave the Liberal Party of Prime Minister Malcom Fraser a two-thirds majority in the 125-member Australian House of Representatives.

- Prime Minister Morarji R. Desai of India left Nepal after a 2-day visit with Nepalese Prime Minister Kirtini-dhi Bista; a joint communique was issued describing their agreement on a range of topics. No mention was made of Nepal's desire to be recognized as a "peace zone."
- SOYUZ 26 docked successfully with SALYUT 6.
- Japanese Minister of External Economic Affairs Nobuhiko Ushiba arrived in Washington, D.C., for trade talks with U.S. Special Trade Representative Robert Strauss.

12 Dec - The U.S. and the Soviet Union adjourned talks in Geneva, saying that a self-imposed limitation of their military activities in the Indian Ocean is a mutual interest.

- Robert Strauss said that proposals made by Japan's Ushiba "fell considerably short" of what is needed to correct the severe trade imbalance between Japan and the U.S.

13 Dec - U.S. State Department officials reported that the Soviet Union was airlifting military supplies and materiel to the Ethiopian government.

14 Dec - President Ferdinand E. Marcos conferred the Philippine Legion of Honor, Degree of Commander, on Rear Admiral Thomas J. Kilcline, outgoing Commander of U.S. Naval Forces in the Philippines. Kilcline was cited for having extended full facilities of his command in the training of officers and enlisted men of the Philippine Navy and for facilitating the turnover of 40 assorted ships to the government.

15 Dec - The 6th Supreme People's Assembly reelected Kim Il-sung as President and elected Li Jong-ok as Prime Minister of North Korea.

- Japanese and U.S. negotiators ended 4 days of conferences; they disagreed about how to correct the severe trade imbalance in Japan's favor between Japan and the U.S.

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17 Dec - A nationwide referendum was held on the question of whether President Ferdinand Marcos should remain in office. The following day, it was announced that 90.7 per cent of the voters agreed that Marcos should retain the presidency.

- Indonesia and Guinea agreed to the new human rights clause in the U.S. Food for Peace Program.

20 Dec - A gunman believed to be a Filipino entered a branch bank inside Subic Bay Naval Base, took 21 persons hostage, and ordered the manager to telephone authorities he was being robbed.

- The Indonesian government released 10,000 political prisoners, some of whom had been held for 12 years without trial for their role in an attempted Communist coup in 1965.

21 Dec - State Department officials reported that President Carter had agreed to the emergency admission of 7,000 Vietnamese refugees to this country.

22 Dec - William Hayden was elected leader of the Australian Labor party.

- President Ziaur Rahman arrived in Islamabad, Pakistan, for talks with head of the military government General Mohammad Zia ul-Haq; this was the first official visit to Pakistan by a Bangladeshi since 1971.

24 Dec - Two Soviet bombers, one carrying a new type missile not yet on record, were spotted flying over the Sea of Japan by the Japan Air Self-Defense Force.

28 Dec - President Carter began an 18,500-mile 9-day trip to Poland, Iran, India, Saudi Arabia, France and Belgium.

30 Dec - In Warsaw, President Carter held the first news conference ever by a U.S. President in East Europe.

- A spokesman for the Justice Department announced that the South Korean government would allow Tongsun Park to testify in bribery and conspiracy trials in the U.S. concerned with influence buying in Congress. In exchange for Park's testimony, he would be immune from prosecution.

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Recapitulation of Chronology

(U) In the foregoing chronology, there could be no doubt that the event of greatest significance to the political-military relationships of the United States and CINCPAC was the inauguration of President James E. Carter on 20 January 1977. Carter's pre-election position on many foreign policy issues foreshadowed some shift in U.S. foreign relationships and military force posture. The new President had, among, other things, promised to pursue detente with Russia, "normalization" of relations with the People's Republic of China (PRC) and Vietnam, the withdrawal of U.S. military forces from South Korea, and a blanket pardon for Vietnam draft evaders. He had also indicated his intention to make "human rights" an issue in the relationships of the United States with other countries.

(U) Even before Carter's inauguration, the heads of two countries in the Pacific Command (PACOM) acknowledged the imminent change in administration. On 4 January President Ferdinand Marcos of the Philippines said negotiations on a new treaty for the continued presence of U.S. military bases in that country were at a standstill and would remain so until the administration of President Carter had been installed. President Park Chung-hee said, on 12 January, that South Korea would not oppose the withdrawal of U.S. troops from its territory if North Korea agreed to a non-aggression pact between the two Koreas. The latter statement was an obvious anticipation that President Carter would honor his campaign commitment to withdraw from Korea.

(U) The new President lost no time in executing one of his major campaign promises. On the day before Carter's inauguration, out-going President Ford had ordered honorable discharges for an estimated 700 military deserters who had served in Vietnam and had been wounded in action or decorated for valor. On the day after his inauguration, President Carter ordered a "full, complete and unconditional" blanket pardon for Vietnam draft evaders.

(U) The pursuit of detente with Russia began less than two weeks after Carter's inauguration when, on 1 February, the Soviet Ambassador to the United States met with the President in Washington to discuss arms limitations. On the following day, President Carter named Paul C. Warnke as the Director of the Arms Control and Disarmament Agency and as the Chief Negotiator with Russia for Strategic Arms Limitation Talks (SALT).

(U) On 8 February President Carter expressed his hope for an early agreement with Russia on a ceiling for strategic arms, suggesting that questions regarding Soviet bombers and U.S. cruise missiles could be deferred. However, Soviet dissident Andrei Sakharov announced, on 17 February, the receipt of a letter from President Carter assuring him of the U.S. government's commitment to

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human rights. About a month later, on 13 March, an article in the Communist Party newspaper Pravda stated that President Carter's position on human rights could affect the mood of the SALT negotiations. At the end of the month, Secretary of State Cyrus Vance and Soviet leader Leonid Brezhnev broke off talks on ways to resolve the deadlocked SALT negotiations without reaching agreement. The Soviet Foreign Minister, Andrei Gromyko, accused the United States of unrealistic demands for arms limitations.

(U) In April both the U.S. Secretary of State and the President conferred with the Soviet Ambassador to discuss the strategic arms talks and the "question of Soviet fishing violations" in the U.S. 200-mile fishing zone. Three days before this meeting, President Carter had ordered the Coast Guard to seize a Russian trawler for violation of the U.S. 200-mile zone. Later in April the U.S. SALT negotiator, Paul Warnke, reported that the United States and Russia would resume formal SALT negotiations in Geneva in May. However, in Russia the Soviet press accused Washington of suggesting the demilitarization of the Indian Ocean at the same time that American military construction on Diego Garcia was increasing.

(U) In May, after three days of talks in Geneva, Secretary of State Vance and Soviet Foreign Minister Gromyko announced agreement on a formula to end the SALT impasse, and in June, Warnke began discussions in Moscow regarding the demilitarization of the Indian Ocean. Shortly after this announcement, on 1 July, the Soviet Union accused the United States of starting an arms race in the Indian Ocean and called on Washington to dismantle its military bases in that strategic area.

(U) Nevertheless, on 7 July Soviet and U.S. representatives began talks in Geneva on a joint initiative for an international agreement outlawing the use of the most dangerous chemical weapons as a step toward a total ban on such weapons. As the talks continued, the Soviet Foreign Minister conferred with President Carter at the White House on 23 September. He stated to reporters that both countries were ready and willing to continue SALT negotiations. This was followed, on 25 September, by an official press announcement in Moscow that Russia would abide by the 1972 SALT treaty even though it would expire in October.

(U) Early in October the United States and the Soviet Union announced agreement to limit military activities in the Indian Ocean to their present level, and tri-lateral negotiations began among the United States, Great Britain, and Russia to discuss a treaty banning all types of nuclear testing, including underground blasts. On 4 October President Carter addressed the United Nations General Assembly and asked that all nations join in curbing the arms race, and

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stated that, on a reciprocal basis, the United States was willing to reduce its nuclear weapons by 50 percent.

(U) Meanwhile, the counter point to the ongoing negotiations and diplomatic maneuvers included a Communist Party newspaper article by the Director of the Institute of U.S. and Canadian Studies, who stated that the Soviet arms buildup was aimed at achieving only military parity with the West, not superiority. In late July North Atlantic Treaty Organization (NATO) officials reported that 89 Soviet submarines had been deployed in the North Atlantic in a display of Soviet naval power. And finally, in late October, U.S. intelligence officials reported that the Soviet Union was constructing a 500-foot nuclear submarine capable of launching 20 to 24 long-range ballistic missiles. This submarine was the largest ever attempted by the Soviet Union. Less than one week after that announcement, Admiral Maurice F. Weisner, CINCPAC, warned in a speech that the Soviet Union had improved and increased its naval capabilities to such an extent that it could pose a threat to U.S. maritime interests in the Pacific Ocean.

(U) By the end of the year, little apparent progress had been made in the SALT negotiations. On 7 December Secretary of Defense Harold Brown confirmed that the United States planned to curb drastically the deployment of cruise missiles as part of a SALT agreement with the Soviet Union. On 12 December the United States and the Soviet Union adjourned talks in Geneva, but announced a self-imposed limitation of military activities in the Indian Ocean as a mutual interest. Meanwhile, on 5 December, representatives of the United States, the Soviet Union, and Great Britain announced the resumption of negotiations in Geneva for an agreement to outlaw nuclear weapons testing.

(U) On 14 December the U.S. State Department announced that U.S. and Soviet negotiators had convened in Washington, D.C. to discuss the international arms trade while, on the previous day, State Department officials had reported that the Soviet Union was airlifting military supplies and materiel to Ethiopia in support of the conflict with Somalia.

(U) Negotiations during the year toward a normalization of relationships with Vietnam appeared to have made some progress, but the basic premise of Vietnam's position on that subject was announced early in the Carter administration. On 2 February Vietnam said it was still looking for the remains of American servicemen missing in action, and it urged the United States to resume negotiations on that problem and on U.S. aid for post-war reconstruction. Later in February, the U.S. State Department announced that President Carter would send a high-level commission to Vietnam in March to negotiate for an accounting of the more than 1,900 Americans still missing in action. This was followed, in mid-March, by the release to a U.S. delegation of the remains of

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what the Vietnamese Government said were twelve American pilots killed during the Vietnam War.. Whether or not this action was responsible, President Carter announced on 23 March that the United States would resume negotiations without preconditions or delay to establish friendship and normal relations with Hanoi.

(U) On 4 May, two years after the fall of Saigon, the United States reversed a long-held position and agreed to withdraw its opposition to the entry of Vietnam into the United Nations. About one month later, on 3 June, Vietnam released the names of 20 more missing Americans whom it said had been killed in the Indochina War. This disclosure was made in the second day of talks in Paris between Assistant Secretary of State Richard Holbrooke and the Vietnamese Deputy Foreign Minister. The United Nations Security Council approved Vietnam for membership on 20 July and the Socialist Republic of Vietnam (SRV) was admitted to the United Nations by the General Assembly on 20 September.

(U) At the end of the year, in a departure from the use of the term "normalization", the State Department announced that the United States and Vietnam would meet in Paris in December for their first attempt since the end of the Vietnam War to negotiate the establishment of normal diplomatic relations. On 21 December State Department officials reported that President Carter had agreed to the emergency admission of 7,000 Vietnamese refugees to the United States.

(U) Attempts toward "normalization" with the PRC during the year were even less fruitful. Press reports indicated that the political upheaval which followed the death of Mao Tse-tung in 1976 continued during 1977, as did the maneuvering for position in Southeast Asia between Russia and the PRC. As early as 12 March, wall posters in Canton announced the appointment of the former Deputy Prime Minister Teng Hsiao-ping, as the Deputy Chairman of the Chinese Communist Party. It was not until July, however, that wall posters in Peking announced the dismissal from the Communist Party of the "gang of four", including Mao Tse-tung's widow, Chiang Ching, the official confirmation that Teng Hsiao-ping was the Deputy Party Chairman, and that Hua Kuo-feng was the Party Chairman. It was also in July that former United Auto Workers President Leonard Woodcock was sworn in as the fifth U.S. envoy to China. Although Woodcock himself had the rank of Ambassador, the U.S. Liaison Office which he headed did not have Embassy status nor formal recognition as a diplomatic mission.

(U) In August U.S. Secretary of State Cyrus Vance arrived in Peking for talks with Chinese leaders. After the discussions, a Chinese official was reported to have stated that China was unhappy with President Carter's policy in support of Taiwan. At a 6 September news conference in Peking with officials of the Soviet press, Deputy Prime Minister Teng reportedly stated that the

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recent visit by Secretary Vance had led to a setback in the informal relations between the two countries.

(U) In the Republic of the Philippines, Defense Secretary Enrile announced in February that 1,441 people were being detained for "crimes against national security." This was the first time that the Philippine Government had revealed a specific number of political prisoners, and was the only overt acknowledgement of the human rights issue during the year by the Republic of the Philippines.

(U) Other political and military developments in the Philippines, although not ostensibly connected with the human rights issue, were connected with the Filipino justification for the continuation of martial law under President Ferdinand Marcos. Libya and the Philippines were reported on 25 March to have agreed on a peace formula for the four-year old Muslim Secessionist rebellion in southern Philippines. In April a referendum held in the 13 southern Philippine provinces resulted in an announced 98 percent vote against a government run by the separatist Moro Liberation Front in an autonomous Muslim region. At the end of April, after six months of negotiations, government officials and representatives from Muslim middle eastern states ended their talks on the Muslim Filipino insurgency without reaching agreement.

(U) In May it was announced that the long-standing problem with communist rebels in the central Philippines had surfaced. Three Filipino soldiers and three communist rebels were killed in an encounter near the Clark Air Base perimeter fence. This was the third encounter in nine days on the central Luzon Plain, bringing the number of deaths to nineteen, including five troopers.

(U) On 20 September the Philippines observed its fifth year under martial law amidst warnings that the communist New People's Army again threatened the country despite the capture of its top leaders. Ten days later, on 1 October, the Philippine Government announced that eleven soldiers had been killed in the southern Philippines in separate incidents in violation of a cease-fire agreement reached in December 1976. On 11 October, while on a peace mission to Jolo Island off Mindanao, a Filipino brigadier general, five of his aides, and twenty-eight soldiers were killed by Muslim guerrillas. In early November the Philippine press reported that Muslim rebels had sacked a remote farming village in the southern Philippines and killed 15 farmers. This attack had occurred in Zamboanga Del Sur province, 600 miles south of Manila. Early in December it was announced that Philippines Army troops had repelled a force of about 100 Muslim rebels on a southern Philippines island after five days of fighting in which 13 government troops had died.

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(U) In a nation wide referendum held on 17 December it was reported that 90.7 percent of the Filipino voters agreed that Marcos should remain in office.

(U) On 12 October the U.S. State Department announced the appointment of David Newsom as the new U.S. Ambassador to the Philippines. The announcement also stated that Newsom would continue high-level negotiations with the Philippines Government on the future of the two key U.S. military bases in the Philippines. On 16 November it was announced in the Philippines that the two governments had agreed in principle to place American bases in the Philippines under a Filipino commander. This agreement in principle had also been publicly announced in 1975 and in 1976 by the Filipino press, and could hardly be considered a break through in the long drawn out negotiations.

(U) Other incidents during the year, more directly related to U.S. military forces, included the crash in February of a U.S. Air Force F-4C Phantom jet in a rice field, shortly after takeoff from Clark Air Base on route to Japan. After an incident in which Filipino women employees at Subic Bay Naval Base were allegedly stripped and searched, the Government of the Philippines issued a formal request to the U.S. Embassy in Manila "strongly urging" American authorities to prevent the departure of the U.S. Navy officer accused of ordering the search. In October a U.S. Marine Corps helicopter crashed and burned during an amphibious landing exercise in the central Philippines, killing at least 10 of the 39 persons aboard and injuring an undetermined number of others.

(U) In the final month of the year, the Civil Liberties Union of the Philippines called for the elimination of U.S. military bases in the Philippines to remove the possible threat of involvement in a nuclear war among the big powers. On a more positive note President Marcos conferred the Philippines Legion of Honor, Degree of Commander, on Rear Admiral Thomas J. Kilcline, the outgoing CINCPAC Representative in the Philippines and Commander of U.S. Naval forces in the Philippines. Kilcline was cited for having extended the full facilities of his command in the training of officers and enlisted men of the Philippines Navy and for facilitating the turnover of 40 assorted ships to the Philippines Government.

(U) Of all the initiatives promulgated by the Carter administration, none had greater potential impact on political-military relationships in the PACOM than his proposed withdrawal of U.S. military forces from Korea. As discussed previously, President Park of South Korea had stated, prior to the inauguration of President Carter, that he would not oppose the withdrawal of U.S. troops from South Korea provided that North Korea agreed to a non-aggression pact between the two Koreas. That such a non-aggression pact was unlikely was indicated when the 21st Working Level Meeting of the North and South Korean Red Cross was

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held at Panmunjom. According to an official North Korea news agency release, the two sides remained deadlocked over conditions for reunification of the divided countries. Prospects for a change in the North Korean position were dimmed when, on 24 February, a Japanese news agency reported that Kim Jung-il, the oldest son of North Korean President Kim Il-sung, had been picked to succeed his father as the nation's leader.

(U) Even though no official statement had been made by the U.S. Government regarding the Korean withdrawal, on 20 February the South Korean Foreign Minister stated in an interview that his country had no plans for nuclear armament to cope with the projected withdrawals of American ground troops. Still with no official notification to the Republic of South Korea that the withdrawal would be carried out, in March South Korea's largest opposition party expressed "concern and shock" over President Carter's latest reported statement calling for the withdrawal of American ground troops from the country. Later in March, President Carter was reported to have informed the Japanese Prime Minister that U.S. ground troops would be withdrawn from Korea, but that the United States would honor its obligations to defend Japan.

(U) Although the assumption of U.S. withdrawal was widely accepted, on 25 April the U.S. House of Representatives solidly rejected the concept of a congressionally mandated withdrawal of U.S. forces from overseas areas--particularly South Korea--in debate on a \$35.9 billion military procurement bill. Although the basis for congressional reluctance to intercede in this issue was unclear, a clue was offered on 4 May when North Korean troops fired on a South Korean Army border patrol, killing one South Korean soldier and seriously wounding another, according to the United Nations Command.

(U) The first public acknowledgment that the withdrawal of U.S. ground forces from Korea had been decided was the recall by President Carter of Major General John Singlaub, the Chief of Staff of U.S. Forces in South Korea. The General reportedly had publicly disagreed with the Presidential decision to withdraw all U.S. troops from South Korea in four or five years. On 21 May, two days after the General had been recalled for consultation, President Carter ordered the Defense Department to reassign him. This was followed, on 5 June, by official notification to the Governments of South Korea and Japan by U.S. officials that 6,000 American soldiers would be withdrawn from South Korea by the end of 1978. This was to be the first stage of a withdrawal of 33,000 Americans from South Korea.

(U) Later in the same month, President Park reportedly stated that South Korea would develop a strategic concept and modernize the combat equipment of its 600,000-man army to offset the planned withdrawal of American ground troops. On the North Korean side, on 25 June more than 200,000 persons were reported to

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have demonstrated in the North Korean capital of Pyongyang on the anniversary of the Korean War, demanding immediate withdrawal of U.S. forces from South Korea. Six days after the reported demonstration, North Korea charged the United Nations (UN) Command with firing into the North Korean sector of the Demilitarized Zone but rejected a UN proposal for joint investigation of the alleged incident.

(U) Secretary of Defense Harold Brown arrived in Seoul, South Korea on 23 July to discuss the planned withdrawal of American troops with President Park. During his visit, he presented a letter to Park in which President Carter emphasized, "that our ground force withdrawal plans signify no change whatsoever in our commitment to the security of the Republic of Korea." On 26 July a joint communique was issued in Seoul by the participants in the tenth Security Consultative Meeting stating that the bulk of U.S. combat forces would remain in Korea until, "the final phase of their withdrawal" in 1982.

(U) Almost two weeks before Brown's visit to South Korea, South Korea had rejected a North Korean move to enforce a 200-mile economic zone. However, the 200-mile fishing zone declared by North Korea became effective on 1 August, and in addition, the North Korean press agency reported establishment of a "military sea boundary" which applied to civilian and military ships and planes. This zone was to extend 50 miles from the shoreline of the Yellow Sea and the Sea of Japan. In defiance of this pronouncement, on the same day that the "military sea boundary" was announced, a ferry boat from South Korea carrying 465 passengers reached a South Korean-held island 10 miles off the North Korean coast in the Yellow Sea.

(U) In November it became apparent that North Korea intended to enforce fully its declaration of a 200-mile fishing zone. On 11 November North Korean patrol boats captured a Japanese fishing vessel for possible violation of North Korea's 200-mile economic zone. On 20 November North Korea alleged that another Japanese fishing boat had crossed into its military zone in the Sea of Japan and warned that Japan would be held "wholly responsible for all of the consequences". This ship was later released in what North Korea claimed to be consideration of good neighborly relations between Japan and North Korea. As the year ended, a final signal, if needed, of the unchanged North Korean position was the reelection by the North Korean Supreme People's Assembly of Kim Il-sung as President of North Korea.

(U) There were several U.S. helicopter incidents in Korea during 1977. On 2 March a U.S. helicopter crashed about 60 miles southeast of Seoul, killing four U.S. Army soldiers. Four months later, on 13 July, two U.S. military helicopters crashed near Taegu in South Korea, killing three servicemen and injuring nine others. On the very next day, an unarmed U.S. Army helicopter

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accidently crossed into North Korean air space and was shot down by North Korean ground fire in an eastern sector of the truce border between South and North Korea. Apparently, only the latter incident was the result of hostile action by North Korea, and as discussed in Chapter II of this history, President Carter cautioned both sides against over reaction. On 17 July North Korea released the bodies of three dead U.S. servicemen and one surviving member of the American helicopter crew shot down by North Korea three days previously.

(U) Other events directly or indirectly related to political-military relationships in the PACOM, some of which are discussed in greater detail later in this chapter, were touched upon only slightly in the foregoing chronology. In February, for example, the press reported that the nuclear powered aircraft carrier USS ENTERPRISE was cruising off the shore of East Africa while U.S. military officials monitored the situation in Uganda after President Idi Amin had ordered all Americans detained. Another isolated entry in the chronology signaled the possible improvement of relationships between the United States and India when Morarji Desai was elected as the new Prime Minister of India on 24 March.

(U) In Pakistan early in the year, Prime Minister Zulfikar Ali Bhutto led his party to a landslide victory in Pakistan's first parliamentary elections, held under civilian rule. This, however, was apparently the calm before the storm. On 4 April the press reported that more than 150 persons had been killed in anti-government demonstrations across Pakistan during the prior three weeks. Little more than two weeks later, at least six persons were reported to have been killed and more than fifty injured following clashes between members of the opposition Pakistan National Alliance and the ruling Pakistan People's Party. On 5 July, according to the press, the Pakistani Army seized power in an apparently bloodless coup. The Prime Minister and other leading political figures were reported to have been arrested and six years of civilian rule came to an end. Early in September Bhutto was again reported to have been arrested and charged with murdering the father of a former member of parliament. The political unrest in Pakistan, however, apparently had no affect on the relationships between United States and Pakistan because, on 9 September, the two countries reportedly signed an agreement on mutual procedures for assistance to Pakistan by the Lockheed Aircraft Corporation and the Boeing Company. Just before the end of the year, on 27 December, former Prime Minister Bhutto's wife was placed under house arrest.

(U) Following the reduction of U.S. military presence in Thailand to a small security assistance mission in 1976, on 24 January United States and Bangkok officials signed a Memorandum of Agreement (MOA) relating to the storage of ammunition in Thailand. During 1977 Thailand continued to combat insurgent guerrillas in the northeast and the south, while at the same time, contending

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with continued instability in the government. Relationships with Cambodia continued to be strained because of intermittent armed clashes between the two countries along their common border.

(U) In March, after bloody attacks on Thai militia volunteers by Communist guerrillas, the foreign ministers of Thailand and Malaysia signed an agreement that established joint border patrols for "hot pursuits" across either country's border if the troops were chasing guerrilla insurgents. After that agreement, about 3,200 Malaysian troops joined with Thai forces in a combined military offensive in Southern Thailand against communist guerrillas. Later in March the Royal Thai Government reportedly foiled an attempted coup and arrested four military officers. One Thai general was the only reported casualty. In mid-April, according to the Thai Government, Communist troops attacked a party of senior government officials north of Bangkok, killing two Army colonels and shooting down an Army helicopter. On 21 April a Thai general, accused of plotting the attempted coup in March, was executed without trial; four others involved in the coup were sentenced to life imprisonment.

(U) In the first port call in Thailand by an American aircraft carrier on 24 May, the USS CONSTELLATION dropped anchor near the resort village of Pattaya, 96 miles south of Bangkok. Two accompanying warships put into Bangkok harbor. Five thousand sailors were given liberty at Pattaya and Bangkok--the most American servicemen in Thailand for well over one year.

(U) For almost five months following the visit of the CONSTELLATION, the political scene in Thailand remained calm. On 20 October, however, a military junta deposed the government of Prime Minister Thanin Kraivichien in a bloodless coup. Ten days later, but with no acknowledged connection to the coup, the United States cut the number of military advisers in Thailand by more than half.

(U) On 11 November General Kriangsak Chamanan, a long-time supporter of the U.S. presence in Thailand in previous years, was appointed Prime Minister of Thailand. About one week before the end of the year, the new Prime Minister left Bangkok for a tour of the border area which had been the scene of fighting between Cambodian and Thai troops.

(U) In mid-year, the Southeast Asia Treaty Organization (SEATO) was dis-established. The flags of the six remaining member nations--the United States, Thailand, Australia, New Zealand, the Philippines, and the United Kingdom--were raised without ceremony for the last time shortly after dawn on 30 June. Absent were the banners of Pakistan and France, both of which had withdrawn at the turn of the decade.

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(U) Meanwhile, Japan was resisting pressure from Russia to forego its claim on the Kurile Islands which had been occupied by Russia during World War II. On 12 July Japanese and U.S. officials agreed to the production and acquisition in Japan of the improved HAWK missile system, additional F-4EJ aircraft and related equipment and materials, and the SPARROW missile for ship-to-air application to enhance the defense capability of Japan. This agreement was to enter into force on 7 October. Two weeks later, U.S. and Japanese officials also agreed that Japan would contribute financially to U.S. administrative and related expenses during Japan Fiscal Year 1977. On 12 September an agreement was reached for Japan to reprocess special nuclear materials of U.S. origin. And finally, the United States formally returned the 1,416 acre Tachikawa Air Base to Japan on 30 November after occupying it for 32 years.

(U) The end of the year, however, had brought little improvement in a matter of primary concern between the two governments. This was the balance of payments in international trade, which was heavily in Japan's favor. On 11 December the Japan Minister of External Economic Affairs arrived in Washington D.C. for trade talks with the U.S. Special Trade representative, Robert Strauss. On the following day Strauss stated that the proposals made by the Japanese Minister "fell considerably short" of what was needed to correct this severe trade imbalance between Japan and the United States. On 15 December Japanese and U.S. negotiators ended four days of conferences without agreement on means to correct the severe trade imbalance.

(U) In the last days of the year, President Carter began a visit to Warsaw, Iran, India, Saudi Arabia, France and Belgium. During his trip, he expected to discuss economic cooperation, regional stability, East-West relations, Central European security, oil, nuclear energy, U.S.-European relations and the North Atlantic Treaty Organization.

Major Issues and Activities in the PACOM

* * * * *

Political and economic initiatives are the acknowledged tools of diplomacy. There can be little hope of long-term stability, however, unless diplomatic initiatives are backed up with the kind of military capability which all nations perceive as adequate in terms of size, capability, and location.¹

(U) During the annual conference of Commanders in Chief of the unified and

1. Booklet, The U.S. Pacific Command, 20 Jul 77, "The Pacific Command," by Admiral Maurice F. Weisner.

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specified commands on 23 June 1977, they were informed by the Chairman of the Joint Chiefs of Staff (JCS) that the Secretary of Defense had requested a quarterly summation of the major issues and activities of concern in each unified and specified command. Some of the major issues and activities discussed by CINCPAC as a result of the above guidance were related generally to the events in the preceding chronology. All, however, were directly related to CINCPAC's political-military relationships in the PACOM. Many of these major issues are discussed in greater detail in following sections of this chapter.¹

(S) Heading the list of major issues of concern to CINCPAC in his first report was the perception of U.S. staying power. CINCPAC noted that despite verbal assurances that the United States would remain a Pacific power and would honor its treaty commitments, events during 1977 had created doubt in the minds of leaders in PACOM countries of the credibility of U.S. commitments. These events included the drawdown in Korea and Taiwan, the uncertain outcome of Philippines Bases and Indian Ocean negotiations, and reports from responsible U.S. government agencies suggesting the withdrawal of a Marine brigade from Okinawa and other reductions in Pacific forces. If, as a result of their perception, changes occurred in the foreign and defense policies of PACOM countries, there would be far-reaching and adverse consequences for the United States. He noted that the Secretary of Defense himself had stated that it mattered not what the facts were if they were perceived in an opposite manner.²

(S) Other issues addressed by CINCPAC in his first report to the Secretary of Defense included the need for off-setting measures to the troop reduction in Korea; the reported Soviet hard-line position in the Indian Ocean arms control negotiations; the need for caution in any effort, study, review or recommendation leading to further reductions in PACOM force levels; the need for continued PACOM military exercises; the potential resumption of Philippines Base negotiations; the encouragement of Japan toward greater self-defense measures; the military ramifications of the politically sensitive Taiwan issue; and, the Russian/PRC penetration in the South Pacific. Regarding the latter, CINCPAC suggested that relatively inexpensive economic and developmental assistance to the island nations of the Southwest Pacific could prevent an expensive U.S. counter-effort later.³

(S) In his second report, CINCPAC again stressed the need to assure national leaders in the PACOM area of U.S. resolve to continue to be a major power and a stabilizing influence in the Pacific and Indian Ocean areas. This view was reinforced during visits and talks with senior officials in Korea, Japan,

1. J513 HistSum Jul 77; JCS 1684/211552Z Jun 77; JCS 3783/242306Z Jun 77.
2. CINCPAC 062247Z Jul 77.
3. Ibid.

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New Zealand, and several island nations in the South Pacific. CINCPAC acknowledged the reassuring decision to retain the Second Infantry Division Headquarters and two brigades of that division until the withdrawal of the third increment of U.S. forces, and that a proposed security assistance package of \$600 million with a \$200 million foreign military sales (FMS) credit was a positive step. He reiterated the need to maintain force levels in the Pacific sufficient to execute U.S. strategy at a prudent level of risk. He also discussed the essentiality of Pacific and Indian Ocean lines of communication (LOC) to the economic health and national security of the United States and its allies. In that connection, he noted the strategic importance of Diego Garcia, the additional flexibility provided by the use of Masirah Island, and the need for continued access to airfields in Singapore and Thailand. Although periodic deployments to the Indian Ocean were politically valuable, CINCPAC noted that the operation of one aircraft carrier strike group required the full commitment of Seventh Fleet mobile logistics support force assets. Support by allies and friends was needed throughout the PACOM area to maintain stability and protect air and sea LOC. During a visit to Tonga and Western Samoa, CINCPAC had found their leaders downplaying Soviet and PRC influence. However, the Soviets continued to probe for fishing agreements and shore facilities for ship repair and crew exchange. Russia had also renewed its approach to New Zealand for fishing rights and access by its fishing fleet to some shore facilities. Based on his conversation with the New Zealand foreign minister, CINCPAC concurred with the view of the U.S. Ambassador that New Zealand could be tempted by such an offer with consequent influence on the South Pacific island nations.¹

(S) Regarding the Law of the Sea (LOS) negotiations, CINCPAC noted the growing number of states in the PACOM which claimed economic/fishing/territorial sea zones beyond 12 nautical miles. He expressed concern for the potential constraints these claims exercised on military vessels and aircraft because of restricted mobility and increased vulnerability to surveillance and interdiction. He specifically mentioned North Korea's economic zone, which included a 50-mile military boundary, and the 200-mile territorial sea claim by Somalia.²

(S) Another subject addressed by CINCPAC in his second report was the newly implemented U.S. arms transfer policy. During a 23 January 1977 press conference, President Carter was asked whether his administration would halt arms sales abroad. The President replied that greater caution would be exercised by his administration, and that he had requested all proposed arms sales be submitted to him directly before the recommendation was transmitted to the Congress. In interpretation of the President's press conference, the State Department informed all diplomatic posts that the President had ordered a review of policy

1. CINCPAC 060645Z Oct 77.

2. Ibid.

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lians, for example, were uncomfortable with proposed Indian Ocean boundary definitions. CINCPAC also expressed continuing concern that the residual forces in Korea be able to discharge functional responsibilities and his conviction that relief was required from the prohibition of military-to-military arms sales talks imposed by the State Department. On a positive note, CINCPAC noted the involvement of President Marcos in the Philippines base negotiations and the agreement signed on 20 December 1977 for the Government of Japan to pay about six percent of the annual costs for local labor. He noted once again, from the military viewpoint, the need for a credible force structure on Taiwan in order to fulfill the stated commitments of the United States. In addition to his concern, previously expressed, over various unilateral LOS claims in the PACOM, CINCPAC noted the potential for another round of restrictive claims to impact on military mobility as a result of the Federal Waters Pollution Control Act, which applied to the U.S. economic zone.¹

(C) The emphasis placed by the new administration in Washington on human rights--basically a moral and political issue--was conveyed to CINCPAC as a proper concern for U.S. military forces abroad as well as diplomats.

(C) In March 1977 the JCS informed CINCPAC and other unified commands that the National Security Council (NSC) contemplated an inter-agency review of U.S. policy regarding human rights. The purpose of the review was to identify U.S. objectives in the area of human rights; to determine whether a comprehensive policy on human rights could be developed or whether separate policies were required for Communist and non-Communist countries; to define the term "internationally recognized human rights"; to define actions which violated these internationally recognized human rights and a "consistent pattern of gross violations of human rights"; to identify countries currently violating internationally recognized human rights; and, to propose unilateral actions which could be taken by the United States to improve the recognition of human rights by violators. The proposed NSC study would also attempt to identify initiatives which the United States could take in international organizations and to evaluate the impact of unilateral and multi-lateral initiatives in the countries concerned. The JCS advised that, although the review had not formally been initiated, this advanced outline was provided to establish, "...the flavor and the direction..." of U.S. policy in the human rights issue.²

(U) In a July message to CINCPAC, the Secretary of Defense noted that the President had made clear the commitment of the United States to the support of human rights, and that the human rights issue was a key element in U.S. national policy. The message stated that it was important that military per-

1. CINCPAC 311047Z Dec 77.
2. JCS/J5 03146/212232Z Mar 77 (BOM).

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in that area. The subsequent implementing procedures for the policy guidelines regarding arms sales, CINCPAC noted, precluded virtually all preliminary discussion between U.S. military and host country planners. Additionally, the procedures would preclude the unified commanders from providing an assessment of arms requests. CINCPAC noted that early discussion was extremely important to host country force planning and could be accomplished without encouraging arms sales. Early discussions were also essential in the development of the Joint Strategic Objectives Plan and the Military Security Assistance program. CINCPAC advised the Secretary of Defense that he had requested, through the JCS, that the arms export control board direct the inclusion of the unified commanders in message traffic between U.S. embassies and the State Department relating to security assistance. He had also requested that in-country military-to-military discussion be sanctioned to the degree that it did not violate the intent of existing arms transfer control policies.¹

(C) In early November 1977, the four-day Williamsburg Conference, held in Canberra, Australia was attended by prominent businessmen, academicians, journalists, and government officials from East Asia and Pacific area countries. For the first time, two official U.S. government representatives attended the conference. After the conference, the U.S. Ambassador to Australia advised the State Department that the U.S. delegates had been startled by the degree to which delegates from Japan, Korea, the Philippines and Southeast Asian countries had expressed doubt regarding the strength of the U.S. commitment to the area and implied that statements by high U.S. government officials were not reassuring in that regard. The Ambassador stated that, from the standpoint of the Asian delegates, actions spoke louder than words. The actions they had chosen to perceive were what they regarded as the "precipitous" U.S. withdrawal from Korea, the "protracted haggling" with the Philippines over the future of the U.S. bases there, the "vacillation in U.S. China policy, lack of definition in U.S. relationships with the Association of Southeast Asian Nation (ASEAN) countries, and the uncertain steps the U.S. had taken to rebuild ties with socialist Indo-China.²

(S) In his third and last summation of major issues and activities for 1977, CINCPAC informed the Secretary of Defense that his concern for Asian perceptions of U.S. policy, previously expressed, had been increased after a visit to CINCPAC by one of the U.S. delegates to the Williamsburg Conference. This delegate had expressed surprise at the intensity of repeatedly expressed views regarding Asian perceptions of the weakening of U.S. resolve to play a major role in the region. CINCPAC linked this perception with the on-going Indian Ocean arms control talks which had added to a feeling of unease on the part of some U.S. allies. Austra-

1. Ibid. SECSTATE 17333/260256Z Jan 77.
2. AMEMB Canberra 7730/070556Z Nov 77.

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sonnel abroad have a thorough knowledge of these policies. To that end, the State Department had been requested to assure that U.S. diplomatic missions convey the administration's policy regarding human rights to unified commands and to U.S. military personnel in attache and security assistance offices so that they would have the fullest possible personal understanding of the Government's position on this issue. Shortly thereafter, the Secretary of State advised all U.S. diplomatic missions that the proposal of the Secretary of Defense was heartily endorsed by the State Department. The Secretary of State had arranged for outgoing department messages concerning general human rights policies and issues to be passed to all commands, and for messages dealing with specific regional or country human rights issues which might be of interest to be passed to concerned commanders. U.S. Country Teams were requested to do likewise. Chiefs of Mission were requested to discuss appropriate ways of assuring that all members of Country Teams, including the military components, had prompt access to general policy pronouncements and discussions of human rights issues relevant to particular countries.¹

(U) In July, the Secretary of State transmitted policy guidance from the U.S. Information Agency (USIA) on accusations that the United States had a "double-standard" in its human rights policy. The USIA acknowledged that a country-by-country approach to the promotion of human rights would inevitably raise the issue of different standards for consistency. Questions would be asked as to the reasons for taking issue with one government for actions which seemed to pass virtually unnoticed when done by another government. The rationale of the U.S. government for an activist human rights policy was that, in dealing with individual countries, it was important to do or say whatever could promote human rights in each case, even at the risk of some inconsistency. This effort, according to the USIA, required not consistency but coherence and coordination. A variety of factors were weighed in furthering U.S. interests, but it was incorrect to assume that, because security or strategic interest was involved, the human rights factor was waived. On the contrary, stated the USIA, active dialogues had ensued with the governments of, for example, the Philippines, Indonesia and South Korea, even though, for security reasons, security assistance programs were maintained with those countries. In the case of the Soviet Union, human rights were pursued even though U.S. strategic interests for that country were of central concern.²

(U) The USIA reviewed several possible actions, as stated by Secretary of State Vance, which the United States might take regarding the human rights issue. These actions ranged from quiet diplomacy in its many forms, through public pronouncements, to the withholding of assistance. He maintained that

1. SECDEF 4085/051914Z Jul 77: SECSTATE 17834Z/291943Z Jul 77.
2. SECSTATE 178449/292032Z Jul 77.

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a decision as to whether and how to act in the cause of human rights was a matter of informed and careful judgment, and that there was no mechanistic formula. He noted that, as a signatory to the United Nations Charter and a sponsor of the United Nations declaration of human rights, the United States was committed to promote human rights. Moreover, the human rights provisions of U.S. legislation dealing with security and developmental assistance required that human rights observance in countries proposed for aid be a factor in determining whether aid would be granted. He acknowledged that, since such aid adjustments usually received international publicity, they often conveyed the impression that the United States "hit hard" only at selected countries. In summary, the USIA advised that whatever the range of national interests which determined U.S. relationships with other governments, whether democratic or non-democratic, their actions in support of or in violation of human rights would affect the relationship. The United States reserved a wide range of options for the promotion of human rights, and the option selected was that single act or combination of acts deemed to have the best chance for advancing the observance of human rights, either universally or in a specific country under the prevailing political, social or economic conditions.¹

1. Ibid.

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SECTION II--DETENTE AND NORMALIZATION

The Soviet Union

(U) The chronology, the recapitulation thereof, and CINCPAC's major issues in Section I of this chapter addressed events either directly or indirectly related to political-military relationships in the Pacific Command. Instructive thereto, however, was the consolidated list of top news stories for 1977 as compiled by the Wire Services and published in a local Honolulu newspaper. The top news story was judged to be the visit by Egyptian President Anwar Sadat to Israel in November. Ranked below that story was a broad spectrum of events including the weather in the United States, terrorism, the Panama Canal draft treaty, a domestic political scandal, an execution in Utah, the collision of two aircraft in the Canary Islands, President Carter's energy program, the Son of Sam murders, and finally, at the bottom of the list, the attempts by the U.S. Justice Department and the Congress to obtain the testimony of Tongsun Park regarding alleged bribes to Congressmen.¹

(U) From the standpoint of the United States, there could be little doubt that the framework for political-military relationships, not only with the Soviet Union, but with all other nations, was President Carter's enunciation of his foreign policy on 22 May 1977 at Notre Dame University. In his speech, Carter stated that the traditional issues of war and peace could no longer be separated from the new global question of justice, equity, and human rights. The new American foreign policy, as expressed by the President in that speech, was based first and foremost on the basic commitment of the American people to promote the cause of human rights. The second tenet of his policy was close cooperation among the industrial democracies of the world. A third point was the improvement of relations with the Soviet Union and with the People's Republic of China (PRC) in ways more comprehensive and more reciprocal than before. The fourth premise of the President's policy was to alleviate suffering and reduce the economic gulf between the world's rich and poor nations. This was related to his fifth premise, the encouragement of all countries to rise above narrow national interests and work together to solve such formidable global problems as the threat of nuclear war, racial hatred, the arms race, environmental damage, hunger and disease.²

1. Honolulu Star Bulletin, 26 Dec 77, "The Top News Stories of 1977," combined dispatches.
2. United States Policy Statement Series, 1977, "America's Goal: A Foreign Policy Based on Moral Values" an address by President Jimmy Carter, 22 May 1977.

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(U) And so it was that U.S. relationships with the Soviet Union during 1977 were characterized by concern with human rights, new SALT negotiations, negotiations towards a nuclear test ban, and negotiations to control the proliferation of nuclear weapons. These initiatives were accompanied by media coverage of a new Russian constitution, the development of new weapons on both sides, and the relative strength of the United States and Russian military forces.

The Human Rights Issue

(S) The year began with the arrival in London of the Soviet dissident who was the first to tell Western nations about alleged torture in Soviet mental hospitals. He intended to discuss the Soviet abuse of psychiatry based upon his thirteen years in Soviet prisons and institutions. It was also early in the year that the Defense Intelligence Agency (DIA) received a report of the possible execution of the Soviet sailors who had attempted to mutiny from a Russian ship and escape to Sweden in November of 1975. Sources alleged that 82 members of the crew, both officers and enlisted personnel, had been executed in Leningrad in September 1976 after trial by military court. Although the report could not be confirmed by U.S. intelligence agencies, the execution would have been fully in accordance with Soviet Union military law and customs. The 1975 mutiny and subsequent fate of the crew had never been reported in Soviet news media. Such cases posed an awkward dilemma for the Soviet leadership. While publicizing the executions would serve as an effective warning to would-be offenders, it would be extremely embarrassing for Moscow to acknowledge the occurrence of such a serious lapse in the proper "Socialist motivation" of its armed forces personnel. This report, if true, also provided a stark contrast with one of the President Carter's first actions after his inauguration--a blanket pardon of Vietnam deserters from the U.S. forces.

(U) As early as February, President Carter's policy of speaking out publicly against human rights violations in the Soviet Union had elicited mixed reaction by U.S. officials and apparent resistance by Russia. Several U.S. senators praised Carter's leadership in the field of human rights, but the Soviet Union arrested one dissident on charges of "rudeness and disobedience" even though the official interest of the U.S. State Department in the person had been conveyed to the Russian government. State Department officials reportedly believed that this reaction indicated intensified repression of dissidents to show that Moscow would not be pushed around in what Russian leaders saw as an internal matter. On the other hand, the President and other U.S. officials had stated that the human rights issue would not harm relations with Moscow on other issues. Shortly after this 12 February press report, the Soviet news

1. Honolulu Star Bulletin, 4 Jan 77, "Couch Talk", London dateline, no attribution; DIA 4720/172323Z Jan 77.

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agency Tass reported that the Soviet ambassador to Washington had told the State Department that the Kremlin rejected interference in its internal affairs and said it could complicate the resolution of Soviet-American problems. The report did not specify any instance of interference, and it was not clear whether the meeting was held before or after President Carter's letter of support to the Soviet dissident, Andrei Sakharov, became public (see chronology). From Moscow, the Associated Press speculated that the call of the Soviet ambassador at the U.S. State Department appeared to link progress on such outstanding issues as the SALT negotiations with Washington's attitude on human rights in the Soviet Union. Defending the United States stance on the human rights issue, Vice President Walter Mondale indicated his intention to meet with the Russian dissident who had been released from the Russian mental hospital and stated that, "...one of the great and even sacred traditions of American life is our commitment to the cause of human rights."¹

(U) In June the Soviet Union stated that the human rights campaign by the Carter administration could be a cover-up for "another dangerous spiral of the arms race". President Carter responded sharply to the charge stating that his campaign was an embarrassment to the Soviet Union and that "our commitment to human rights is independent of other motives and will not be changed".²

(U) Although ostensibly not linked to the human rights issue, by mid-year a possible means for Russian retaliation surfaced. An American newsman was accused of gathering secrets for "American Special Services", and it was hinted that the newsman was working for the CIA. Robert Toth was arrested on a Moscow street in June after meeting a Soviet scientist, and left the Soviet Union on 17 June after three days of interrogation by the Russian secret police. The Russian news agency accused Toth of improper liaison with Soviet scientists, and alleged that persons contacted by him included dissidents "...whom certain circles in the United States are trying hard to portray as unselfish champions of ideas."³

(U) During a conference in Belgrade, Yugoslavia in late October to review the 1975 Helsinki agreement, U.S. Ambassador Arthur J. Goldberg condemned political repressions in the Soviet Union and Czechoslovakia. The Soviet delegate accused the United States of "reverting to the Cold War" and warned that criti-

1. Honolulu Star Bulletin, 12 Feb 77, "U.S. Stand on Soviets Rights Issue Appraised" dateline Washington (AP) and 18 Feb 1977, "Soviet Envoy Delivers Warning to U.S. Over Interference", dateline Moscow (AP) and "Mondale Defends Policy", dateline Minneapolis (AP).
2. CINCPAC ALFA 036/210200Z Jun 77.
3. Honolulu Star Bulletin, 12 Jul 77, "Soviets Say They Seized Journalist Red-Handed", dateline Moscow (UPI).

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cism of Soviet human rights policies could break up the conference. At the same time, President Carter and Secretary of State Cyrus R. Vance had privately urged Soviet leaders not to try Soviet dissidents, warning that such proceedings could stir up anti-Soviet sentiment in the United States and imperil Soviet-American relations. Despite these personal appeals, U.S. administration officials believed that Moscow would still hold a series of trials in which civil rights and Jewish activists would be accused of working for Western intelligence agencies. It was speculated that these dissidents would be sentenced to lengthy terms in prison camps.¹

New President/New Constitution

(U) In May of 1977, the wire services reported that Nikolai Podgorny, the President of the Soviet Union, had been dropped from the Communist Party's Politburo. According to Eastern European sources, Party Secretary and Premier Leonid Brezhnev had been selected to become the new President. Shortly after, the press reported that a proposed new Soviet Constitution would offer a host of guarantees of the rights and freedoms of individuals, but it would hedge them with a provision that such rights could not be exercised to the prejudice of the Soviet Socialist system. In June, according to a press report, Brezhnev justified his selection as Soviet President, as well as Chief of the Communist Party, by saying that the dominant role of the Party in his global diplomatic missions made it "logical" for him to hold both posts. According to this 17 June report, the Supreme Soviet had unanimously selected Brezhnev to be the President on 16 June. He was the first Soviet leader ever to take both the Party and State jobs, although his predecessors had all been chiefs of party and premiers. In September the Presidium of the Supreme Soviet approved an amended version of the new constitution and, on 7 October, the Soviet parliament unanimously adopted the 9,000-word document.²

~~TC/NOFORN~~ The draft of the new Soviet Constitution was analyzed by U.S. sources in Moscow. The preamble gave great prominence to the leading role of the Communist Party and described the Party as "the leading and guiding force" of Soviet society and the nucleus of its political system. Human rights were more prominent than in previous constitutions but were subordinate to the "interest of society and of the state". Two chapters of the constitution were devoted to foreign policy and defense. Related thereto, Brezhnev had stated

1. Honolulu Star Bulletin, 1 Nov 77, "U.S. Criticized Soviet Policies", dateline Belgrade, Yugoslavia (UPI) and 2 Nov 77, "Soviets Ignore Carter's Plea on Dissidents Trials", dateline Washington (N.Y. Times Service).
2. Reuters News Dispatch, 24 May 77 and 29 May 77; CINCPAC ALFA 041/030220Z Jun 77, CINCPAC ALFA 080/301749Z Sep 77; Honolulu Star Bulletin, 7 Oct 77, "Soviets Adopt Charter, Elect Aid to Brezhnev" dateline Moscow (AP).

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that the international position of the Union of Soviet Socialist Republics (USSR) had changed and that "an end has been put to the capitalist encirclement of the U.S.S.R." The foreign policy of the Soviet Union was aimed at ensuring favorable international conditions for the building of Communism in the U.S.S.R., at strengthening the position of world socialism, supporting the struggle of people for national liberation and social progress, preventing wars of aggression, and consistently implementing the principle of peaceful coexistence of states with different social systems. U.S. officials noted that the Helsinki Accords were used as a basis for the relations of the U.S.S.R. with other states. One provision of the new constitution was designed to allow Brezhnev to assume the head of state position and give him equal protocol status with other East European leaders and principal western counterparts.

SALT II Negotiations

(U) In his first press interview on 23 January, President Carter called for a halt to all nuclear testing "instantly and completely" as part of a broader program to curb the spread of nuclear weapons and ultimately ban them from the earth. Carter envisioned a three-step effort toward that end. First, the two super powers would ratify a new strategic arms limitation treaty. Then the United States and the Soviet Union would go one step further and actually reduce stockpiles of atomic weapons. From that point he would seek "reductions including all nations, even those who have a relatively small inventory now." In February, President Carter's nomination of Paul C. Warnke as his chief arms negotiator resulted in a sharp debate in the Senate over his confirmation. The backdrop of the debate over Warnke was a rising chorus of alarm about the pace of the Soviet strategic buildup in previous years, especially with the deployment of large, multi-warhead missiles and a new intermediate range mobile missile. During the Armed Services Committee confirmation hearings, Warnke acknowledged that the strategic situation had changed since SALT I had granted Moscow more offensive missiles and bombers than the United States. Warnke reportedly stated that "if current trends continue, our position could be in jeopardy in the future." He made a point of agreeing with the publicly voiced concerns of the Joint Chiefs of Staff.²

(U) On 26 March Secretary of State Vance arrived in Moscow for arms control negotiations with the Soviets. Vance indicated the intention of the United States to propose deep cuts in the number of nuclear weapons and delivery systems held by both countries. According to a press report, if the Soviets

1. DIA 3257/060452Z Jun 77.
2. Honolulu Star Bulletin, 24 Jan 77, "First Step Toward Total Ban", dateline Washington (AP) and 25 Feb 77, "Fight over Warnke Sharpens Issues", dateline Washington (N.Y. News Service).

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refused to agree to the sharp reductions, the United States would propose a "fall back position" calling for ratification of the 1974 Vladivostok agreement between then-President Ford and Soviet Premier Brezhnev. Earlier in March, President Carter had told the United Nations General Assembly that he was prepared to conclude a limited strategic arms agreement as soon as possible and to leave "more contentious issues" for later. Although the Russians rejected the Vance proposal immediately, at least one journalist praised the American approach as having preempted the usually extreme initial position taken by the Soviet Union in past negotiations. According to this writer, one measure of the success of the American proposal was the irritation of the Russians. The Soviet Foreign Minister, in a 31 March press conference, charged that Vance had employed "a dubious, if not to say cheap method" of negotiating. On 5 April Brezhnev complained of what he called a "one-sided (American) position." An editorial regarding the American proposal called it a "...propaganda victory by putting to the test the Russians' long insistence that they favor disarmament."¹

(U) After more than a month of intensive discussions, Secretary Vance said on 4 May that there had been no new proposals and his remarks held out little promise of an agreement when negotiations were resumed on 18 May in Geneva.²

(U) On 21 May Secretary of State Vance and the Soviet foreign minister left Geneva with sharply different public assessments of what had been achieved in three days of SALT negotiations. Vance reportedly departed with a generally positive statement about the talks while Foreign Minister Gromyko voiced a decidedly negative view. A lengthy press article from Geneva attempted to reconcile the apparent differences in the comments of the two negotiators with little success. Secretary Vance had repeatedly declined to reveal any details to newsmen of how the large number of serious and controversial specific issues--such as new U.S. cruise missiles, Soviet BACKFIRE bombers, or the modernization of existing nuclear missile forces--might be handled. Vance reportedly listed three basic elements to a new framework for SALT II:³

- A new treaty that would run until 1985.

1. Honolulu Star Bulletin, 26 Mar 77, "Vance Flies to Moscow", dateline Moscow (AP); 2 Apr 77, "Carter Faces Test on Arms Negotiations", Editorial; 28 Apr 77, "Foreign Policy Pragmatic", dateline United Nations (Gannett News Service).
2. Honolulu Star Bulletin, 4 May 77, "U.S., Russians Won't Budge on Arms," dateline Washington (AP).
3. Honolulu Sunday Star Bulletin and Advertiser, 22 Jul 77, "Gromyko Pessimistic As He, Vance End Talks," dateline Geneva (Washington Post Service).

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- A protocol that would run for three years from the time the basic treaty was signed.
- A statement of general principles that would govern the conditions of a third SALT agreement in later years.

~~TS~~ A July 1977 Department of State briefing paper defined the status of SALT negotiations up to that point. During Secretary Vance's visit to Moscow in March, the United States had presented two alternative proposals to the Soviets. The first, called the comprehensive option, was designed to achieve substantial reductions in aggregate numbers of strategic nuclear delivery vehicles and MIRVed (Multiple Independently-Targeted Reentry Vehicles) launchers and to place qualitative constraints on the arsenals of both sides. The second, called the deferred option, would have codified the agreed provisions of the 1974 Vladivostok Aide-Memoire while deferring for future negotiations the cruise missile and BACKFIRE issues. The comprehensive proposal was the preferred option for a SALT II accord, in that it would have signified a meaningful breakthrough on the quantitative and qualitative arms race; its principles continued to be the long term goal of the United States in SALT.¹

~~TS~~ Because of the Soviet rejection of the March proposals, in May the United States suggested a three-part framework to bridge the gap between the two sides and set the stage for more stringent limitations in SALT III. The first element was a SALT II treaty, lasting until 1985, which codified the limits on central systems agreed to in the Vladivostok Agreement--perhaps with a small further reduction in the aggregates. The second element was a protocol to the treaty of shorter duration with interim constraints on contentious systems. The protocol could include cruise missiles, BACKFIRE, and perhaps mobile Intercontinental Ballistic Missiles (ICBM) and Soviet heavy ICBMs. The third element was a joint declaration of agreed principles for SALT III committing both sides to immediate negotiations aimed at further quantitative and qualitative limitations similar to those proposed in the March comprehensive option. According to the State Department paper, the Soviets had accepted the three-part framework, but the specific content of each element; i.e., which weapons go in the treaty, which go in the protocol, the details of the restrictions, and the content of the agreed principles was still under negotiation.²

~~TS~~ The United States had proposed to place range limits on the testing and deployment of all modes of cruise missiles in the short-duration protocol. Since cruise missiles were not scheduled for deployment until 1980, and because cruise missile development and testing below agreed range limits would not be

1. Briefing Paper, Department of State, circa Jul 77, "SALT Negotiations".
2. Ibid.

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restricted, this proposal did not foreclose future options which the United States and its allies might subsequently decide were necessary for common security. As of mid-year the United States had proposed a ban on the testing and deployment on heavy bombers of air-launched cruise missiles (ALCM's) with a range in excess of 2,500 kilometers, a 600-kilometer range limit for ALCM's on other aircraft, and a 600-kilometer range limit on sea and ground launched cruise missiles (SLCM's and GLCM's). On the other hand, the Soviet Union had insisted that the heavy bombers carrying ALCM's with ranges between 600 kilometers and 2,500 kilometers be counted as MIRV systems. Because this proposal would force the United States to cut back on deployed MIRV ICBM's and submarine launched ballistic missiles (SLBM's), and because of President Carter's decision to halt production of the B-1 bomber, the United States had not accepted the Soviet proposal. The United States also proposed that the Soviet Union guarantee that the BACKFIRE bomber did not have a bonafide inter-continental strike capability. According to the State Department paper, the Soviets appeared willing to accept constraints on the BACKFIRE in the protocol. Another controversial issue was the insistence by the Soviet Union on strong provisions for non-circumvention and non-transfer in any new SALT agreement because it feared the transfer of proscribed or limited United States weapons and technology to U.S. allies. The NATO members were concerned that such a provision might place constraints on U.S. ability to assist them, but they were willing to accept a generalized non-circumvention provision which avoided specific non-transfer language. The United States had proposed a generalized formulation to the NATO members in June 1977 which did not put specific limits on the ability of the United States to continue to cooperate with allies.¹

(U) By late September, after a flurry of meetings among President Carter, the Secretary of State, the U.S. disarmament negotiator, and the Soviet foreign minister, both sides could only insist that they would continue their efforts to place limits on strategic weapons. The two nations had also pledged to continue to observe the limits on land-and-sea based ICBMs reached during the 1972 SALT I, which expired in October. The agreement to adhere to the SALT I limits, however, was done by parallel unilateral policy declaration, and could not be considered a binding agreement. During a September speech before the United Nations General Assembly, Soviet Foreign Minister Gromyko offered to join the United States and Great Britain in suspending all underground nuclear weapon tests for an unspecified period. However, he also addressed the criticism of the Kremlin by the Carter administration for human rights violations when he said "any attempts at sermonizing us or, still worse, at interfering in our internal affairs under contrived pretext, have encountered and will

1. Ibid.

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encounter a resolute rebuff."¹

(U) Early in October negotiations resumed in Geneva, but, as the details emerged, there were predictions of a clash with Congress because the U.S. position had collapsed since March when Carter had proposed the comprehensive mutual weapons cutback which was rejected by the Kremlin. According to press reports, tentative agreements had been reached which restrained development of Russian MIRVed ICBMs and temporarily limited the range of U.S. cruise missiles carried by bombers. Both of these points could have been considered concessions to the United States because the Soviets had resisted constraints on modernizing their missiles and had wanted to impose permanent limits on the jet-powered cruise drones. However, the Soviets reportedly were allowed about 300 heavy missiles, double the total initially proposed by the Carter administration. In a 21 October speech, President Carter predicted a new SALT agreement within a few weeks. This announcement was matched in Moscow by Soviet President Brezhnev who said in a speech that SALT II negotiations had suddenly undergone a definite change for the better. One journalist immediately predicted a major battle and certain defeat in Congress if the SALT II agreement, as reported, were submitted. Moreover, top administration officials conceded that a tough fight remained with the Soviet Union before an agreement acceptable to Congress could be reached. He identified three major problems: limiting the accuracy and development of new, large Soviet missiles so as to give the United States some assurance that a surprise attack would not wipe out U.S. land-based missiles in their silos; the regulation of long-distance cruise missiles; and, resolution of actual numbers of overall ceilings on strategic weapons. Figures under discussion reportedly ranged from 2,160 to 2,250.²

(U) The year ended without a SALT II but with considerable adverse comment regarding the terms of any new agreement with the Soviet Union. In early December, three U.S. Senate Armed Services Committee members told the press that a new SALT pact should include adequate range for the cruise missile and a limit on improvements in Soviet missile technology. The three committee members sent a six-point letter to the White House which, according to a press report, appeared to be a warning that failure to resolve points satisfactorily would undercut the strength of Senate treaty supporters. A mid-December editorial

1. Honolulu Star Bulletin, 24 Sep 77, "U.S., Russia Vow Salt Progress", dateline Washington (UPI); 28 Sep 77, "Gromyko Says U.S., Russia Closer to Pact", dateline Washington (AP); 30 Sep 77, "Arms Control Hard to Attain", Editorial; CINCPAC ALFA 048/281815Z Sept 77.
2. Honolulu Star Bulletin, 12 Oct 77, "Pact Would Cut Arms Stockpiles", dateline Washington (AP); 22 Oct 77, "Carter Says SALT II Pact is Probable", dateline Omaha (UPI); 24 Oct 77, "Arms Control Prospects", dateline Washington (Chicago Daily News).

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in a Honolulu newspaper discussed a warning in the British publication "Jane's All the World's Aircraft" that the cancellation of the B-1 bomber by President Carter had "sowed the seeds of defeat for the Western powers." It claimed that the cruise missile, which Carter had announced as an adequate substitute for the B-1 bomber, was no match for new Soviet aircraft. The editorial writer suggested that eagerness to reach a new arms agreement should not push the President into "giving away the store".¹

(U) Far from discussing the merits or demerits of a SALT II treaty was an article published in December 1977 by former Secretary of Defense Melvin R. Laird regarding SALT I. In this article, Laird asserted that the Russians had cheated in almost every aspect of the SALT I treaty of 1972. He cited specific and detailed evidence obtained through satellite photography and other sources which, considering his former high position in the government, would have to be considered highly credible. Although he continued to support an end to the arms race with a stable balance of power, he warned that the United States should not consider any treaty which consigned the United States to military inferiority and political subservience.²

Nuclear Test Ban

(U) As previously discussed, early in his administration President Carter had signified his intention to seek a total ban on nuclear testing. On 13 June 1977 delegates from the United States and Russia began preliminary talks to ban underground tests of nuclear weapons, a move aimed toward the end of testing of atomic weapons by the two super powers. At the Washington meeting, the delegates were also expected to discuss aspects of the nuclear non-proliferation treaty, designed to stop the spread of nuclear weapons. Arrangements for the meeting developed during visits to Moscow by the Secretary of State earlier in the year. Three of the world's six countries possessing nuclear weapons were bound by treaty not to conduct tests in the atmosphere or at sea. They were allowed to test underground, provided the shots did not have a yield exceeding 150 kilotons. These three countries were the United States, Soviet Union, and Great Britain. After about a week of preliminary talks in Washington, the United States and the Soviet Union had agreed to invite Great Britain to join the talks, scheduled to begin in Geneva on 13 July.³

1. CINCPAC ALFA 047/011916Z Dec 77; Honolulu Star Bulletin, 18 Dec 77, "Stakes Are High in Arms Talks", Editorial.
2. Readers Digest, Dec 77, "Arms Control: The Russians are Cheating!" by Melvin R. Laird.
3. Honolulu Star Bulletin, 10 Jun 77, "U.S., Soviets Eye Nuclear Test Ban", dateline Washington (AP); CINCPAC ALFA 036/210200Z Jun 77.

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(U) As scheduled, arms control officials from the three nations began their talks in Geneva on 13 July. After two weeks of negotiations, the three nations announced that sufficient progress had been made to warrant substantive negotiations in October on banning all nuclear tests. When the meetings recessed for the summer, President Carter confirmed at a news conference on 28 July that the three nations had found a basis for negotiations, but that a number of problems remained to be solved.

(U) For the balance of the year the United States and the Soviet Union vied with each other in the scope of the proposed test ban, but no announced agreements were reached. In a speech to the United Nations on 27 September, the Soviet Union foreign minister proposed a moratorium on underground weapon testing while, as previously discussed, President Carter told the United Nations that the United States was willing to reduce its arsenal of nuclear arms by ten, twenty, or fifty percent if the Soviets would do the same, and that the United States was prepared to join with other nuclear nations to ban all test explosions, peaceful or military. On 2 November in Moscow, President Brezhnev proposed a moratorium on all nuclear explosions, peaceful as well as military, and a gradual destruction of atomic weapon stockpiles. Brezhnev's proposal did not specify whether it referred just to the United States and the Soviet Union or whether France, China, and the United Kingdom were also included. According to one press report, Brezhnev's proposal extended to explosions for such peaceful purposes as opening mines or diverting rivers. In any case, the expression "full moratorium on nuclear explosions" represented an abrupt reversal of Soviet policy. Just two weeks before, a Soviet delegate to the United Nations General Assembly political committee had stated that "a nuclear test ban treaty should allow for underground peaceful nuclear explosions". Noting that no Western leader really knew Brezhnev's motives, one editorial writer speculated that perhaps Brezhnev had become confident that the Soviets had achieved the technical capacity not to lose strength in relation to the United States while observing a comprehensive test ban. Apropos to this observation, perhaps, was the fact that, during the SALT and test ban negotiations throughout the year, at least ten Soviet underground test explosions were reported by various news wire services.²

1. CINCPAC ALFA 020/130123Z Jul 77, and 018/261640Z Jul 77; Honolulu Star Bulletin, 29 Jul 77, "Slash in Overkill Sought by Carter", dateline Washington (AP).
2. Honolulu Star Bulletin, 2 Nov 77, "Soviets Would Ban All Nuclear Blasts", dateline Moscow (AP); Honolulu Sunday Star Bulletin & Advertiser, 6 Nov 77, "Banning N-Tests", Editorial; various news service dispatches, History Branch files.

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Non-Proliferation Negotiations

(U) In an initiative by the United States, talks began during 1977 to develop a new generation of reactors using safer fuel than plutonium, and to beef up the world non-proliferation treaty signed in 1968 to stop the spread of nuclear weapons. Under the latter pact, the United States, Russia and Britain, as weapon states, pledged to cut back their arsenals and share benefits of their technology. In return non-weapon states promised to stay out of the arms race. The acceptance of the non-proliferation treaty by 104 countries, however, had not denied non-signatories access to the know-how, reactors and supplies for nuclear technology. India, which test-fired a nuclear device in 1974, had not signed, nor had China and France, both weapon states. Near-nuclear countries such as South Africa, Spain, Argentina, Brazil, Pakistan and Israel also were not signatories to the treaty. In April 1977, President Carter asked the Congress to put some legal teeth in his nuclear non-proliferation efforts by enactment of a law regulating exports of American-produced uranium. If enacted, such a law would give Congressional sanction to a policy of denying uranium exports to any nation--other than those which had already done so--which detonated a nuclear explosive device or failed to abide by safeguards for uranium use established by the International Atomic Energy Agency. The problem with such strict controls on the export of nuclear technology, as noted in an editorial shortly after the President's proposal to Congress, was not with the Congress but with foreign governments.

(K) During a seven-nation summit conference in London in May 1977, the United States failed to convince European and Japanese leaders to lessen their reliance on plutonium as a fuel for reactors. The leaders did, however, agree to refer the issue to a committee for study. In the face of strong opposition from the Germans, French, and Japanese, no agreement of substance on nuclear policy was reached; however, the Carter proposals were at least placed on an international level.²

Controversial Weapons

(U) Among the most controversial weapon systems domestically was the B-1 bomber, which had been developed to replace the aging B-52s. Early in June, leading Congressional supporters of the B-1 bomber met with President Carter

1. Honolulu Star Bulletin, 27 Apr 77, "Carter Pushes N-Export Curbs", dateline Washington (AP) and 29 Apr 77, "Carter Has to Sell His Nuclear Control", Editorial.
2. Honolulu Star Bulletin, 13 May 77, "Modest Progress on Nuclear Proliferation", Editorial and 25 Jul 77, "Super Powers Seek Arms Race Curb", dateline Washington (AP).

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to convince him of its need to maintain the strategic balance of power between the United States and Russia. On 30 June the President announced his decision that the United States did not need the B-1 bomber and recommended that production be stopped while testing and research continued. In announcing his decision, Carter said the pilotless cruise missile would meet strategic weapon requirements without the new manned bomber. The President noted the ongoing SALT negotiations and conceded that his decision on the B-1 could signal the Kremlin that the administration was striving for progress in SALT negotiations. Carter's decision appeared to be in line with a 16 June 1976 campaign presentation in which he said "the B-1 bomber is an example of a proposed system which should not be funded and would be wasteful of taxpayers' dollars".¹

(U) President Carter's decision to halt production of the B-1 bomber raised a storm in Congress, but, on the following day Secretary of Defense Brown said that production of the B-1 would have been a more attractive alternative than the cruise missile if the plane had been about thirty percent cheaper. He told a news conference that Carter's decision would save "many billions of dollars". Brown was convinced that Soviet defenses could be penetrated with the cruise missile which, he stated, would be an effective weapon into the late 1980's.²

(U) The February 1977 issue of a well known periodical contained an article describing the capability of the cruise missile which was, according to this article "the missile the Russians fear most". According to this writer, cruise missiles threatened the entire Soviet war-making capacity and would force a profound redirection of Soviet arms spending. The first operational cruise missile was the World War II German "buzz bomb" which terrorized England. Later, the United States developed cruise missiles such as the MATADOR and the MACE. The latest versions included an ALCM with a range of 700 miles from its point of release by a bomber and an SLCM with a range of at least 2,300 miles. After the SALT I accords of 1972, according to this article, there was a strong feeling in the Pentagon, particularly among the JCS, that too much had been sacrificed in the name of detente. Thus, renewed American interest in the cruise missile and unexpectedly swift advances in technology resulted in an essentially new weapon. During his press conference on 1 July, the day after the President announced his B-1 decision, Secretary Brown had stated his hope that the resultant emphasis on the cruise missile would help persuade the Soviets that a defense system against it would not be worth the money and encourage

1. Honolulu Star Bulletin, 7 Jun 77, "B-1 Supporter Thinks Carter Will Back It", dateline Washington (AP) and 30 Jun 77, "Cruise Missile Enough, He Says", dateline Washington (AP).
2. Honolulu Star Bulletin, 1 Jul 77, "Carter Likely to Win on B-1", dateline Washington (AP) and "Carter's Decision on the B-1", dateline Washington, by Charles Mohr.

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them to agree to arms limitations rather than embarking on a new, more costly phase of the arms race. However, the periodical writer concluded that, if the United States agreed to Soviet proposals regarding restrictions in range of the cruise missile, the Soviets would have, in effect, reduced the cruise missile threat almost to the vanishing point.¹

(U) Although probably coincidental, on the day following President Carter's announcement that B-1 bomber production would be halted, the Senate voted to approve funds to build neutron warheads. The vote was taken in public after a three-hour closed-door session of the U.S. Senate. According to the press report, the "killer bomb", which killed by radiation and left buildings intact, was a highly secret neutron warhead project. One senator said the weapon "would enable the U.S. and its NATO allies to confine the lethal effects to the immediate military objectives". In this article, it was also stated that President Carter had not yet decided whether to go ahead with this weapon. Still early in July, a press report from Las Vegas, Nevada quoted sources close to the U.S. nuclear weapon testing program as stating that the United States had already exploded the controversial neutron bomb underground in the Nevada desert. According to this article, the neutron bomb carried 8,000 times the radiation of a medical x-ray and was designed to kill people while doing minimum damage to buildings. Also according to this report, a White House spokesman had stated on 6 July that President Carter would make a decision in August on whether to proceed with production of the new bomb.²

(U) At a White House press conference on 12 July, President Carter publicly declared his support for the neutron warhead but stated that he would make no final decision on beginning production or on deployment of the weapon until mid-August. On 14 July Secretary of Defense Brown made available to Congress an Arms Control and Disarmament Agency report on the weapon which revealed, for the first time, the cost of manufacturing the warhead--\$32.1 million through 1980--and generally supported production of the warheads. In early September, however, President Carter had not yet decided whether the neutron warhead should be produced, reportedly because NATO allies were not anxious to publicly embrace the new weapons. Meanwhile the neutron bomb was denounced by the United Nations General Assembly President during memorial rites in Hiroshima, Japan for the persons killed in the first use of an atomic bomb in war. He called the neutron bomb "satanic" and stated that "the most recent obscenity is the

1. Readers Digest, Feb 1977, "The Missiles the Russians Fear Most", by Ralph Kinney Bennett; Honolulu Star Bulletin, 4 Jul 77, "The Cruise Missile", dateline Washington (Gannett News Service).
2. Honolulu Star Bulletin, 1 Jul 77, "Senate Votes After Rare Secret Parley", Washington dateline (AP) and 7 Jul 77, "Test of Neutron Bomb Reported", dateline Las Vegas, Nevada (UPI).

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neutron bomb, a weapon which will destroy life but spare human property". In September also, the press in Moscow printed a statement that the Soviet Union had already developed reliable protection against the neutron bomb. And finally, in a late October address to the World Affairs Council, the Secretary of the Air Force stated that both Americans and Europeans misunderstood the neutron bomb and had placed "an extraordinary" connotation upon the newly developed nuclear weapon. He said "the enhanced radiation" of the nuclear bomb was "designed to concentrate its effects in a relatively small area, on enemy troops and tanks and minimize the effect on allies' life and property".¹

(U) Apparently the last word on the neutron bomb came from Moscow on 24 December when President Brezhnev reportedly warned the United States that, if it continued to develop the neutron bomb, the Soviets would be forced to answer the challenge and step up the arms race. The comment was made in an interview published on 23 December in the Communist Party newspaper Pravda, but did not say when the interview took place. Brezhnev was quoted as saying that "the Soviet Union is resolutely opposed to the development of the neutron bomb...but if such a bomb were developed in the West, developed against us...the latter must clearly realize the U.S.S.R. shall not remain a passive on-looker".²

(U) Passing references were made in the press to one other U.S. weapon--a new nuclear warhead named the MARK 12A which, according to one report, could knock out several Soviet silos in one shot. The weapon was reported to have a refined guidance system for delivery by the MINUTEMAN III. On 2 June a White House spokesman stated that President Carter had ordered U.S. strategic missile forces personnel to start work on the deployment of a new generation of nuclear warheads designed to pulverize Soviet missile silos. The spokesman denied that this move was aimed at pressuring the Kremlin into concessions in the slow-moving SALT, although at first it was stated that Carter had issued his order sometime after the Russians rejected his proposals at the March round of SALT in Moscow. This was later corrected by a White House spokesman to say that Carter approved the deployment of the warhead before SALT II negotiations began.³

(U) On the Soviet side, the Pentagon released a report on 4 February which

1. Honolulu Star Bulletin, 14 Jul 77, "Senate OK's Production of Neutron Bomb", dateline Washington (Washington Star); and 10 Aug 77, "Neutron Bomb De-nounced at Hiroshima Memorial Rites", dateline Tokyo (UPI); CINCPAC ALFA 044/091632Z Sep 77, 022/071750Z Sep 77, and 013/291949Z Oct 77.
2. Honolulu Star Bulletin, 24 Dec 77, "Soviet Warning", dateline Moscow (no attribution).
3. Honolulu Star Bulletin, 29 Jul 77, "Slash in Overkills Sought by Carter", dateline Washington (AP); CINCPAC ALFA 016/020239Z Jun 77.

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stated that Russian scientists were conducting major research on "weapons of the future" which could demolish space satellites, missiles or other targets with beams of intense light or charged atomic particles. Although the Pentagon report admitted that the United States knew few technical details of the Soviet program, the scope and degree of commitment to these weapons of the future was quite large, as judged by investments in physical plant for research and development. According to one press report, a number of veteran U.S. intelligence experts rejected the idea that the Russians were close to achieving a "ray gun" weapon. Although both the United States and Russia were known to be at work on research to develop weapons using very high energy light beams generated by lasers, senior U.S. scientists, according to this report, estimated it would take at least ten years before either the United States or Russia could develop actual weapons. About three months later, a report was published by Aviation Week and Space Technology magazine that recent technical breakthroughs would soon give the Soviet Union the ability to use energy beams to destroy missile warheads. In an apparent contradiction of its warning of three months before, the Pentagon reportedly considered this possibility remote, based on all information then available to the U.S. intelligence community. According to the bi-weekly aerospace publication, the physics breakthrough by the Soviets had been verified by U.S. military intelligence monitoring of Soviet tests and by "extremely young physicists" working under the U.S. Air Force Chief of Intelligence. The publication also claimed that President Carter was not being fully briefed on technical matters and challenged him to identify "inaccuracies" in its report that the Soviets had developed an energy beam which could neutralize U.S. strategic ballistic missiles. According to this publication, the story had been offered to appropriate Pentagon officials for review for both accuracy and security well before publication. Some changes had been requested by the Pentagon on security, but none was requested on accuracy.

(U) On 26 October 1977, according to a Pentagon statement, the Soviets launched an anti-satellite interceptor against a target satellite. This new system could threaten destruction of U.S. reconnaissance and other military satellites. The report was the first from the Defense Department confirming Soviet anti-satellite tests, although, during a 4 October news conference, Secretary of Defense Brown had confirmed that the Russians "have an operational capability that could be used against some satellites". According to this press report, President Carter had appealed on 9 March for a mutual U.S.-Soviet ban on satellite-destroying weapons, but the Russians had never publicly responded and had held three anti-satellite tests since then. One test in May was a failure, but subsequent tests in June and in October were considered suc-

1. Honolulu Star Bulletin, 5 Feb 77, "Soviets Research Space Age Arms", date-line Washington (AP) and 3 May 77, "U.S. Leery of Reported Soviet Ray", dateline Washington (AP); CINCPAC ALFA 111/091801Z May 77.

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cesses.¹

Soviet Military Strength

(U) The slow awakening of U.S. officials and the U.S. public to the growing Soviet military threat, documented in previous CINCPAC histories, reached its peak in 1976, but was tempered somewhat during 1977. In a paper issued in early January 1977, the JCS voiced disagreement with statements that the Soviet Union had achieved military superiority over the United States. According to a press report, the disagreement was prompted by statements of the previously mentioned U.S. Air Force Chief of Intelligence, who had retired on 1 January 1977. This official had reportedly stated that the Soviet Union had established a significant lead over the United States in every important category involving strategic balance between the two super powers. The JCS paper had been made public by a U.S. senator, and was expected to be among the matters discussed when the JCS Chairman and the Secretary of Defense appeared before the Senate Defense Appropriations Subcommittee. At about the same time, top U.S. Navy officials reportedly told a Senate committee that the U.S. Fleet held only a "slim margin of superiority over the Soviets and would lose even that edge within five to ten years if steps were not taken immediately." The Chief of Naval Operations reportedly testified that, although the U.S. Fleet could hold open the sea lanes between Hawaii and Alaska in a war with the Soviets, it would have difficulty protecting its lines of communication into the Western Pacific. Another Defense Department official testified, at the same time, that unless the decline of the U.S. Navy was arrested and the quality of U.S. ships improved, its future effective war-fighting capability was in jeopardy. This official said that the number of U.S. Navy ships was at its lowest level since World War II.²

(U) Later in February, Secretary of Defense Brown reportedly testified before Congress that "generally speaking, there is no need for immediate or grave alarm about our ability to deter major military actions by the Soviet Union". According to this report, the Secretary did not belittle the growth of Soviet military power which, he acknowledged, had occurred during the past decade, but he said there has been some tendency to exaggerate the problems. During his testimony, Brown explained his proposals for a nearly \$2.8 billion cut in the previously submitted Ford Administration defense budget. About a month later, during a speech in Germany, Secretary Brown reportedly stated that

1. Honolulu Star Bulletin, 27 Oct 77, "Soviets Test Interceptor Weapon", dateline Washington (AP).
2. Honolulu Star Bulletin, 1 Feb 77, "Soviets' Military Strength Disputed", dateline Washington (AP) and 5 Feb 77, "Navy Warns of Need to Build Larger Fleet", dateline Washington (Gannett News Service).

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the Soviet Union and the United States had become "more or less equal" in strategic nuclear weapons. At about the same time that Brown was speaking in Germany, U.S. intelligence sources reportedly had announced the test-firing by the Soviets of major SLBMs over a greater distance than ever before. These sources reportedly stated that two SSN-8 missiles travelled about 5,700 miles from a Russian submarine in the Barents Sea across Asia and into the Pacific Ocean on 18 and 20 March. If true, this was about twice as far as the distance covered by the longest-range SLBM possessed by the United States. Based on earlier estimates of SLBM capability by Russia, which were 800 miles less than the latest test, the Director of Naval Intelligence had testified to Congress that the range of the SSN-8 allowed the Russian submarines to cover most targets in the United States from their home port areas. The additional range could give Soviet missile submarines more room to maneuver in the ocean and make them less vulnerable to U.S. anti-submarine warfare counter measures.¹

(U) During a speech in Honolulu in April 1977, the Chief of Naval Operations called the U.S. Navy still number one in the world, but stated that he was worried about possible budget cuts in Navy muscle. He cited a growing capability of individual Russian ships to do things with weapons, while the United States was forced to rely on obsolete ships and aircraft just to keep the ship ratio between the navies of the adversaries within bounds. Noting that the Soviets owned a massive fleet, he asked a rhetorical question, "...why is it that Russia, this great Eurasian land mass, has the power to invade Western Europe and defend its own 1,200-mile border with China without the use of a single warship?"²

(U) In Congressional testimony made public on 22 August 1977, the Director of the DIA reportedly informed the Congress that Russian military force improvements covered the entire spectrum of weapon systems from nuclear strategic forces to conventional general purpose forces. Although this testimony was given on 30 June during a closed-door hearing of a Congressional subcommittee, the subcommittee chairman released excerpts to the press. The DIA Director reportedly had estimated that the Soviet Union had spent the equivalent of \$118 billion on defense programs in 1976, compared with \$84 billion for U.S. defense expenditures. On 24 August, a report released by Jane's Fighting Ships stated that the Soviet Union had three times as many submarines as the United States and that its long-range nuclear missiles could reach San Diego from Russian ports.

1. Honolulu Star Bulletin, 23 Feb 77, "Brown Cools the 'Russian Coming' Rhetoric", dateline Washington (AP); 24 Mar 77, "U.S., Russia Called Equal in "Nuclear Arms Race", dateline Grafenwoehr, West Germany (AP); and 23 Mar 77, "Soviets Fire Sub Missiles", dateline Washington (AP).
2. Honolulu Star Bulletin, 6 Apr 77, "Admiral Says U.S. Navy is Still the Best", by Lyle Nelson.

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The 1977-78 edition of this authoritative reference work stated that the Soviets fast-growing naval power, backed by an expanding worldwide chain of bases, could soon threaten the raw material, supplies and markets of the West.¹

(U) In September a series of Associated Press articles printed by a Honolulu newspaper addressed the ability of the United States to fight a major conventional land, air, and sea war. After a two-month investigation, the Associated Press stated that shortages in key weapons and ammunition and other critical deficiencies had seriously weakened conventional military forces. During the past year, according to this series of articles, Congress and the Pentagon had shown mounting concern about the readiness of conventional forces to deal with a possible Soviet attack on Western Europe. Moreover, readiness problems also undercut U.S. ability to use these forces effectively in the Far East, Middle East, and the oil-producing Persian Gulf. The third article of the series was written from the deck of the USS CONSTELLATION stationed in the South China Sea. In interviews with senior commanders, officers, and men in island bases and other Pacific Command operating areas, the writer found concern that the emphasis in U.S. military strategy had swung decisively away from the Pacific to the defense of Western Europe. His sources reportedly had stated that contingency plans provided for about half of the 218-ship U.S. Pacific Fleet and part of its ground forces to be switched to the European theater if hostilities with the Soviet Union broke out there. This would "mean writing off the Western Pacific." He also found concern that strategically, the sea lanes had become far more important than many of the countries they passed. Given the importance of the Indian Ocean where, at any given moment, more than half the world's seaborne oil was in transit, he noted the continuing shrinkage of the U.S. Pacific Fleet and cited U.S. Navy sources who conceded that the United States might have already lost its mastery of the seas. In a conventional war with the Soviet Union, it would be unable to keep the Pacific and Indian Ocean sea lanes open. Another concern of the sources cited by the author of the article was that the legacy of the Vietnam war in terms of public and Congressional disenchantment with foreign military involvement helped lead to a redefinition of America's vital interest in Asia, limiting it essentially to the security of Japan and the Korean approaches to Japan. The writer stated that the geographic realities of the vast Pacific and Indian Ocean area swallowed up the available forces. Noting the few ship days and slower steaming time, shorter air sorties and reduced turn-around time, rising cost of ammunition and fewer rounds available for training, the writer stated that military men in Asia were resigned to the economic realities. However they were concerned about Western European bias in Washington. The writer quoted former Army Chief of Staff General Weyand that "we should not concentrate on Europe...we have

1. Honolulu Star Bulletin, 22 Aug 77, "Testimony on Improved Soviet Military Released," dateline Washington (AP) and 24 Aug 77, "Soviet Sub Fleet Triples Ours," dateline London (UPI).

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never in the past accurately forecast such events".¹

(U) On the east coast of the United States, the Commander of the Atlantic Fleet Naval Surface Forces reported that the Soviet navy had deployed to the Gulf of Mexico in July with a task force of various types of ships armed with missiles and other weapons. He stated that Soviet warships were close enough to destroy cities in a nuclear war and that the increasing numbers of Soviet submarines, destroyers and cruisers in the Gulf of Mexico and off the east coast was an indication of the growing size, power and aggressiveness of the Soviet navy. On the other side of the United States in Honolulu, the Hawaii Association for National Defense (HAND) was created in February 1977. Their mission was to "wake up the American people". According to HAND spokesmen, they were worried about the ratio of U.S. military power to the Soviet arsenal and were looking for some way to let the people know that their freedoms were in danger. In October HAND reportedly wrote key senators that the extension of interim agreements on SALT I amounted to giving the Soviets both time and strategic gain while avoiding a showdown. They requested Senate review of the negotiations.²

(U) In late October a Honolulu newspaper reported a speech by the Commander in Chief of the Pacific Fleet in San Francisco in which he stated that the U.S. Pacific Fleet possessed 215 ships in all categories, which was its smallest size since pre-1941 days. It was also late in October that the Soviet Union was reported to have begun construction on a nuclear submarine--over 500 feet long and with a surface displacement of over 15,000 tons--which was said to be the largest ever built in the Soviet Union. This would make it comparable in size to the U.S. Navy's yet to be deployed TRIDENT-class submarine. The new Russian submarine was reportedly designed to launch 20 to 24 long-range ballistic missiles.³

(U) On the other side of the coin, in late November a U.S. Representative was reported to have stated that Soviet military expansion in recent years was

1. Honolulu Star Bulletin, 26 Sep 77, "U.S. Armed Forces Have Their Woes", dateline Washington (AP); 27 Sep 77, "Russia Beefing Up Army, Air Force", dateline Frankfurt, West Germany (AP); and 28 Sep 77, "Pacific Forces Feel Isolated in Limbo", dateline USS CONSTELLATION, South China Sea (AP).
2. Honolulu Star Bulletin, 7 Oct 77, "Soviet Naval Threat" dateline Atlanta (no attribution) and 12 Oct 77, "Fears Voiced of Trend Toward Russian Domination of World", by Lyle Nelson.
3. Honolulu Star Bulletin, 27 Oct 77, "Pacific Fleet Size is the Smallest Since the Start of World War II", by Lyle Nelson and 29 Oct 77, "Soviets Start on Super Sub, Surprise U.S.", dateline Washington (N.Y. Times Service).

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"far less dramatic than many scare stories would lead us to believe".¹

(U) In the final month of the year, former U.S. Army Chief of Staff Weyand stated that one reason he feared for the future of the United States was that he never ceased to be amazed by the number of Americans who believed the Soviet Union posed no military threat. During a speech in Honolulu, he stated that the United States had consistently misjudged the Russians and that, if Moscow continued to build its military machine as it had in recent years, the security of the United States would enter a period of peril. He cautioned that, once Russia achieved a clear military superiority "it is going to make a mockery of our mutual assured destruction strategy". At about the same time, during a news conference in Washington, a U.S. Representative stated that the Soviet missile force "will soon achieve the capability of destroying the bulk" of the U.S. land-based missile force in an attack. Discussing a House Armed Services Committee study, this Congressman stated that the United States' strategic nuclear position was deteriorating so rapidly that by 1980 it would not deter a first-strike nuclear attack by the Soviet Union. The House study and the comments by the U.S. Representative widened the debate in Congressional, military, and academic circles over the nuclear balance and its relationship to the SALT negotiations in Geneva. A highly placed military officer who had asked for anonymity was reported to have stated that studies for Congress had shown that, despite the efforts being made to strengthen missile silos and improve the MINUTEMAN III force, the Soviet first-strike capability in the 1979-1982 period would be "disturbing".²

People's Republic of China (PRC)

~~TS/NOFORN~~ During 1977 the internal political situation in the PRC apparently stabilized with moderate leadership. There were no basic changes in PRC foreign policy, but there was an increased interest in foreign trade and the acquisition of foreign technology. Modernization of the military was a subject of considerable internal debate, the exact scope and factions of which were not clear. Interest in space and missile programs continued, as did interest in sea power, and it was probable that the PRC would have a "blue water" navy in the foreseeable future. In the three way relationship among the United States, the Soviet Union and the PRC, the two main factors during the year continued to be the Sino-Soviet rift and the political thrust toward normalization of relations with the PRC by the United States. The first of these, the Sino-Soviet

1. Honolulu Star Bulletin, 28 Nov 77, "Soviet Build Up No Big Thing--Aspin", dateline Washington (Gannett News Service).
2. Honolulu Star Bulletin, 17 Dec 77, "Weyand Points to Growing Military Might of Russians", by Lyle Nelson and 21 Dec 77, "Study Says U.S. Will Lag by '80", dateline New York (N.Y. Times Service).

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rift, was based not only on disputes over border territories, but also on nationalism, ideological differences, and racial prejudice on both sides. The military significance of the Sino-Soviet rift to the United States was that at least twenty-five percent of the military forces of the Soviet Union were stationed along its common border with the PRC, where they were faced with an even larger number of PRC troops.¹

(U) In the military power equation among the United States, the Soviet Union, and the PRC a case was made in a January 1977 article in a local Honolulu newspaper that the PRC had joined the exclusive super power club by developing a 4-megaton thermal nuclear weapon. This weapon was exploded on 17 November 1976, less than two weeks after the American presidential election. Noting that the Soviet Union had taken the increasing Chinese nuclear capabilities very seriously, the author postulated that the far eastern allies of the United States took a dim view of America's "tunnel vision" reliance on a group of interrelated treaties and agreements with Russia, the purpose of which was to lessen tensions and inhibit nuclear war. These agreements, according to the author, were the SALT I agreement, the anti-ballistic missile treaty, the limited test ban treaty, and the non-proliferation treaty. Asserting that the PRC had demonstrated its thermal nuclear and space satellite capabilities, the author stated that U.S. policy makers seemed reluctant to admit that a "third hand" was seated at the table in the strategic card game or that its pile of nuclear chips was steadily growing. The fact was, according to the article, that the key premise on which U.S. national security was based--the maintenance of a bilateral balance of terror with Russia--had been overtaken by events.²

(U) It was also early in the year that a Chinese-language newspaper in Hong Kong discussed "tri-lateralism" in U.S. foreign policy, but in a different context. The article described the "tri-lateral committee" as a group formed in July 1973 by David Rockefeller, president of the Chase Manhattan Bank. All of its members were influential financial, political, and intellectual personalities in America, Europe, and Japan. The committee maintained, according to the Chinese article, that the only way to cope with common political, economic and security problems was to strengthen the mutual relations among the United States, Western Europe, and Japan. The article asserted that many important members of President Carter's cabinet had been members of the "tri-lateral committee", this proving that Carter's connection with the committee was a profound one and thus his foreign policy would be influenced by the views of the committee members. The article then cited the Foreign Affairs quarterly as the

1. IPAC Point Paper, 15 Jul 77, Subj: Overview of Sino-Soviet Rift and 23 Dec 77, Subj: Political and Military Developments in the PRC.
2. Honolulu Star Bulletin, 12 Jan 77, "China Joins the Super Powers", by Edwin F. Black, BGEN (retired) U.S. Army.

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source for an article which asserted that the weakening of economic power of the United States, and the strengthening of that of Western Europe and Japan, had created a situation in which the United States could no longer act as the economic leader of the Western world. Again citing the alleged Foreign Affairs article, the Hong Kong article stated that Soviet hegemonism seriously threatened the interest of the United States as well as the security of Japan and Western Europe. Meanwhile, the growing strength of the third world resulted in the weakening of the foundation of the West. Therefore, a united front of the advanced industrial countries was the most effective counter measure against the demands of the third world and the military threats from the Soviet Union. In the tri-lateral relationship, however, the Foreign Affairs article allegedly pointed out that the position of the three sides was not equal and that events were actually controlled by the United States. In particular, the United States wanted the two economic giants, Western Europe and Japan, to submit to its leadership. The article concluded that, in his first press conference after his election, President Carter stated that in foreign affairs he gave first priority to the job of "strengthening relations with America's traditional friends". His aim, however, according to this article, was to reassert American leadership over Western Europe and Japan.¹

(U) A counter to the implied accusation by the PRC that the United States led a coalition of capitalist nations against the Soviet Union and the third world came in May of 1977 from a somewhat unexpected source. President Fidel Castro criticized the PRC for what he called its alignment with "imperialist" Western political positions throughout the world. Castro claimed that Peking collaborated with extreme conservative and pro-Western regimes in Asia, Latin America, and Africa. He accused the PRC of helping to finance subversive groups backed by the U.S. Central Intelligence Agency in Europe, and also claimed that the PRC opposed the lifting of the U.S. embargo against Cuba. Two months after Castro's remarks, the PRC announced that Teng Hsiao-ping had been restored to his previous post as Vice Premier, Communist Party Vice-Chairman and Chief of the Army General Staff. Teng was known to have emphasized industrial progress above strict ideological purity, and was an experienced negotiator who was familiar with American thinking.²

(U) During the following two months, events tended to provide ammunition for divergent views by China watchers. On 1 August three Chinese newspapers jointly announced that China would speed up the modernization of its armed forces and have "not only more planes and artillery but atom bombs, too". The announcement noted several statements which had been made by the late Mao Tse-tung that

1. AMCONSUL Hong Kong 130315Z Jan 77.
2. CINCPAC ALFA 062/070220Z May 77; Honolulu Star Bulletin, 22 Jul 77, "Return of Teng Spurs Celebration", dateline Tokyo (AP).

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"efforts should be made to build powerful ground, air, and naval units and that we make some atom and hydrogen bombs". The joint press release also stated that the Soviet Union and America were competing fiercely with each other, that factors for war were increasing, and that Moscow was determined to subjugate China. On the subject of Taiwan, the announcement called for a unified China but said "when and how to liberate Taiwan are entirely the internal affair of China and brook no foreign interference". The announcement marked the 50th anniversary of the PRC army and a rally attended by Premier Hua Kuo-feng and Vice Premier Teng Hsiao-ping, who had made his second public appearance in less than one week.

(U) On 1 September, about one month later, a press dispatch from Peking credited "analysts" for the statement that the emphasis on profits and production in industry, the return to a more conventional educational system, and the upgrading of the role of science and technology were presaged in government documents prepared by Teng in 1975 before his downfall from the hierarchy in the PRC. The press analysis recalled a remark by Teng in the late 1950s regarding steps to increase rice production that "it doesn't matter whether a cat is black or white. As long as it catches mice it is a good cat". Referring to Teng's speech in late August 1977 to the 11th Congress of the Chinese Communist Party, the article quoted Teng as having made the point that the party must "revive" the "practice of seeking truths from facts". Teng also said "the minimum requirement for a Communist is to be an honest person. There must be less empty talk and more hard work".²

(S/NOFORN) As the year passed, it appeared that neither Teng nor Yeh Chieng-ying, the PRC Defense Minister and Deputy Chairman of the Communist Party, had gained the upper hand. In late September a number of diplomats in Moscow questioned their Chinese colleagues on PRC intentions regarding further atmospheric testing. The departing PRC Charge d'Affaires vigorously defended continued PRC atmospheric testing. He said that the PRC was merely making up ground already covered by the super powers, who had agreed to suspend atmospheric tests only after they did not need them any longer. He refused to speculate on when the PRC would reach a similar stage and stated that Peking was determined to continue atmospheric testing until unspecified PRC requirements were met. This stand was reiterated by the chief New China News Agency correspondent in Moscow, who asserted that China needed to test in the atmosphere as well as underground. He noted that the PRC had tested only twenty-two times since 1964 while other nuclear states had conducted hundreds of tests. He also

1. Honolulu Star Bulletin, 1 Aug 77, "China Eyes Nuclear Wars, More Planes, Modern Army", dateline Tokyo (AP).
2. Honolulu Star Bulletin, 1 Sep 77, "Teng Looks Like Number One in China", dateline Peking (N.Y. Times Service).

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noted that radioactive fallout from PRC atmospheric tests fell on China as well as other countries.¹

~~(S/NOFORN)~~ An insight into the modernization of PRC military forces was provided by a 29 October DIA report. The report was based on a story in a Beirut, Lebanon newspaper as substantiated by the U.S. Consul General in Hong Kong and U.S. Defense Attaches in Ankara, Turkey and Cairo. The newspaper reported, on 2 September, that Egypt had decided to sell some Soviet weapons because it could not acquire spare parts for them. Some of these weapons were to be sold to the PRC in exchange for Chinese military equipment. Various subsequent reports confirmed the provision by Egypt to the PRC of aircraft and surface-to-air missiles (SAMs). Although the numbers of aircraft and SAM systems varied slightly in each report, the DIA concluded that Egypt apparently had given China some aircraft and some SAM systems. The types were unknown, but, assuming that the reports were valid, it was considered that the PRC would study the systems with the possibility of copying some or using derived information for improving its own equipment.²

(U) One report in November provided some perspective on the foundations of PRC political and military policy. A former U.S. Liaison Officer in Peking stated that American relations with the PRC would improve only if the United States showed no weaknesses in its dealings with the Soviet Union. He maintained that the Panama Canal treaties, concessions in the strategic arms limitation talks, the abandonment of the B-1 bomber, and inaction against Russian intervention in Africa all made Peking leaders wonder "if the United States is a paper tiger" confronting the Soviets.³

The Sino-Soviet Rift

~~(S/NOFORN)~~ The smouldering Sino-Soviet rift was based partly on conflicting territorial claims along the border between the two countries and partly on the fear of each that the other would form an alliance with the United States. In January, according to Romanian sources in Peking, prospects for progress in the Sino-Soviet border negotiations had improved. The Russians had offered a mutual pullback of troops from the border, improved communications across the border, and the facilitation of trade. The PRC was reported to have ceased rejecting the Soviet position out of hand, which signalled a possible change of attitude, even though Chinese media treatment remained unchanged. However, it was also reported in late January that the PRC foreign minister had delayed a meeting with the chief Soviet border negotiator because he believed that such a meeting would be publicized by the Russians as proof that the PRC placed rela-

1. AMEMB Moscow 14387/030654Z Oct 77.
2. DIA 5442/291852Z Oct 77.
3. CINCPAC ALFA 084/080235Z Nov 77.

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tions with the U.S.S.R. above those with the United States.¹

(S) In February two commentaries in Hong Kong's PRC-controlled press responded to Russia's criticism of the PRC position in the border negotiations by making public for the first time the specific PRC position and ridiculing Soviet efforts to improve relations. Illustrating strikingly parallel strategic concerns of the United States in Africa, in March the PRC condemned the invasion of Zaire as a "premeditated and planned aggression engineered by the Soviet social-imperialists" and expressed firm support for Zaire in its resistance to foreign aggression. Once again, commentaries in Hong Kong's PRC-controlled press pointed out that the invasion of Zaire was part of a strategic Soviet design to spread Soviet control throughout Africa.²

(U) In May the level of the polemic between the Soviet Union and the PRC increased considerably. In a 9 May speech to a nationwide industrial conference, PRC Defense Minister Yeh predicted a "big war" soon between the United States and the Soviet Union, adding that the PRC "must race against time" to build up its industry in the interior before it happens. He also stressed the need to "ceaselessly strengthen national defense capabilities" as long as American and Soviet imperialism existed. During the same Peking conference, Premier Hua echoed Yeh, saying, "we must definitely be ready for war. We cannot afford to let time slip through our fingers as it waits for no one. Accelerating development of our national economy at a rapid pace is a task which brooks no delay." Observers noted that Mao Tse-Tung's industrial-defense program had called for the shift of industry from the densely populated east coast to the interior, but the program was believed to have lagged in recent years. These observers interpreted the talk of war as an attempt to impart a sense of urgency to develop the PRC into a major industrial power by the end of the century. At the same time, in a dispatch carried by the New China News Agency, the PRC called upon the United States and the Soviet Union to stop their, "blind belief in nuclear weapons". The article stated that, while the PRC had some atom bombs in order to increase its defense potential, "we remain firmly convinced that weapons are an important factor in war, but not the decisive factor. It is people, not things, that are decisive".³

(U) Following the prediction by PRC Defense Minister Yeh that a "big war" would erupt soon between the United States and the Soviet Union, a 2,500-word statement was published in the Communist party newspaper Pravda which accused China of undermining detente and seeking to "bring mankind back to the time of

1. AMCONSUL Hong Kong 835/210006Z Jan 77; USLO Peking 250330Z Jan 77.
2. AMCONSUL Hong Kong 160306Z Feb 77 and 3159/210720Z Mar 77.
3. Honolulu Star Bulletin, 13 May 77, "Chinese Forecast U.S.-Soviet War", date-line Tokyo (AP); CINCPAC ALFA 146/110212Z May 77 and 242/141809Z May 77.

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not only Cold War, but shooting war as well". The Kremlin warned the United States and other Western countries that they could not "avoid the sword of Chinese militarism" by cooperating with Peking against the Soviet Union. This heated Soviet attack against the PRC in mid-May matched an April accusation by the Soviet Union that the PRC was aggravating international tensions and allying itself with "the most reactionary forces".¹

(U) In early June the Soviet Union published an official statement through the Tass News Agency stating that Rhodesia's invasion of Mozambique could have grave, but undefined, international consequences and that all responsibility fell on the "racist regimes in the south of Africa". Later in June Soviet diplomats walked out of a Peking banquet for the fourth time in 1977 when a PRC official accused the Soviet Union of "throwing the African continent into unrest." The departing Soviet diplomats were followed by those from Cuba, Outer Mongolia, Poland, East Germany, Czechoslovakia, Bulgaria, and Hungary. This was accompanied by a policy editorial in the Chinese armed forces newspaper connecting the strengthening of the militia and the modernization program for the regular armed forces with the need to guard against possible Soviet attack.²

~~(U)~~ Although the thrust of the criticism during the foregoing banquet speech was aimed at the Soviets, it was accompanied by an accusation that the Rhodesian invasion of Botswana and Mozambique was done "with the connivance of a super power" (i.e., the United States), which represented one of China's more irresponsible criticisms of the United States during the year. This, however, was accompanied by a separate article which reported the reestablishment of relations between the United States and the Congo. The implication here was that the PRC was pleased that the United States had reestablished itself in a country with a strong Soviet presence, thus serving as a possible check against Soviet influence there.³

(U) The Sino-Soviet rift as it related to overall PRC foreign policy was discussed editorially by a Honolulu newspaper in August. One editorial asserted that under Mao Tse-tung, China had changed from an ally to an enemy of the Soviet Union. To the question of whether a rapprochement would follow Mao's death in 1976, the answer was no. The return to power of Teng, who was considered implacably anti-Russian, appeared to remove Moscow's option to redeploy some portion of the forty-five divisions deployed on the Sino-Soviet border to the West in support of the Warsaw Pact. Discussing overall PRC policy, the editorial referred to the disclosure that the "three world" concept first out-

1. Honolulu Star Bulletin, 14 May 77, "Soviets Say China Spoiling for a War", dateline Moscow (AP); CINCPAC ALFA 242/141809Z May 77.
2. CINCPAC ALFA 041/030220Z Jun 77, and 066/220220Z Jun 77.
3. AMCONSUL Hong Kong 7091/200757Z Jun 77.

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lined by Teng to the United Nations in 1974 had been adopted by the Chinese Communist Party. According to this concept, the first world was that of the two super powers--the United States and the Soviet Union. The second world was that of other developed countries including Japan and Europe, while the third world was made up of the developing nations including the PRC. In this concept, the PRC aligned itself with the developing nations but sought good relations with the second world in order to counter the two super powers. This included a possible split of the super powers with Russia viewed as the greater threat. Supporting this view was a speech by Hua to the Chinese Communist Party Congress which drew upon the views of Lenin. Lenin had spoken of vanquishing the most powerful enemy, "meaning Russia to Hua", by exploiting even the smallest rift between all enemies and seeking the opportunity to gain a mass ally (the United States), "even though this ally be temporary, vacillating, unstable, unreliable and conditional."¹

(U) Perhaps the most startling departure from normal Peking rhetoric of war between China and the United States or the United States and the Soviet Union was a statement made to a group of prominent Hawaii travellers in Peking in September. A veteran member of the PRC Central Committee stated, during a thirty minute session, that war between the Soviet Union and the PRC was inevitable. According to this official, this war was a foregone conclusion because of the dispute over contested ownership of lands in the northern provinces near the Russian border which, the official stated, belonged to the PRC. This official repeatedly used language which was translated as "inevitable" while describing the possibility of war. These remarks were widely regarded as the first official statement of this kind on war between the Soviets and the PRC from an important official of the PRC.²

(U) The foregoing digression from the normal PRC party line was highly unusual. Normally, American visitors to the PRC were plied with warnings regarding the threat to the United States from the Soviet Union. Another group was warned that the Soviet Union was "wild with ambition", that Russia was "trying to get Africa, reaching out a grasping hand everywhere", that "appeasement forces" in the United States were talking detente and disarmament even as the Russians built up their forces to launch war against the West. American groups, however, were not the only ones to be warned about Russia. Third world leaders flocked to Peking, and all were bombarded with speeches assailing the Soviet Union. One writer concluded that the PRC was attempting to play off the United States against Russia, hoping for a chance to catch up. Even as the Chinese

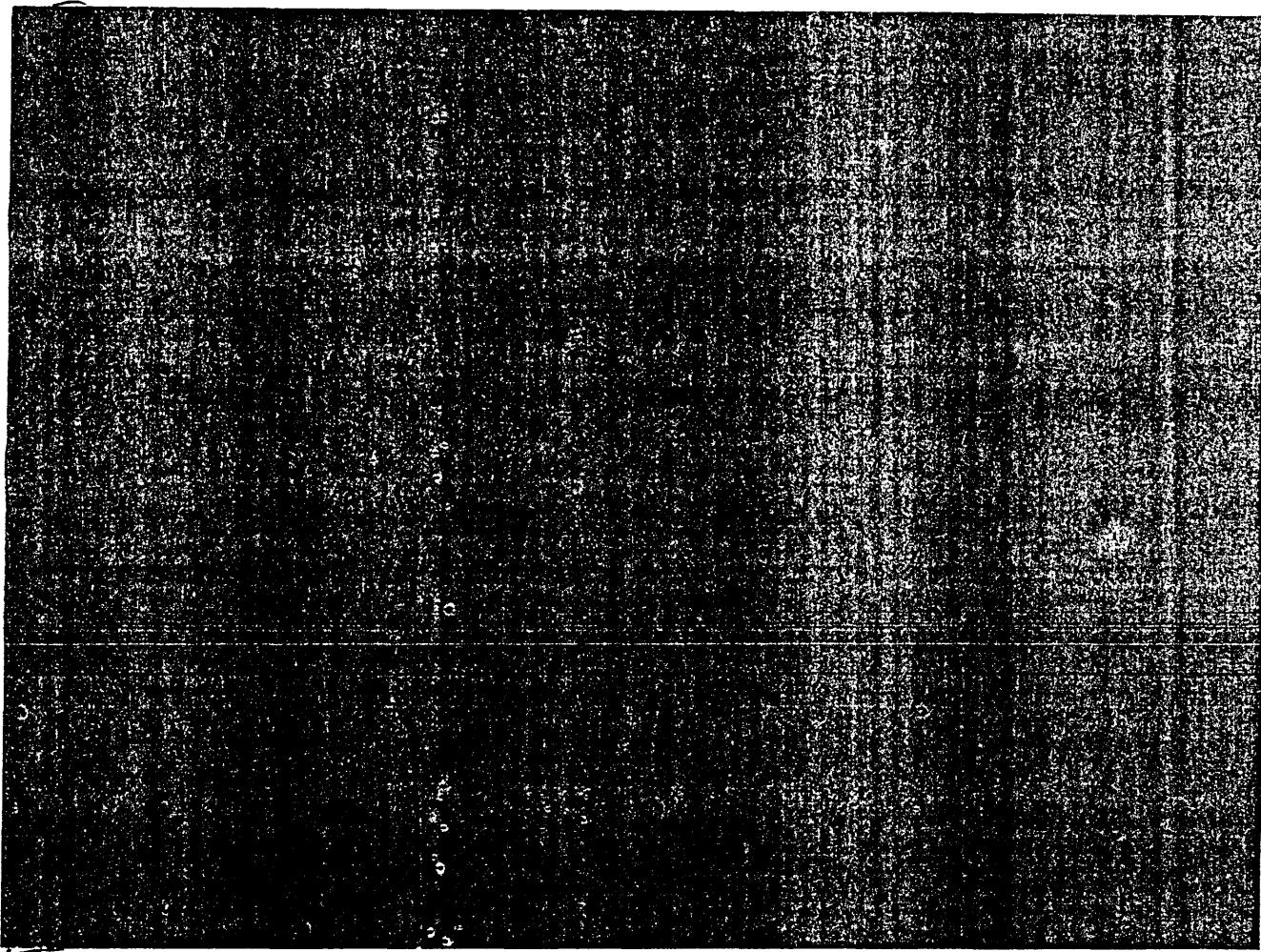
1. Honolulu Star Bulletin, 1 Aug 77, "China Won't Mend Rift with Russia", Editorial and 25 Aug 77, "What Teng Said Might be Interesting", Editorial.
2. Honolulu Star Bulletin, 14 Sep 77, "Chinese Leader Calls Soviet War Inevitable", no attribution.

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played their game, however, they feared that the United States was also playing Russia off against them. They repeatedly expressed incredulity over the acceptance of "detente" by the West. "...When the United States lends money or gives technology to the Soviet Union," said one foreign ministry official, "she is fattening a tiger that eventually will devour her". Hewing to the normal PRC party line, the Chinese did not deny that they were preparing for war, but insisted that the inevitable conflict would be started by the United States and Russia.¹

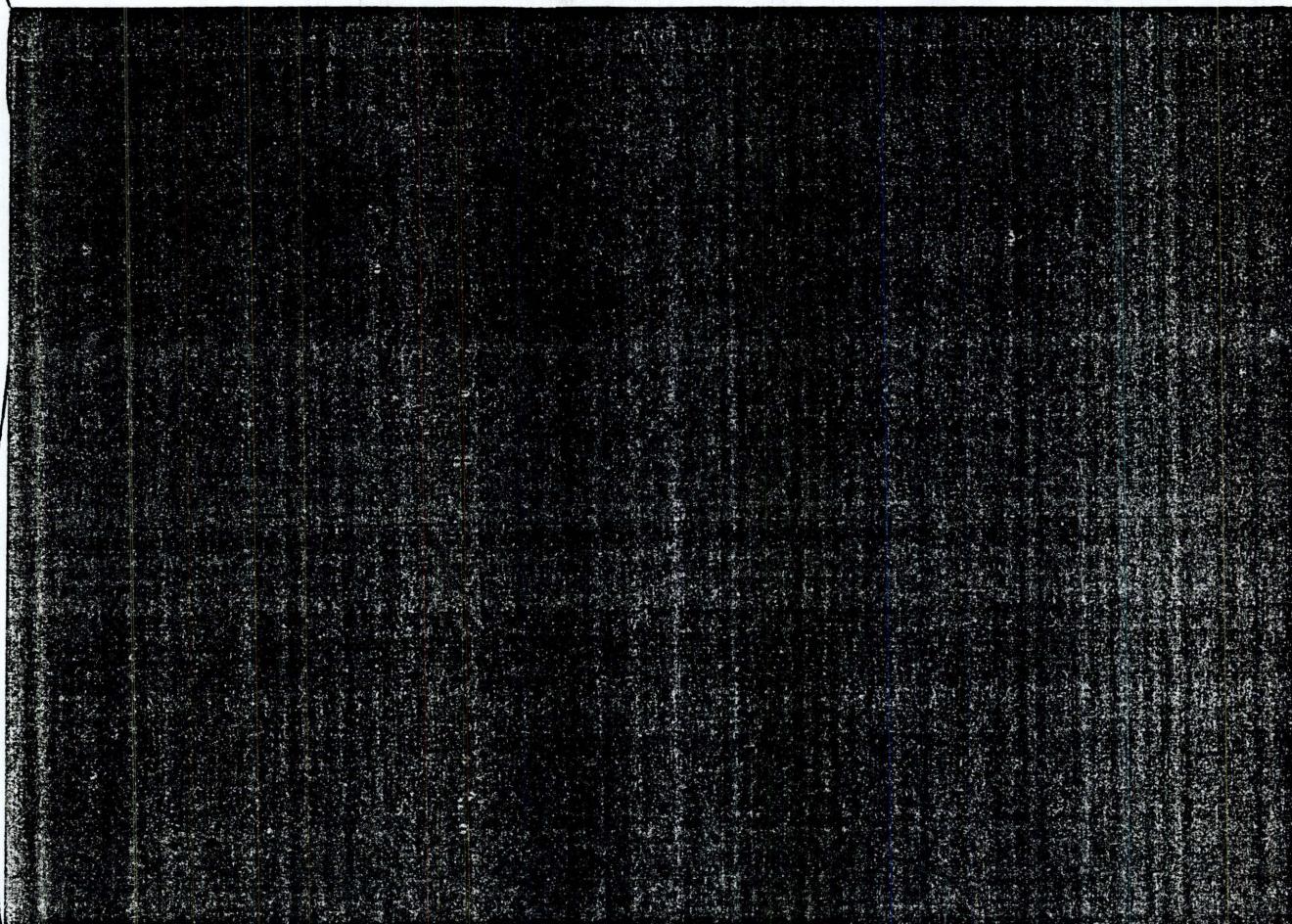
The "Normalization" Problem



1. Reader's Digest, Mar 1978, "China, Russia, the United States: the Triple-power Balance", by Carl T. Rowan.
2. United States Policy Statement Series - 1977, "America's Goal: A Foreign Policy Based on Moral Values", by President Jimmy Carter, 22 May 77; AMEMB Vientiane 0008/030900Z Jan 77.

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(U) Responding to an announcement by the U.S. State Department early in May that it had started negotiations with Peking on assets which had been frozen at the outbreak of the Korean War in 1950, the ROC declared "null and void" any settlement regarding frozen assets between United States and the PRC. In that regard, some foreign press reports that the ROC had softened its hostility towards China, and that some sort of compromise might be reached between the two, were refuted by Premier Chiang Ching-Kuo in mid-May 1977. Chiang reiterated that the ROC would never deal with either Communist China nor Russia. He stated that the ROC would never surrender its sovereignty claim over the China mainland and would not negotiate with the PRC, but would continue to strengthen its friendship with the United States and other free nations and to "...stay firmly in the democratic camp...".²

(U) Meanwhile, a U.S. press report, citing Administration sources, stated

1. AMEMB Taipei 2144/150936Z Apr 77 and 2174/190055Z Apr 77.
2. CINCPAC ALFA 035/060207Z May 77 and 226/140030Z May 77.

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that the United States had refused for the past two years to accept the appointment of a new ambassador from the ROC in order to preserve its fragile relationship with the PRC. The officials reportedly stated that U.S. acceptance of a new ambassador could be interpreted in Peking as a sign that the United States was deferring its goal of normalization. The same press reports speculated that the Carter administration had decided not replace the U.S. ambassador to Taipei when he had completed his assignment. Shortly after this announcement, in what appeared to be a calculated PRC response to a news conference held by President Carter, a high PRC official reiterated during his press interview the determination of the PRC to use force if necessary to "liberate" Taiwan.¹

(S) It was about this time that the U.S. Chief of Protocol, Shirley Temple Black, returned from three weeks in mainland China. She reportedly stated that it was time to sever the old connection with Taiwan and establish a new link with mainland China. During a speech on 13 May, she stated that "sooner rather than later, U.S.-Asian policy must tilt toward the 900 million Chinese of the PRC." She said that although such a policy shift would be "controversial" it was "necessary and inevitable". Mrs. Black's remarks were immediately picked up by a PRC-controlled newspaper in Hong Kong, which contrasted her attitude with that of the "procrastinators" who resisted a change to the status quo on Taiwan and who maintained that the people of Taiwan should not be "punished or attacked". The commentary had a good word to say about Assistant Secretary of State Holbrooke, citing a proposal for a "stage-by-stage" withdrawal from the mutual defense treaty, a proposal it attributed to Holbrooke on instructions from Secretary of State Vance. The commentary noted that one part of the alleged Holbrooke proposal was the supply of military weapons to Taiwan to facilitate an American withdrawal, adding that this was the so called "Vietnamization" tried by the United States in South Vietnam. There was no direct criticism of this idea but rather the implication that it would be as much help to Taiwan as it was to South Vietnam.²

(S) The subject of normalization was broached by PRC officials to other American visitors. One of these, a state lieutenant governor, said that the PRC was anxious about the normalization of relations between the two countries. This official, who headed a 16-member delegation of politicians, public officials, and educators, stated that the PRC considered the conflict with Taiwan as an internal issue. Resolution of this issue, a key stumbling block to improved relations, was seen by the PRC as mostly an American problem. A delegation of California newspaper publishers was also told that the time was ripe for the United States to begin negotiations on normalization. This group considered that to be the chief message which the PRC was trying to impart. Over-----

1. CINCPAC ALFA 164/111650Z May 77; AMCONSUL Hong Kong 170953Z May 77.
2. CINCPAC ALFA 242/141809Z May 77: AMCONSUL Hong Kong 5726/190809Z May 77.

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all; this group received the impression during their visit that the PRC would have a tremendously difficult time building up the country with its current low-level economy and its ambivalent feelings toward Western technology:¹

- A Dutch employee of Kellogg told the group that the initially completed fertilizer plants built by his company are now falling apart because the Chinese will not take advice on how to maintain the facilities; the employee feels his company should not undertake any further projects in China as he was afraid the Chinese would blame Kellogg for any production failures.
- A Canadian engineer at the Shengli oil fields also commented on the low level of Chinese technological skill. "As soon as they start project number 2, project number 1 begins to fall apart," said the engineer.
- One of the interpreters accompanying the group stated that the two major problems facing the country were education and family planning in the countryside; when asked to cite one of the factors in the latter problem, the translator replied in English: "male chauvinism".
- A Chinese-American woman traveling through China told the group she felt there was less food and less variety in the markets compared to her previous trip four years ago.
- At a silk factory in Hangchow, one female worker stated that before the fall of the "Gang of Four" the factory had been turned into a jail. She claimed that although she was pregnant, she had been held prisoner in the factory for eight months, not allowed to see her family and lost her baby.

(U) On 29 June former U.S. Chief of Naval Operations Elmo Zumwalt arrived in Peking with his immediate family for a three-week unofficial visit. During their meeting with the second ranking official of the PRC, according to one press report from Hong Kong, Zumwalt was told that the PRC desired normal relations with the United States, but would not compromise on conditions already set forth on the Taiwan issue. These conditions, as stated by the the PRC official, were that the United States Government must sever diplomatic relations with Taiwan, withdraw its troops, and abrogate the mutual defense treaty-- and none of the three could be dispensed with. Zumwalt was also told that the

1. CINCPAC ALFA 041/030220Z Jun 77; AMCONSUL Hong Kong 7078/200711Z Jun 77.

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PRC would not renounce the use of force in resolving the Taiwan issue and it was no other nation's business how the issue was settled. This position was based on the Shanghai Communique which acknowledged the position of both the PRC and the ROC that Taiwan was part of China. The Communique also had stated that the United States desired a "peaceful settlement of the Taiwan question by the Chinese themselves". Both President Carter and Secretary of State Vance had reaffirmed that position just prior to Zumwalt's visit.¹

(U) Another press report, this time from Peking, describing Zumwalt's meeting with the PRC officials repeated the conditions posed by the PRC for normalization of relations with the United States--severance of diplomatic relations, withdrawal of troops, and abrogation of the defense treaty with Taiwan. However, the U.S. Embassy in Taipei noted subsequently that another report had included a new element in the conditions. This report cited the following conditions reportedly laid down by the PRC official: severance of diplomatic relations with the Chiang clique in Taiwan; withdrawal of all U.S. forces and military installations from Taiwan and the Taiwan Strait; and, abrogation of its mutual security treaty with the Chiang clique--and none of the three can be dispensed with. The U.S. Embassy asked the U.S. Liaison Office in Peking whether the inclusion of U.S. withdrawal from the Taiwan Strait was customarily a part of the PRC conditions. The answer to that question surfaced later during the visit to Peking by Secretary of State Vance.²

~~(S)~~ The U.S. Liaison Office in Peking speculated that the timing of this iteration of the PRC position on normalization could have been for the purpose of updating its Shanghai Communique position in advance of Secretary Vance's scheduled August visit to Peking. During a news conference at the end of June, President Carter stated that he hoped to reach an agreement with the PRC which established full diplomatic relations. He indicated that formal ties with the ROC would be cut, but that the United States would maintain trade, cultural and social exchanges. The President acknowledged that the U.S. mutual security treaty with the ROC posed a "difficult question"; however, he said he hoped that full relations could be established with the PRC "and still make sure the peaceful lives of the Taiwanese are maintained. That is our hope and that is our goal". He then said that a final decision could be reached after the visit by Secretary of State Vance to the PRC in late August.³

1. USLO Peking 1314/290917Z Jun 77; Honolulu Star Bulletin, 5 Jul 77, "China Firm on Taiwan Issue", dateline Hong Kong (UPI).
2. Honolulu Sunday Star Bulletin and Advertiser, 10 Jul 77, "U.S.-China Ties Seen Far Off", dateline Peking (Agence France Presse); AMEMB Taipei 4643/020730Z Aug 77.
3. Honolulu Star Bulletin, 30 Jun 77, "President Eyes Full Diplomatic Ties with Peking", dateline Washington (AP); USLO Peking 1330/050657Z Jul 77.

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(U) On the same day as the Carter news conference (29 June) Vance delivered a speech before the Asia Society in New York. An advance copy of the speech was transmitted to CINCPAC from Washington by cable. A press report of the speech as actually delivered revealed some deviations from the prepared text. Vance reportedly stated that China's role in maintaining world peace was vital and that a constructive relationship with China was important not only regionally but also for global equilibrium. In an apparent reassurance to the Soviet Union, he said "such a relationship, I submit, will threaten no one". He stated that the United States would pursue full normalization of relations with the PRC, but also place high importance on peaceful settlement of the Taiwan question by the Chinese themselves. The news article noted that Peking traditionally had insisted that countries break relations with Taiwan before they were formalized with the PRC. His speech was given wide coverage and editorial comment on Taiwan, where one newspaper called it disappointing and vague, and criticized Vance for not mentioning Taiwan and "evading the existence" of the mutual defense treaty. Another newspaper alleged that the speech showed many changes in content since it was first announced in June and called it a trial balloon. One wire service report stated that a ROC official had expressed concern and indignation over the speech because it deliberately avoided mention of the ROC, its economic growth, or the treaty. One Taiwan reporter, based in Washington, reported that a U.S. senator had protested in advance to Assistant Secretary Holbrooke over the avoidance of Taiwan in the prepared text. This same reporter alleged that other Americans close to the administration considered the speech to be a "victory" for the ROC over advocates of immediate normalization and that the speech reflected a fear on the part of high U.S. officials of an adverse reaction from the Congress and the public.¹

(S) Some three weeks after Vance's speech to the Asia Society, the U.S. State Department responded to concern expressed by the U.S. Embassy in Taipei that suspicions had begun to develop that the United States would turn its back totally on Taiwan and ignore requirements for stability. State recognized that the Secretary's failure to mention Taiwan in the 29 June speech, and what State labeled other acts of diplomatic neglect, had offended the nationalist sensibilities of some people on Taiwan. However, State noted that, in light of repeated Administration statements stressing the interest of the United States in Taiwan's security and well being and in peaceful settlement of the Taiwan problem, such suspicions were surprising. State said that the maintenance of confidence on Taiwan was an important aspect of the normalization policy of the United States.²

1. USINFO Washington D.C. 012020Z Jul 77; Honolulu Star Bulletin, 30 Jun 77, "Vance Tells China Policy", dateline New York (AP); AMEMB Taipei 3923/010900Z Jul 77.
2. SECSTATE 169884/202309Z Jul 75 (EX).

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Before Vance's visit to the PRC, Premier Chiang of the ROC warned that normalization of relations with Peking and Washington on PRC terms would lead to a "war crisis" in Asia. At the same time, however, he acknowledged that "self-reliance" was the "more realistic and reliable course for his country to take to preserve itself." Still prior to Vance's visit, the U.S. Embassy in Taipei advised the State Department that a well-publicized "one man, one letter" campaign opposing normalization of U.S.-PRC relations had produced a flood of letters addressed to President Carter, Secretary Vance, and the U.S. Congress. One Taiwan newspaper reported that the Taipei post office had received an average of 2,000 letters per day for a period of one week and had received a total of more than 40,000 letters to President Carter since mid-July. In addition to the total received by the Taipei post office as of 7 August, the Embassy reported receipt of several hundred letters with requests to forward these communications to Washington.¹

On the eve of the Secretary's trip to Peking, the U.S. Embassy in Taipei responded to a State Department request for an assessment of ROC views of U.S. intentions in respect to Taiwan and of the mood on Taiwan in general. State asked for such indicators of the popular mood as real estate prices domestic investment trends, rumors of capital flight, visa request levels, etc. The Embassy stated that there was widespread public expectation on Taiwan that the United States would soon normalize relations with the PRC and "abandon" Taiwan. Even this pessimistic assessment of American policy, however, had not appreciably diminished the basic feeling of the public that Taiwan would survive normalization with its current institutions and standard of living largely intact. ROC officials would also accept normalization, once they saw it as inevitable, with equal expectations provided that the United States satisfied bottom-line economic and security concerns. Public consciousness of American China policy had been raised to an unprecedented degree by the media, the unfortunate effect of which had been to convince a large segment of the general public that normalization would result in the "abandonment" of Taiwan. Nevertheless, there was little or no evidence of a crisis of confidence. American bankers on Taiwan detected no sign of panic in the Chinese banking community, there had been no abnormal fluctuations in the black market race for U.S. dollars, and the stock market had risen during the previous month.²

On the day before the Secretary's scheduled 21-25 August visit, the State Department provided guidance to all diplomatic posts for briefings of host governments at appropriately high levels. The purpose of the briefing was

1. CINCPAC ALFA 077/291649Z Jul 77; AMEMB Taipei 4890/110730Z Aug 77.
2. SECSTATE 169884/202309Z Jul 77 (EX) and 197428/191314Z Aug 77 (EX), which transmitted AMEMB Taipei 5099 of 19 Aug 77.

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to place the visit in perspective, avoiding exaggerated expectations of dramatic accomplishments, yet highlighting the significance of this first authoritative meeting between the Carter Administration and the PRC leadership. The primary purpose of the visit was to review with the PRC leadership the global strategic policies of the United States and the importance placed on relations with allies. The second purpose of the visit was to discuss bilateral relations, including not only the main major issue of normalization, but also other aspects of continuing relationships such as trade and cultural exchange. The President had authorized the Secretary to engage in a serious exploration of normalization, but the United States did not expect to conclude a normalization agreement during the visit. In exploring the normalization issue in Peking, the Secretary would be guided by the principles of the Shanghai Communique, including the acknowledgment of the view that there is but one China and the importance placed by the United States on a peaceful settlement of the Taiwan question by the Chinese themselves.¹

(U) After four days of talks in Peking, the two countries were still divided on the issue of Taiwan, according to a press report. "The Chinese position on a number of the matters relating to Taiwan has been expressed publicly," Vance said after a meeting with Hua, "I think it would be best if I left it there". The press report noted that both Vance and Teng expressed optimism during a State dinner, but recalled Hua's speech of one week before in which he had reiterated his government's terms for diplomatic relations with the United States. In this press report, however, the terms included the breaking of diplomatic relations with the ROC, the abrogation of the mutual defense treaty, and also, specifically, withdrawal of U.S. military forces and installations from Taiwan and the Formosa Strait. This reporter speculated that the normalization of relations with the United States was not an urgent matter to the PRC because Vance did not see a Politburo member, Vice Premier Teng, until the third working day of his visit and an audience with Hua was not granted until the last working day.²

(S) During Vance's visit to Peking, the New China News Agency released the text of Chinese Communist Party Chairman Hua's political work report to the 11th Party Congress. As carried by this agency, Hua's statement of the three principles for normalization of Sino-American relations did include a demand not usually voiced--that the United States must also withdraw its forces from the Taiwan Strait. According to the U.S. Liaison Office in Peking, there was no apparent special reason for Hua's reference to the Strait other than "...filling out publicly the PRC's position on Taiwan".³

1. SECSTATE 198748/200231Z Aug 77 (EX).
2. Honolulu Star Bulletin, 25 Aug 77, "Vance Gets to Meet with Hua", dateline Peking (AP).
3. USLO Peking 1855/240859Z Aug 77.

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(S) After the Secretary's visit, according to the U.S. Embassy in Taipei, the general attitude on Taiwan was that the immediate crisis had passed, but that the ROC must not become complacent. Belief that the ROC-sponsored propaganda campaign with the U.S. Congress and public was effective in preventing the United States from "abandoning" Taiwan had encouraged ROC officials to hope that if such pressure was maintained, normalization might be delayed indefinitely. Meanwhile, the Premier reaffirmed his policy of opposing normalization and prohibiting government officials from discussing it even as a contingency possibility. Despite this firm policy, some officials had shown willingness to discuss the extent to which the prospect of normalization would impact on public confidence. During a discussion with the Ambassador on 22 August, the ROC Minister of Economic Affairs appeared reasonably confident that "political factors" were not likely to translate into lower trade or gross national product figures. In this connection, he made the interesting observation that such concern seemed largely limited to the mainland Chinese, but that the Taiwanese who dominate the business community appeared confident that the business climate would remain favorable in spite of normalization. The remarks by Taiwanese businessmen to Embassy officers tended to confirm this assessment, with one source suggesting that the inevitable drop in the stock market which would follow a normalization announcement would be a good opportunity to buy cheap in anticipation of an equally inevitable market recovery. Although there were some signs of coolness and bitterness on the part of ROC officials in conversations with Embassy officers, there was reassuring evidence that the ROC would not tolerate any overt expressions of anti-Americanism.¹

(U) The official PRC reaction to Vance's visit was somewhat ambiguous. A press report from Peking on 6 September described an interview with the Associated Press in which PRC Vice Premier Teng Hsiao-ping said that the Vance discussions represented a retreat from proposals advanced by former President Ford and former Secretary of State Henry A. Kissinger. Teng reportedly stated that efforts to normalize diplomatic relations between the United States and the PRC suffered a setback during Vance's visit. He cited several reasons for this statement. First of all, Ford had promised in December 1975 that if re-elected he would break diplomatic relations with Taiwan and establish them with Peking. Another point was the Vance proposal to set up a U.S. liaison mission in Taiwan and a full diplomatic mission in Peking, which the Chinese rejected. A third point was that, though the Chinese regarded Taiwan as an internal problem that permitted no foreign interference, they would take into consideration the special conditions prevailing on Taiwan in trying to solve the problem with the United States. His fourth and most emphatic point was that reports of progress resulting from the Vance trip were wrong.²

1. AMEMB Taipei 5338/310335Z Aug 77.
2. Honolulu Star Bulletin, 6 Sep 77, "China Says Vance's Visit Was a Setback", dateline Peking (AP).

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(S) A somewhat modified view of this report was contained in a Defense Intelligence Agency (DIA) assessment of reaction to the Vance trip. The DIA review of the foregoing interview with Teng covered essentially the same ground, but added that Teng had stressed that despite distorted reports about the progress which had been made, the meeting was actually cordial and a useful exchange of views. The DIA then referred to public statements of the preceding week by another high ranking PRC official that "the Chinese people are quite unhappy" at the reluctance of the present Administration to give up Taiwan, and noted that the two statements together were an apparent contradiction to previous statements made both publicly and privately by Chinese officials that they were satisfied with the discussions. This contradiction, however, reflected the dilemma faced by the PRC regarding its stance on Taiwan. Peking had traditionally been very careful in characterizing its policy toward Taiwan and in its public evaluation of progress in normalization negotiations. Should Peking issue statements about the use of force to take Taiwan or reject new U.S. initiatives, it could lead to stronger public support for Taiwan and a hardening of the U.S. position. On the other hand, should China take the public position that it was totally pleased with the pace of Sino-U.S. negotiations, it could cause the United States to become complacent and lead to the false belief that China was in no hurry to normalize relations. The DIA noted that, according to a Chinese official in another country, the Chinese were "very pleased" with the talks. Thus it appeared that the more positive views being expressed privately were more in line with the true feelings of Peking's new leadership than were the public comments.¹

(U) Shortly after Teng's assertion during the interview that former President Ford had promised to break diplomatic contacts with Taiwan in order to achieve normalization of relations with China, Ford confirmed the assertion. According to a news article on 8 September, Ford reportedly stated that during a visit to Peking in 1975 he had discussed the so-called Japanese solution to normalization--breaking diplomatic relations with the ROC while maintaining non-government contacts including trade. "I did suggest that the Japanese solution is a possibility," Ford was quoted, "I think we must continue forward movement in the normalization process with the People's Republic of China". Ford made no direct comment on Teng's statement that he had promised to undertake such a course if elected President.²

(S) By November the U.S. Embassy in Taipei advised the State Department that the level of public and official concern over the normalization process had dropped to that prevailing before Secretary of State Vance's Asia Society

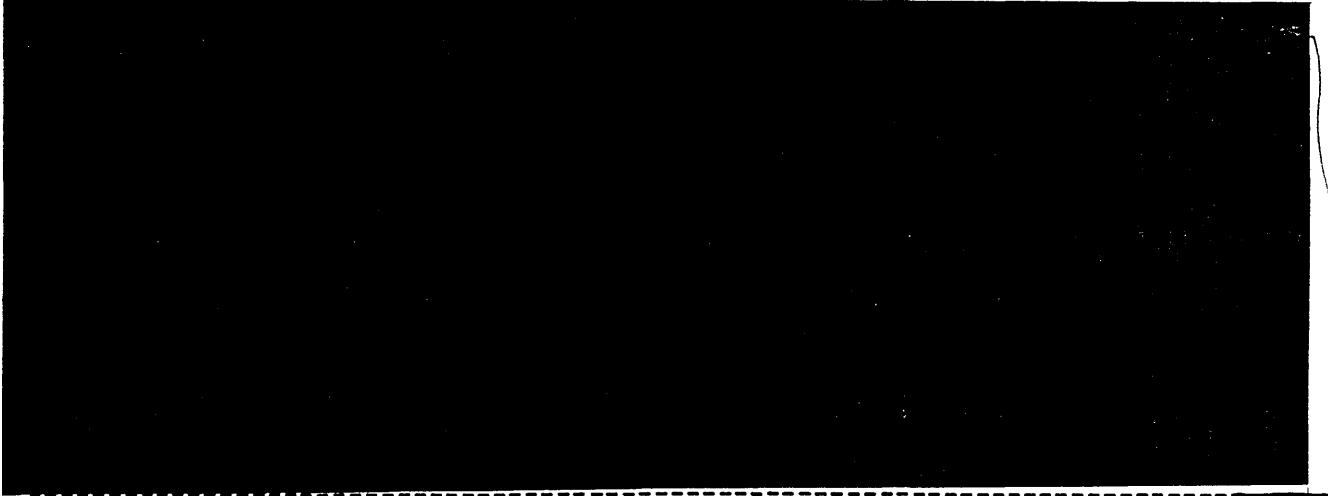
1. DIA 7333/070547Z Sep 77.
2. Honolulu Star Bulletin, 8 Sep 77, "Ford Tempers Teng Report on China Talk", dateline Denver (AP).

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speech of 29 June. According to the Embassy, there was a general feeling that the ROC now had a comfortable breathing space on the normalization question. Local newspaper stories reflected growing confidence that normalization had been shelved for the indefinite future. The Embassy quoted one China News Agency correspondent that "as seen from Taipei, normalization is in the deep freeze for the present". The Embassy commented that there was little doubt that efforts by the United States to condition the ROC to accept the inevitability of normalization had suffered a setback. The Embassy Charge d'Affaires, in the absence of the Ambassador, recommended that steps be taken by the United States to correct the growing misconception that nothing would happen soon and that ROC propaganda efforts would be successful in blocking normalization. An appropriate and effective corrective, suggested the Embassy, would be a troop reduction announcement.¹

(U) One other reaction on Taiwan to the Vance visit to Peking was contained in a 20 November news article. According to this article, during Vance's visit one U.S. citizen on Taiwan had told the reporter that "none of the cab drivers would pick me up. People wouldn't talk to me on the streets if I stopped to ask directions. A waitress in a coffee house told me there were no tables available when I could count six that were". Some of that hostility evaporated when Vance returned to Washington empty handed, but, stated this article, much of it lingered on. A slightly drunk Taipei bookstore attendant told a startled American tourist that "we think you all smell bad and we can't trust a single one of you". And finally, an American housewife told the reporter that "last week, a Chinese woman I had considered a friend told me that if anything happened to her family after the Americans left, their blood would be on our hands".²



1. AMEMB Taipei 6640/050408Z Nov 77.
2. Honolulu Sunday Star Bulletin and Advertiser, 20 Nov 77, "Anti-Americanism", dateline Taipei, by Linda Matthews.

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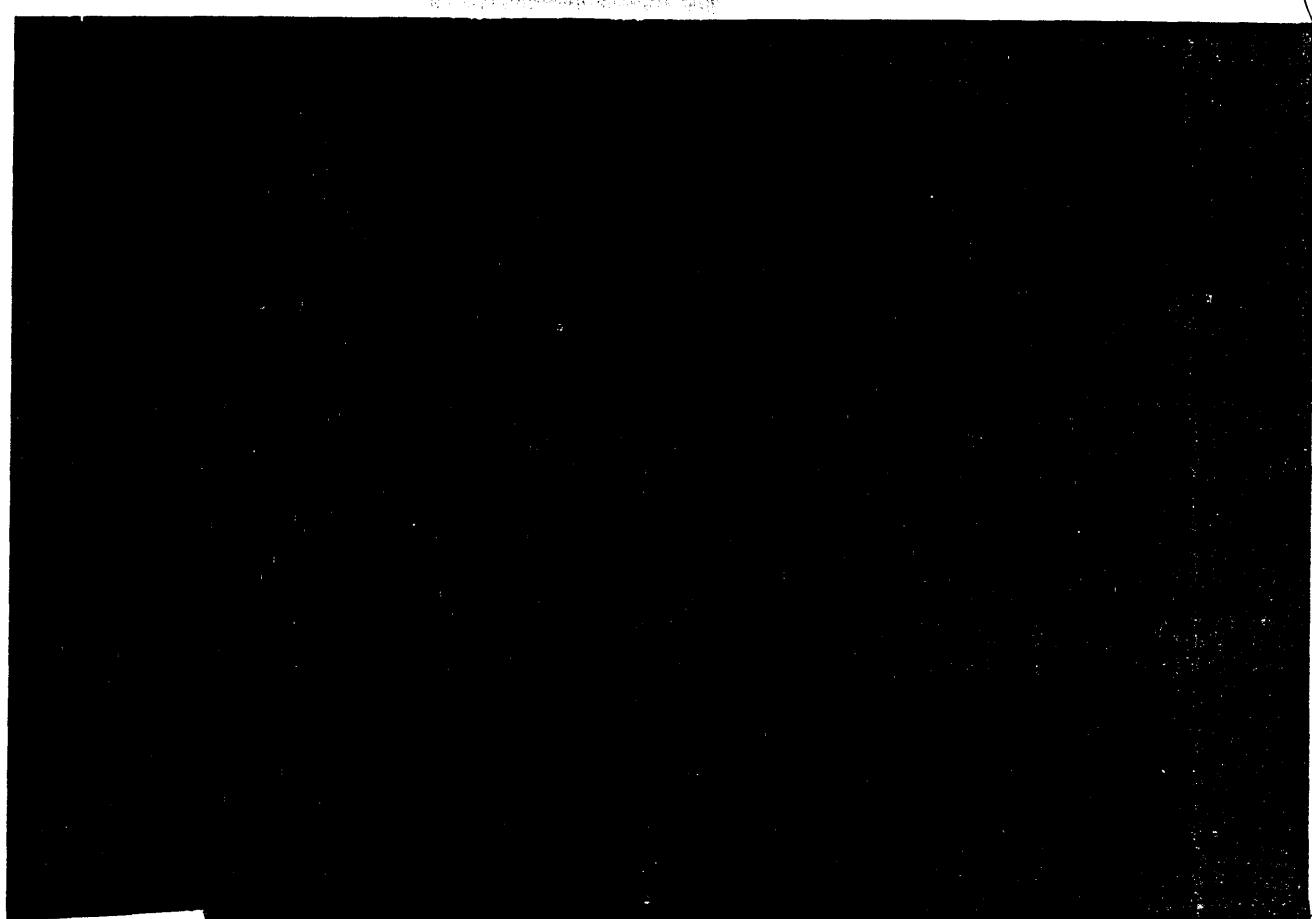
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1. AMEMB Taipei 3237/021005Z Jun 77.

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1. AMCONSUL Hong Kong 7077/200704Z Jun 77.
2. CINCPAC ALFA 040/140134Z Jul 77 and 099/032222Z Dec 77; Honolulu Star Bulletin, 14 Dec 77, "China's Expulsion of Correspondent", Editorial.

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SECTION III

NORTHEAST ASIA

Republic of Korea

The U.S. Force Withdrawal

(U) After his inauguration, President Carter expressed repeatedly his intention to withdraw the approximately 32,000 U.S. ground troops from South Korea over a four to five year period. According to a press report from Washington, his decision to proceed was conveyed to the National Security Council in a written memorandum on 1 May 1977. On 24 May Undersecretary of State Philip Habib and General George Brown, Chairman of the Joint Chiefs of Staff (JCS) arrived in Seoul to consult officially with the Republic of Korea (ROK) on the withdrawal. Habib reaffirmed the commitment of the United States to the security of the ROK, and the two officials conferred with President Park Chung-hee and other ranking ROK officials. Two days later, on 26 May, Habib and Brown visited Tokyo, where they discussed the withdrawal with Prime Minister Fukuda and the other Government of Japan (GOJ) officials. The first official word regarding numbers and timing was released publicly by Administration officials in Washington on 5 June, when it was disclosed that about 6,000 American ground troops would be withdrawn from the ROK by the end of 1978.¹

(S) President Carter's confirmation of his pre-election position on the withdrawal of U.S. ground forces from Korea was preceded late in 1976 by the emergence of the Park Tong-sun bribery scandal and charges that a U.S. intelligence agency had activated electronic surveillance of the South Korea Presidential mansion (Blue House) in 1975 which produced specific reports on Korean bribery of American congressmen. These reports were later said to have been incorrect, but the "bug" charge surfaced again in October 1976 during news reports of the Korean lobby investigation centering on Park Tong-sun. Further complicating political-military relationships was President Carter's emphasis on human rights as a central theme of his foreign policy. During a press briefing shortly after the U.S. elections in November 1976, President Park Chung-hee

1. Honolulu Star Bulletin, 6 May 77, "Talks Coming on Pull-out from Korea", dateline Washington (AP); 12 May 77, "S. Korea Pull-out Talks Open Soon", dateline Washington (NY Times Service); 24 May 77, "Delegation Reaches Korea", dateline Seoul (AP); 25 May 77, "Park Gets Official Word from Carter's Delegation", dateline Seoul (AP); and 6 Jun 77, "Korea Pull-Out: 6,000 By End of '78", dateline Washington (NY Times Service).

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reportedly stated that "it would not be acceptable" if the question of human rights were linked by the new Administration to American troop presence in South Korea. He reportedly stated that the ROK could go-it-alone if necessary, and denied that he was personally involved with bribery figures. He reportedly believed that much of what was alleged to be bribery was only "Eastern hospitality", and stated categorically that he had never met Park Tong-sun at the Blue House and had met him only once in Washington.¹

(S) By mid-December 1976, the U.S. Embassy in Seoul reported that ROK bribery allegations, the reports of Blue House bugging, the defection of a South Korean consular officer, and the overall effect of these issues on U.S.-ROK relations were pre-occupying influential political thinking and dominating all discussions held by Embassy officials with ROK officials. On 21 December 1976 General John Vessey, Commander in Chief of the United Nations Command (CINCUNC) and concurrent Commander of U.S. Forces Korea (COMUS Korea), informed General Brown in Washington and Admiral Weisner in Hawaii of a possible cabinet-level decision by the ROK to restrict contacts between ROK government officials and representatives of foreign governments. General Vessey, however, had seen no evidence of such a policy on the part of the ROK military. If anything, he stated, recent events encouraged the belief that military and defense officials were trying harder than ever to maintain close cooperation with their U.S. counterparts. He noted that cooperation in military matters had continued to be very close during past periods of tense relations between the two governments.²

(S) On 28 December 1976 the ROK Foreign Minister reviewed the problems pending between the ROK and the United States and told the ROK press that the two countries had made continuous efforts to settle the problems amicably so as not to damage the traditional bonds of friendship, realizing that undue prolongation of the situation was not in the long-term common interest of either country. Regarding the alleged eavesdropping of the official residence of the President of the ROK by U.S. intelligence agencies, however, he noted that the United States Government had not denied the allegation in public because it was a long-standing practice of the United States not to make public comment on intelligence activities. As a result of what the Foreign Minister called "repeated and positive clarifications, made by high ranking officials of the United States Government through diplomatic channels", the reported eavesdropping had been found to be groundless.³

1. SECSTATE 306881/180609Z Dec 76 (EX), which transmitted AMEMB Seoul 10014 of 18 Dec 76; CINCUNC/COMUSK 5453/210616Z Dec 76 (BOM); CJCS 13726/240132Z Dec 76 (BOM).
2. AMEMB Seoul 9379/270343Z Nov 76; Honolulu Star Bulletin, 20 Jun 77, "U.S. Spied on Park in his Mansion", dateline Washington (NY Times Service).
3. AMEMB Seoul 10190/280358Z Dec 76.

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(U) Early in January 1977, before the inauguration, the press in Korea mounted a campaign against suggestions of possible withdrawal of U.S. forces in Korea. After the inauguration, the Korean press emphasized difficulties facing President Carter in adapting foreign policy to his interest in morality. One editorial noted "it is questionable whether Carter's moral values can be applied to all nations, in view of different historical and social backgrounds." One of the U.S. Embassy's journalistic sources called Carter's inaugural address "strong stuff" and commented that it should end hopeful speculation by supporters of the Park administration that Carter's "morality" was merely campaign rhetoric. Another source, also concentrating on references to human rights in the inaugural speech, suggested that they would hearten dissidents who had long been quiet. On 25 January the U.S. Embassy in Seoul commented on the individual top-level Korean interest in the President's inaugural address and the very positive comment of those people. The Embassy advised that opposition elements were "delighted" with the address.¹

(U) The visit to Japan by Vice President Walter Mondale on 30 January (q.v.) evoked considerable comment. An editorial in a Honolulu newspaper two days before Mondale arrived in Japan noted that two other nations of considerable importance to the United States were carefully watching the handling of the Korean withdrawal question; these countries were Japan and the PRC, neither of which wanted American troops to be withdrawn. The editorial noted the irony in the concern of the PRC, since Peking had fought a war with the United States over Korea. Now, however, the Chinese were greatly concerned for support against Russia's presence in Asia and considered the American troops in Korea as an asset. The Japanese position was illustrated by a Tokyo newspaper article which noted that "the troop pull-out issue" raised by President-elect Jimmy Carter jolts the Japanese position to its foundation. The chorus of opposition voiced to the proposed withdrawal by Japanese leaders "...reflects their sense of crisis over the situation. But the stronger the Japanese outcry, the more explicit it makes the contradiction (between concern for Korean security and refusal to do anything about it)." Before the Vice President left Washington on his trip, which included several other countries besides Japan, the Korean Embassy in Washington requested that Mondale visit Seoul during his tour abroad. According to one press report, American officials suggested that it would have been "inconsistent" with President's Carter view on human rights for him to send a special envoy to Korea at that time in the light of Park's suppression of those rights there.²

1. AMEMB Seoul 506/190907Z Jan 77, 620/240848Z Jan 77, and 661/250814Z Jan 77.
2. Honolulu Star Bulletin, 28 Jan 77, "Korean Withdrawal Would Jolt Japan", Editorial and 31 Jan 77, "Seoul Plea for VP Visits is Rejected", dateline Washington (NY Times Service).

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~~(C)~~ Regardless, the U.S. Ambassador informed the State Department that the ROK official and press interest and concern regarding the visit of the Vice President to Tokyo focused naturally on the troop withdrawal issue as the probable topic for discussion with the Japanese. Concern had been expressed not only regarding the possibility of troop withdrawals but increasingly regarding consultation with Japan before the Korean government had an opportunity to express its views. Both the Ambassador and COMUS Korea, as well as other U.S. officials, had been pressed by ROK officials on the consultation question, and resentment had been expressed that the issue was to be negotiated with the Japanese behind their backs. Based on guidance from the State Department, the Embassy had stressed to the Koreans that the major focus of Mondale's trip was the international economic situation, the improvement of which would be of considerable direct benefit to Korea. The Embassy also emphasized that, while Japanese views on other problems, including Korea, would be welcomed, nothing precipitous would be undertaken on the troop withdrawal prior to full consultation with the Koreans. The Ambassador also suggested to State as a "minor semantic distinction" that it would be helpful to use the term "reductions" or "re-deployment from Korea" rather than withdrawal. For Koreans, stated the Ambassador, the term "withdrawal" had a complete and finite quality which implied the complete pullout of all U.S. forces, including air.¹

~~TS/MOFOR~~ In February, according to a report by the Defense Intelligence Agency (DIA), senior South Korean officials seemed to be reassured by the public statements of U.S. officials that the new Administration would consult fully with Seoul before undertaking its proposed phased withdrawal of U.S. ground forces, and that no time table had yet been established for such force reductions. President Park had continued his effort to tone down public expressions of concern and his statements had reflected a self-confidence in the ability of the ROK military to take up the slack when U.S. ground forces were withdrawn. However, Park was careful to balance his public stand by continuing to emphasize, in private, that he desired close relations with the United States, its continued support, and the maintenance of current U.S. force levels. The ROK military and business community, which had the largest stake in the continuation of the status quo and represented the bulwark of President Park's political support, also shared his views. Moreover, his political opposition also apparently shared the same views.²

~~(S)~~ On 11 March the leader of the opposition party called on Secretary Habib in Washington to express concern over the U.S. troop withdrawal plans. In response to query, Habib said that the President's statement on the ground

1. AMEMB Seoul 662/250817Z Jan 77.
2. DIA 5987/090429Z Feb 77.

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troop withdrawal was unequivocal, and it was clear that the withdrawals would indeed take place. However, Habib noted, during his press conference of 9 March the President had said that the withdrawals would be accomplished over a four to five year period. The President and the Secretary of State had emphasized the intention of the United States to retain U.S. Air Force elements in Korea. At the same time, they had made clear the intention of the United States to consult closely with the ROK and with Japan and to continue support to the security of Korea. The ROK opposition leader stated that the Koreans were concerned that the U.S. government might be consulting on the troop issue with the Japanese before discussing the matter with the ROK. Habib replied that, thus far, the Japanese had been told only what had also been stated publicly. When the time came for actual consultation, Seoul would be approached first.¹

~~(S)~~ While the opposition leaders were seeking reassurance in Washington, a demonstration by the opposition party took place on 12 March in front of the U.S. Embassy in Seoul. The Embassy viewed this as a reflection of the concerns and pressures operating within the ROK and generated by the change in U.S. foreign policy. Evidence available to the Embassy supported the thesis that the demonstration was probably spontaneous and that the only collusion was a kind of "psychic collusion" growing out of the opposition's sense that the government would approve its motives. This was borne out by a Blue House spokesman who told Embassy officers that, while the demonstration had not been approved in advance, the government was "not concerned" about it.²

~~(S)~~ About mid-March, a CINCPAC position paper noted that, although not at that time an issue, any major U.S. force reduction would have an impact on command arrangements in Korea. The ROK had indicated that it had no objection to leaving its forces under the operational control of the United Nations (U.N.) commander so long as there was no change in the U.S. force level in Korea. The ROK had implied, however, that any change in force level could require a re-negotiation of command arrangements. On 17 March the U.N. Commander informed the Secretary of Defense, the Chairman of the JCS, and CINCPAC that the ROK Minister of National Defense had asked what sort of command arrangements the United States Government would expect to have in Korea after the withdrawal of the ground forces. General Vessey had replied that command arrangements were clearly a subject for consultation with the ROK government, as was the issue of troop withdrawal itself. The Minister replied that command arrangements would certainly have to be discussed. General Vessey noted a growing number of queries from high ranking ROK Joint and Defense staff members about command arrangements, and concluded that this issue had obviously received a great deal

1. SECSTATE 55990/121921Z Mar 77.
2. AMEMB Seoul 2058/141012Z Mar 77.

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of attention in ROK internal planning.¹

(S) CINCPAC was advised by the JCS on 20 April that the interagency policy review committee would meet on the following day to consider Policy Review Memorandum (PRM)-13 concerning Korea policy. The committee was to consider ground force withdrawal options and nuclear weapon withdrawal options. The options chosen were to be recommended to the President. The committee was also to review the timing and method of consultation with the Koreans, appropriate compensating measures to strengthen the ROK and underscore the commitment of the United States, the issue of operational control of South Korean forces, public affairs, and consultations with Congress. The various options for withdrawal had been drafted, and no response was required from CINCPAC. The U.N. Commander had also reviewed a draft of the PRM-13 paper and advised General Brown and Admiral Weisner that, unless some very substantial concessions were obtained from the North Koreans, such as a non-aggression pact, formal recognition of the right of the ROK to exist, or agreement to adhere to follow-on arrangements for implementation of the Armistice, the U.S. 2nd Division should remain in Korea. He acknowledged that both addressees were aware of and supported this view, but had restated his opinion as "one more lick."²

(S) Just before the scheduled arrival of Habib and Brown in Korea on 24 May, the U.N. Commander informed Brown and Admiral Weisner in Hawaii of a meeting with the ROK Minister of National Defense. The ROK Minister told the General that he had just returned from a Blue House meeting on the subject of the forthcoming consultations. When asked by General Vessey if he had any special points to pass to General Brown before Brown's departure from Washington, the ROK Minister noted the official position of his government that U.S. forces, including ground forces, should stay in Korea until peace came or until a self-reliant defense posture was truly attained. However, since President Carter had already publicly announced the forthcoming withdrawal of ground troops, the main ROK concern was complete official ignorance of the general principles of the withdrawal; specifically, the proposed timing, compensatory improvements for the ROK military forces, and, most importantly, how the United States intended to assure, as promised by the President, the security of Korea without the presence of ground forces. The ROK Government planned to listen to Carter's representatives and sincerely hoped that the two governments could work together amicably to produce a solution which would guarantee the security of Korea and Northeast Asia. The Minister also stated that the fate of the nuclear weapons must be discussed, since their removal was a very serious matter. He stated that the situation on the Korean peninsula was dangerous and that he did not

1. J51 Point Paper, 15 Mar 77, Subj: Recent Political/Military Events-Korea; CINCUNC Korea 170310Z Mar 77 (EX).
2. OJCS/J5 4446/201714Z Apr 77 (BOM); CINCUNC/COMUSK 1436/210539Z Apr 77 (BOM).

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believe that the Carter government understood how dangerous the situation really was. He said that once war started, the United States, Russia, China, and Japan would all inevitably be involved.¹

(S) The U.N. Commander also reported what both he and the Ambassador believed to be an important conversation with the Director of the Korean Central Intelligence Agency (KCIA). As had the Korean Ambassador in Washington, the KCIA director expressed concern about the human rights issue. He explained at length the progress which had been made by the ROK in the treatment of dissidents, and noted North Korean President Kim Il-sung's hope to exploit any atmosphere of political unrest in South Korea. He said that the ROK would need some time to solve the problems of political prisoners and asked the U.N. Commander whether, in his judgment, General Brown and Secretary Habib would raise the human rights issue with President Park during their visit. The KCIA director emphasized the importance of considering the troop withdrawals separately from the subject of human rights. He said that President Park was worried about the human rights situation and desired to solve the problems existing between the two countries. However, changes in human rights could not come about with President Carter requesting President Park to make changes and then expecting President Park to make those changes. Thus, his request for a few more months to resolve the problem.²

(S) On 24 May Secretary Habib and General Brown arrived in Seoul. During a plane-side press conference attended by approximately 80 newsmen, Habib spoke on his and General Brown's behalf. He stated that President Carter had asked the envoys to reiterate clearly and publicly the continuing commitment of the United States to the security of the Republic of Korea, and that the ground forces withdrawal would be carefully phased and carried out in a way which would maintain the military balance and preserve security on the Korean peninsula and in Northeast Asia. On 27 May, after four days in South Korea, Habib and Brown held an airport press conference before their departure. They announced that the consultations had been full, friendly, and constructive and that a sound basis had been established for cooperative efforts in addressing the ground forces withdrawal and the continued security of Korea. After a question and answer period during which various military aspects of the withdrawal were discussed, they were asked whether the question of human rights had arisen during their discussions with President Park. Habib replied that they had been sent to Korea by President Carter to discuss the problem of the withdrawal of ground forces; that had been accomplished and that was the subject of the press conference. Habib stated that whatever other discussions may

1. CINCUNC/COMUSK 1967/200343Z May 77 (BOM).
2. CINCUNC/COMUSK 1995/210426Z May 77 (BOM).

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or may not have taken place would have to remain undisclosed, as he did not intend to discuss anything else at that time.¹

(S) A detailed memorandum of the Brown-Habib meeting with the ROK Minister of National Defense was transmitted to CINCPAC after they had arrived in Japan. The ROK Minister summarized his understanding of the initial proposals by the U.S. side regarding the timing of the force withdrawals, the identification of compensatory equipment to be provided to the ROK, and the establishment of a combined command. The Chief of the ROK General Staff provided a briefing regarding the force balance and security situation as a unilateral assessment by the ROK. The imbalance in favor of North Korea was recognized by General Brown, who cited the specific compensatory proposals, the continued commitment by the United States to the Mutual Defense Treaty (MDT), and significant U.S. military power external to the Korean peninsula. General Brown also informed the Korean side that they had come to Korea with instructions that one brigade of the 2nd Infantry Division would be withdrawn for each increment or phase of the withdrawal. However, since their arrival both he and Habib had been impressed with the strength of the ROK arguments not to withdraw the second brigade. He stated that, upon their return to Washington, they would try to modify the previous guidance and to leave the division headquarters and two brigades until the last phase. Regarding the compensatory measures, General Brown noted that President Carter had pledged to do whatever was needed to withdraw the ground forces without disturbing the military balance and without creating great risks. However, the authority to authorize security assistance rested with the U.S. Congress. It would be necessary to work hard to convince Congress of the need to improve and strengthen the ROK military forces. Other issues surfaced by the ROK Minister during the meeting included the possible augmentation of the on-going five-year force improvement plan, the need for Korea to be included as a high priority country in the U.S. arms sales policy, the need for an adequate level of wartime logistics support, U.S. support for the development of defense industries in South Korea, possible augmentation of U.S. air forces in South Korea, and ROK concerns about the subject of nuclear deterrents. The ROK Minister stated that an on-site deterrent was desired, as well as assurance that tactical nuclear weapons would be retained in-country and the assurance that they would be used if necessary. General Brown's reply generally was that these matters required additional study, both in Washington and in Seoul, and that most would be addressed during the forthcoming Security Consultative Meeting.²

(S) The U.S. Embassy reported to the State Department that ROK Government officials were pleased with the Habib-Brown consultations, which it believed helped to focus attention on realistic alternatives, and which convinced the

1. COMUSK 240641Z May 77; AMEMB Seoul 4476/270732Z May 77.

2. JCS 28139Z May 77, which transmitted AMEMB Tokyo 7905/280220Z May 77 (EX).

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officials that the United States was earnest about consulting with the ROK on the force withdrawal. ROK efforts to foster unity in focusing on compensatory measures appeared to be having some success, and the press, the military, and well-informed intellectuals, while indicating continued anxiety, were displaying restraint. This estimate was borne out by the Korean Ambassador to the United States when he called on Undersecretary Habib to review Habib's visit to Seoul. The Ambassador said that his reports from Seoul indicated that the consultations had gone well, and that the views of both sides had been presented in an articulate and positive manner. He was interested in the Japanese reaction during the Brown-Habib visit to Tokyo, and also asked about the reactions of the Soviet Union and the PRC to the troop withdrawal plan. Habib replied that the United States had received no reaction from them. The expectation of the United States that those two countries continue to restrain North Korea had been conveyed, but, as was generally the case when the Korean issue was discussed with Moscow and Peking, neither side made any substantive response.¹

(S) In spite of the ROK Government satisfaction with the Habib-Brown some segments of Korea's society continued to express anxiety regarding the withdrawal. In mid-June the U.S. Embassy advised the State Department that Korean pre-occupation with security issues in the wake of the withdrawal decision had focused increasingly on the question of nuclear weapons. Growing discussions of the troop withdrawal issue had been accompanied by increased attention to the possibility that the ROK might develop its own nuclear weapons. The press had stressed the nuclear issue heavily, with all Korean papers featuring a Washington Star report that Habib and Brown had informed the House International Relations Committee, in a closed session, that tactical nuclear weapons would be removed from Korea when the U.S. troops were withdrawn. The Embassy noted that, while there was no direct evidence that the government had deliberately inspired the discussion of the nuclear question, there was reason to believe that the authorities were tolerating the discussions. The Embassy intended to continue to point out the intrinsic dangers to the ROK of nuclear arms development, both in terms of regional stability and relations with the United States. It would also point out that the protection of the nuclear umbrella for Korea was not synonymous with the stationing of nuclear weapons-- but without acknowledging or commenting on the stationing of nuclear weapons in Korea.²

The 10th SCM

(S) The basis of the Security Consultative Meetings was the Korean-U.S. Joint Communique issued on 15 February 1968 after Deputy Secretary of Defense

1. AMEMB Seoul 4614/020935Z Jun 77; SECSTATE 130427/070033Z Jun 77 (EX).
2. AMEMB Seoul 5037/170515Z Jun 77.

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Cyrus R. Vance visited Seoul. At that time, the two governments agreed that annual meetings would be held at the ministerial level of the Ministry of National Defense and the Department of Defense to discuss and consult on defense and security matters of mutual interest and common concern. The first meeting, hosted by the United States in Washington, D.C., was in May 1968. The second SCM was held in Seoul, and each country alternately hosted the meetings thereafter on an annual basis. In addition to the two principals, the participants normally included, on the U.S. side, the Ambassador to Korea, the Chairman of the JCS, CINCPAC, COMUS Korea, and other defense and state representatives. Funds for the SCM were provided by the host country at the Defense Department level except for temporary duty and per diem payments to CINCPAC Staff and U.S. Forces Korea personnel.¹

(S) The effectiveness of the SCM as a forum for strategic and political consideration was demonstrated by the situation in 1974-1975. The debacle in Indochina came on the heels of increasingly unsuccessful talks between North and South Korea which had begun two years before. Scattered incidents along the DMZ had resumed and the U.N. Command had uncovered one and was close to locating a second tunnel under the buffer zone. ROK officials were very concerned that Kim Il-sung was looking for Chinese and/or Russian support for a new attempt at forceful unification of the peninsula under his rule. This ROK concern was eased in 1975 by the unexpectedly hard line taken by Secretary of Defense Schlesinger upon arrival for the 8th SCM and his subsequent public endorsement of the forward defense concept.²

(S) A strong dosage of reassurances by Secretary of Defense Rumsfeld in 1976 during the 9th SCM resulted in a model of bilateral consensus. According to the joint statement released by the two nations after the 9th SCM in 1976, the ROK Minister of Defense and Secretary Rumsfeld discussed the capabilities and readiness of the combined forces of the ROK and the United States to defend against the North Korean threat. In this connection, Secretary Rumsfeld affirmed that the U.S. Government had no plans to reduce the current level of its forces in the Republic of Korea. However, the 10th SCM was perceived by the ROK as the first test of the new American-Korean relationship already forced into being by the announced troop reduction policy. In spite of reassurances from both governments, grave concern over the withdrawal remained among Koreans at all levels, military and civilian, both in and out of the government. They were skeptical of the U.S. rationale for the withdrawal policy and were inclined to believe that it must have been formulated to serve

1. J51 Point Paper, 22 Nov 77, Subj: U.S.-ROK Security Consultative Meeting (SCM) Forum.
2. ROK-U.S. Joint Statement, 9th SCM, 27 May 76, Honolulu, Hawaii; COMUSK 090110Z Jul 77.

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internal U.S. political objectives. In the SCM, the ROK would be looking for signs that the United States took the threat seriously and was prepared to do whatever was necessary to provide adequate means of coping with it.¹

(U) The 10th SCM was held on 25-26 July 1977 in Seoul. CINCPAC was represented by his Deputy Chief of Staff, Major General William E. McLeod, whose previous position had been Chief of Staff, COMUS Korea. In a joint statement released after the first day's session, Secretary Brown reaffirmed "the firm commitment of the United States to the security of the Republic of Korea and our determination to render prompt assistance to meet aggression under the Mutual Defense Treaty of 1954. Let no one doubt that such aggression will be met with the mighty strength of both our armed forces." The presentation by Secretary Brown of President Carter's letter to President Park received highly positive feature coverage in the Korea media, and all papers carried the full text on the front pages. The press gave considerable attention to a reported agreement on the combined command, described as "one of the major concessions the U.S. is prepared to make to sweeten the pill of withdrawal." Other articles indicated the thrust of the Korean requests during the meeting for such compensatory measures before withdrawal as equipment transfers, U.S. Air Force augmentation, wartime logistics support, and technical assistance for Korean industries. The newpapers also reported that President Carter planned to seek Congressional approval for an \$800 million one-time package, and a five-year \$1.1 billion foreign military sales program.²

(S) After the second day of meetings, official reports of the proceedings tended to verify the press reports, with some few additional details. The final communique announced that the United States would withdraw 6,000 personnel (but only 2,880 from the 2nd Infantry Division) by the end of 1978, but that two brigades and the division headquarters would remain in Korea until the final phase of withdrawal. It was also agreed that the second phase withdrawal would be comprised of 9,000 personnel to be withdrawn by June or July of 1980. Secretary Brown informed the ROK of the specific items the United States planned to transfer, subject to congressional approval, and agreed to provide a later list indicating whether the items would be provided by cost-free transfer, foreign military sales credit or case sales. Regarding finances, the Secretary indicated that the United States would seek \$275 million of foreign military sales credit annually through FY 1981, an additional \$300 million on a one-time basis, and \$500 million in no-cost transfers. He stressed that these figures were subject to congressional approval and possible adjustments. Also discussed were the augmentation of U.S. air forces in the ROK, bolstering of the ROK defense industry, arrangements for the combined command, and wartime logis-

1. Ibid.
2. COMUSK 251007Z Jul 77; AMEMB Seoul 6231/260538Z Jul 77.

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tics support. While indicating appreciation for the items the United States had agreed to provide, the ROK Minister of Defense and his colleagues pressed strongly for a U.S. commitment to complete the compensatory package before the withdrawal.

(U) During a news conference after the 10th SCM, Secretary Brown was reported to have provided the reasons for the withdrawal. He took note of the hostility between China and the Soviet Union and said that each had made it clear it would not support North Korea if it again invaded South Korea. As reported from Seoul, Brown stated that stabilizing the situation in Northeast Asia over a period of years by withdrawing U.S. ground forces and strengthening South Korean capabilities would lead to a more stable political solution because the balance of military power on the peninsula would no longer depend upon the presence of U.S. ground forces. This, stated Brown, was the basis of the change in U.S. policy. The first question put to Brown during this news conference came from a Korean journalist through a translator. The question reflected one of the basic concerns about the force withdrawal in South Korea. The long and involved question, and the Secretary's equally long and involved reply were as follows:²

Translator: Mr. Secretary, Sir, Mr. You from the Kyunghyang Shinmo, one of the daily newspaper companies in Seoul. As he recalls, back in 1975 during the 8th annual ROK-U.S. Security Consultative Meeting, then U.S. Secretary of Defense Dr. Schlesinger indicated that he would employ tactical nuclear weapons if the Republic of Korea is attacked by the other side and also, back in 1976 during the 9th SCM, Secretary of Defense Rumsfeld stated that he would follow his predecessor's policy as far as that (particular) matter goes. And also, President Carter in recent months in his interview with U.S. News and World Report, indicated that the U.S. may employ tactical nuclear weapons if the Republic of Korea is attacked by the other side. And also he indicated that since the Republic of Korea is a member of the nuclear non-proliferation treaty Korea will be protected by a U.S. nuclear umbrella, and if that's the case, would you, would the U.S. employ tactical nuclear weapons, have you any change in

1. SECSTATE 177839/290158Z Jul 77, which transmitted AMEMB Seoul 6324 of 28 Jul 77 (EX); J53 Point Paper, 22 Aug 77, Subj: U.S. Ground Forces Draw-Down in the ROK; J51 Point Paper, 14 Sep 77, Subj: Summary of Results of U.S.-ROK 10th Security Consultative Meeting (SCM).
2. Honolulu Star Bulletin, 28 Jul 77, "Changing Korean Policy," dateline Seoul (AP); COMUSK 261025Z Jul 77.

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policy? Or would you withdraw all of the nuclear weapons, or would you continue to retain nuclear weapons on the peninsula? He would like to have your comprehensive comments on that.

SECDEF: The comprehensive nature of the question, I think, allows me to make a selective response. Without characterizing what has been said in the past, and I'm not sure that the question quotes them accurately, I would like to make the following remarks. The Republic of Korea is, and will be, will continue to be protected by the U.S. nuclear umbrella. At the same time, the United States, its responsible officials, and specifically myself, do not take the use of nuclear weapons or the potential prospective use of nuclear weapons lightly. They are an extreme measure, their use is an extreme measure which is very unlikely to promote the survival either of those who use them, or those against whom they might be used. I will not comment on the presence or absence of U.S. nuclear weapons in Korea or any other specific area. That has been and remains a United States policy, not to comment on location of nuclear weapons. I believe that the Republic of Korea can be defended against aggression by conventional means, its own forces and U.S. forces. Those U.S. forces at present include ground combat forces. They will in the future continue to include air forces, which we will in fact augment somewhat, and naval forces, logistic support, intelligence and communications support, and there are, and will continue to be in the future, other U.S. forces available for rapid deployment here if necessary. Since we are withdrawing over a period of 3 to 5, 4 or 5 years our ground combat forces, we believe it necessary to help the Republic of Korea augment its own capabilities, and we believe that by doing so over that period we will be able to assure a level of military capability, or defense capability, adequate to deter and, if necessary, to defeat aggression. The nuclear umbrella will remain in force because the U.S. will continue to have available, in every area of the world, the capability of nuclear weapon deployment. But I think it is a mistake to depend on nuclear weapons to protect the country when, as in this case, non-nuclear capability will suffice.

~~(S/NOFORN)~~ The initial post-SCM reaction by the South Koreans was basically upbeat. Many Koreans appeared to be satisfied with the guidelines established for ROK defense, but Korean politicians' public statements were divided along predictably domestic political lines. One delegate to the SCM stated to a

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U.S. Embassy official that he was satisfied with the meetings, but would wait to see how the plans would be carried out in the future. Another delegate said he was pleased with the expression of continued U.S. commitment in the Joint Communique, but was disappointed that the Air Force augmentation would amount to no more than 12 planes, and that the U.S. Government had not guaranteed the transfer to the ROK of all Eighth Army equipment identified by the military working group. Other official ROK comments to Embassy political counselors indicated that the Blue House, other government officials, and a substantial portion of the citizenry interpreted the SCM as a desirable and sincere effort on the part of the United States to confirm its commitment. In that connection, they thought the President's letter had been particularly useful and timely. At the same time, there were still reservations about the troop withdrawal on the part of many opposition leaders and retired ROK generals who had been most vociferous in the past in opposing the withdrawal. Discussing a reaction not acknowledged in the Joint Communique, the U.S. Embassy advised the State Department that, among many Koreans, "there was the same wait and see attitude that clearly was one of the themes of ROK official comments during the SCM itself."¹

~~(S/NOFORN)~~ These Embassy assessments were confirmed in a DIA recapitulation of ROK reactions. Seoul's reaction to the discussions remained mixed, according to the DIA. Although generally satisfied by the results, some Korean defense planners had reportedly commented that all of the desired compensatory measures to offset the U.S. ground force withdrawal had not been forthcoming. A South Korean Embassy official in Washington had requested an outline of the U.S. Government's legislative strategy on the compensatory package, emphasizing the difficulty that would be created for Korea if the military compensation package became diffused and delayed in successive Congressional budgets.²

~~185~~ The realization by the ROK government that executive department negotiations would do little good without the support of the U.S. Congress was revealed in a letter from the ROK Minister of Defense to Secretary of Defense Brown in August. In the letter, he reviewed the threat to South Korea and the results of the recently concluded SCM, and again cited the need for complementary measures to strengthen the ROK arm forces prior to the withdrawal of the last increment. In that regard, he solicited the efforts of the Secretary in communicating those facts to the U.S. people and the Congress so that their support could be enlisted. He noted the need for continued discussion and military staff contacts in order to develop specific details of the various programs. He also referred to an aspect of the overall situation which had not been specifically addressed during the SCM:¹

1. AMEMB Seoul 5365/270933Z Jul 77 and 6405/300228Z Jul 77.
2. DIA 6074/160744Z Aug 77.
3. CINCUNC Korea 230345Z Aug 77 (EX).

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It is worthwhile to note the valiant efforts of my countrymen in striving to provide for the military stability and balance of this peninsula. As you well know, we presently have 600,000 men under arms and a percentage of defense expenditure per GNP approximate 8.8, including FMS credit which we must plan to reimburse. This represents many man-days and dollars, and a certain, but willing sacrifice by my people. This is also the maximum limit the Korean economy can endure.

Thus, the health of the Korean economy is a most important bulwark of our national defense. In order for our economic plans to maintain an effective military posture, the provision of long term, low interest credits from the U.S. will be helpful. In this regard, your assistance will be most appreciated.

CH-47 Helicopter Incident

(S) On 14 July 1977 an unarmed U.S. Army CH-47 helicopter which accidentally strayed into North Korean territory was shot down at about 1000 hours local time. The U.N. Command asked North Korea to convene the 385th meeting of the Military Armistice Commission (MAC) in connection with the incident. A message was also sent to the North indicating U.N. knowledge that the helicopter had been shot down in the course of an unintentional intrusion of North Korean air space. The senior military member of the MAC requested North Korea to return the crew and the helicopter to U.N. authorities immediately. He indicated deep concern about "the regrettable incident" and requested prompt information from North Korea. On the afternoon of 14 July, a North Korean radio broadcast said that three U.S. personnel had been killed in the crash and another captured.¹

(S) The North Koreans rejected a proposal for a MAC meeting on 15 July but agreed to meet on 16 July. The State Department advised the U.S. Embassy and COMUS Korea that, when the meeting was held, the MAC senior member should stress that the intrusion was totally unintentional, that the helicopter and crew had been unarmed, and that the incident was regrettable. If, as a condition for the return of the crew, the North Koreans demanded an oral or written apology for a simple violation of the Armistice Agreement, State authorized the UNC senior member to make or sign a statement regretting the incident and noting that the intrusion was the unintentional result of a navigational error. Any

1. COMUSK 140630Z Jul 77 and 140806Z Jul 77; Operational aspects of this incident are also discussed in Chapter IV of this history.

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demand for a statement which suggested an admission of aggressive intentions was to be rejected.¹

(U) According to a wire service report from Washington on 15 July, President Carter did not intend to reevaluate the planned withdrawal of U.S. troops from Korea as a result of the helicopter incident. The White House press secretary stated that both North Korea and the United States had remained reasonably calm in statements compared with past situations. This same press report provided Defense Department identification of the four crew members as SGT Robert C. Haynes, SGT Ron Wells, CWO Glen M. Schwanke, and CWO Joseph A. Miles.²

(S) Before the MAC meeting on 16 July, the State Department modified the instructions previously provided regarding any response to a North Korean demand for apology as a condition for the return of the crew members. If such a demand were made, the senior member was to reply that, as the U.N. Command had already indicated, the incident was considered regrettable and that it was clear that the intrusion was an unintentional result of navigational error. If the North Koreans asked for a statement going beyond that framework, the senior member was not to accede to the request but was to immediately notify the State and Defense Departments in Washington. The senior member was directed to be careful to avoid any explicit expression of apology during the MAC meeting.³

(S) On 16 July one survivor and three deceased crew members from the CH-47 helicopter were returned to the U.N. Command at the Joint Security Area. The senior military member of the MAC, Rear Admiral Warren C. Hamm, said that it was encouraging that the matter had been handled by both sides in a manner consistent with the Armistice Agreement. Other observers, according to one press report, believed that the speed with which the North Koreans had returned the crew reflected an attempt to avoid playing into the hands of opponents of Carter's plans to withdraw the ground troops from Korea.⁴

(S) During the week following the shoot down of the CH-47, the American Consul in Hong Kong reported that New China News Agency coverage of the incident had been low-keyed with almost no commentary. However, the local pro-PRC press had carried several commentaries which were unusually positive in their treatment of President Carter's handling of the situation. They commented on

1. SECSTATE 164907/142358Z Jul 77.
2. Honolulu Star Bulletin, 15 Jul 77, "Carter Firm on Pull-Out", dateline Washington (AP)
3. SECSTATE 15506/151921Z Jul 77.
4. AMEMB Seoul 5921/161155Z Jul 77; Honolulu Star Bulletin, 16 Jul 77, "Koreans Release Pilot, Bodies", dateline Panmunjom (AP).

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his "conscientious and serious attitude," and stated that by admitting that the helicopter had overflowed North Korean air space in error and expressing regret, the United States had acted responsibly, thus allowing North Korea to respond promptly to settle the incident. Considerable attention was given in these press commentaries to the reactions of various U.S. Government officials to the Korean incident. The U.S. Army Chief of Staff and the CIA director were cited, along with a U.S. Congressman, as urging reconsideration of the troop withdrawal policy. The Defense Secretary, the Chairman of the JCS and the President, however, were reported to have emphasized that there would be no change in policy. In contrast to previous commentary supporting the North Korean position that all U.S. forces should be withdrawn immediately, these articles merely expressed optimism that the Administration would win the domestic political battle with its opponents and eventually withdraw the ground troops.¹

North Korea Sea Boundaries

(U) On 30 June 1977 North Korea announced a decree establishing a 200-mile economic zone effective on 1 August 1977. According to the decree, the economic waters would begin at North Korea's 12-nautical mile territorial waters. North Korea would exercise sovereignty over all resources within the zone; foreign ships and aircraft were prohibited from any activities such as fishing and exploring and from all other activities detrimental to the people without prior approval from North Korea.²

(S/NOFORN) After the announcement by North Korea regarding the proposed 200-nautical mile fishing zone, the DIA noted that North Korean patrol boats had been observed operating in early June some 150-200 nautical miles off the Korean coast in the Sea of Japan. The activity, which was initially assessed as control and protection of North Korean fishing operations, now seemed more likely to have been training for the patrol to protect the 200-nautical mile zone after 1 August. The DIA noted that Japanese Foreign Ministry officials were perturbed by North Korea's announcement that it would enforce the zone because the two countries had no diplomatic relations. Japan had established a similar 200-nautical mile zone effective on 1 July, and officials believed that a private fishery accord might be necessary between Japan and North Korea to retain fishing rights for Japanese fishermen in the North Korean zone.³

(S/NOFORN) On 15 July South Korea announced its refusal to recognize the North Korea 200-mile economic sea zone. A ROK Foreign Ministry spokesman said that such a North Korean attempt could endanger the safe fishery operations of

1. AMCONSUL Hong Kong 8413/190829Z Jul 77.
2. COMIPAC 011630Z Jul 77.
3. DIA 2807/020501Z Jul 77.

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South Koreans and cause fresh disputes between the two countries. The official cited the danger of upsetting the Korean Armistice and the desire to avoid friction with Japan and the PRC, neither of which had proclaimed 200-mile zones in waters off Korea, as reasons why the ROK would not proclaim its own 200-mile economic zone. The U.S. Embassy in Seoul noted that the North Korean economic zone announcement opened the possibility that the zone could be used as an excuse to object to activities by U.S. military vessels and aircraft within the zone, but considered this prospect unlikely, at least in the short term, in view of North Korea's desire to avoid friction with the United States at that time.¹

~~TC~~ In a 22 July broadcast to North Korea, South Korea proposed that the ROK and North Korea use the South-North Coordinating Committee as a channel to discuss the North Korean 200-mile economic zone. South Korea also proposed to reopen the North-South "hotline" communications which the North had suspended on 30 August 1976. This proposal received wide publicity from ROK government officials and the Korean press. On 26 July North Korea flatly rejected the highly publicized South Korean proposal. The rejection asserted North Korea's sovereign right to protect its resources and denounced the South Korean proposal as a transparent public relations stunt aimed at shifting the blame for the suspension of the South-North Coordinating Committee talks.²

~~TS~~ The U.N. Commander noted that the 200-mile zone announced by North Korea had no legal basis for the interference of the freedom of the high seas (transit through international waters outside of claimed twelve nautical mile territorial sea) nor could it in any way conflict with the Korean Armistice Agreement (KAA). The KAA provided "the opposing naval forces should respect the waters contiguous to the DMZ and the land area of Korea under military control of the opposing side." Although agreement was never reached regarding the extent of the contiguous waters, arbitrary extensions of the military demarcation line had been established both east and west and had been generally observed by ROK fishing vessels. The U.N. Command had always followed U.S. policy and had taken no action to indicate acceptance of North Korea as a lawful and legitimate state. Past official U.S. Government policy had been to keep discussions of Armistice questions strictly within the context of the agreement and not to introduce external political or legal considerations. Ergo, the best policy for the U.N. Command appeared to be to ignore the North Korean action. Military or naval incidents between North Korea and South Korea resulting from attempts by North Korea to enforce the economic zone could be addressed as Armistice violations, without reference to the economic zone, in

1. DIA 5600/160509Z Jul 77; AMEMB Seoul 6103/210807Z Jul 77.
2. AMEMB Seoul 6282/270853Z Jul 77.

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consonance with established precedence under which hostile acts by naval vessels on the high seas had been protested as violations of the spirit and intent of the KAA. CINCPAC advised the JCS that he concurred with the recommended policy of the U.N. Commander that the North Korean economic zone not be acknowledged. Pertaining thereto, the new Informal Composite Negotiating Text, published on 20 July 1977 by the Sixth session of the U.N. Conference on the Law of the Sea, provided for high seas mobility in economic zones and had been recognized by the majority of states. Although 43 states, including the United States, claimed the 200-mile economic zone, CINCPAC recommended that the economic aspects of the claim also be ignored in light of current policy that the U.N. Command not take any action recognizing North Korea as a lawful and legitimate state. U.S. recognition of the economic aspect of the zone would be an indicator of North Korean legitimacy.¹

~~(S)~~ On 31 July (local) North Korea proclaimed a military sea boundary to extend 50 miles from the territorial sea limit in the Sea of Japan and at the economic zone limit in the Yellow Sea. The announcement further stated that "movement by foreigners, foreign warships, and foreign military aircraft in the sea and sky within this boundary is prohibited. Foreign merchant ships, air planes, and fishing vessels can navigate within the limits of the boundary only with appropriate prior agreement and approval." The U.N. Commander noted that the most potentially contentious areas in connection with the announcement were the access routes to the Northwest Islands, which already were in conflict with the North Korean 12-mile territorial sea limit. Moreover, he advised CINCPAC and Washington agencies that there was a scheduled resupply of the Northwest Islands on 2 August by civilian ferry not subject to the control of the Commander of U.S. Naval Forces Korea. South Korea intended to maintain the resupply schedule with a beefed up military escort for the ferry. In connection with the declaration of the military boundary, the ROK Minister of Defense had also requested the U.N. Commander to issue a statement to the effect that the *status quo ante* had not been altered by the North Korea announcement.²

~~(S)~~ General Vessey suggested two actions for Washington approval. The first was a brief announcement by the U.N. Command to the effect that "the United Nations Command reaffirms that no unilateral NK actions can curtail or diminish rights or obligations of UNC under Armistice Agreement." The second suggestion was to pass a similar message through the MAC to provide more direct notice to North Korea that business as usual would be continued with respect to the Northwest Islands. With State's concurrence, the U.N. Command passed a message, using public information channels, which reaffirmed the long-standing

1. CINCUNC 290908Z Jul 77; CINCPAC 010647Z Aug 77.
2. CINCUNC 011051Z Aug 77.

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U.N.-position that no unilateral North Korean declaration regarding international waters, air space or freedom of the seas could curtail the rights of either side under the Armistice. The resupply ferry proceeded to the Northwest Islands on schedule without incident. The State Department noted press attempts to interpret an air of confrontation and "testing" in the resupply trip. However, the U.S. position was consistently stated that nothing new had been added insofar as the Northwest Islands were concerned since they already fell within the previously declared 12-mile territorial zone of North Korea.¹

(S) Subsequent to the North Korean declaration of the 200-mile economic zone and the 50-mile military boundary, a ROK official pointed out to Embassy officers that the North Korean "military boundary" proclamation could have been a serious blunder since, despite repeated media assertions of North Korean sovereign rights to proclaim the zone and boundary, North Korea had not yet stated precisely which areas were subject to the proclaimed jurisdiction and had not taken steps to enforce its claims physically. He said that the Northern behavior was roughly similar to that following the 18 August 1976 tree cutting episode, and speculated that the inopportune timing and somewhat bizarre nature of the "military boundary" could have prompted Russian and Chinese, as well as United States, Japanese and ROK criticism.²

(S) In that connection, the U.S. Embassy in Moscow noted that, although North Korea was a sovereign independent state and as such could naturally adopt measures to safeguard its rights and interests, the action was not in consonance with the rule of the Law of the Sea and contrary to the position taken by both the United States and Russia. The Russian Deputy Foreign Minister said that the Soviets would be guided "by our common interest in this matter," and his remarks were believed by the U.S. Ambassador to convey a sense of shared Soviet concern over the Law of the Sea implications of the North Korean declaration. The U.S. Liaison Officer in Peking advised the State Department that a PRC official had declared to another foreign diplomat that the PRC was unhappy over the North Korean decision and the fact that Peking had not been consulted. The U.S. Liaison Officer also noted that the PRC media had carried no acknowledgement of the North Korean zone, much less any specific endorsement. This was an additional indication of Chinese unhappiness over the decision by North Korea.³

The CINCPAC Interview

(S) During an October visit to Hawaii by a South Korean television news team, Admiral Weisner was interviewed on film for subsequent showing in Korea.

1. Ibid.; AMEMB Seoul 6471/020812Z Aug 77; SECSTATE 181719/030041Z Aug 77.
2. AMEMB Seoul 6734/112351Z Aug 77.
3. AMEMB Moscow 11666/121130Z Aug 77 (EX); USLO Peking 1791/180843Z Aug 77.

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The Korea television project was designed to increase Korean self-confidence during the withdrawal of U.S. ground forces from the ROK, to educate Koreans about the capabilities of ROK forces, and to demonstrate the reliability of the U.S. commitment. The project was strongly endorsed by the U.S. State Department and had been approved by the Office of the Assistant Secretary of Defense for Public Affairs. A series of questions was provided in advance by the television network, and the proposed answers to the interview questions coordinated with the CINCPAC Staff and the Service components. One of the questions was whether other U.S. ground forces were already available in the Pacific for the defense of Korea if needed. The Admiral's affirmative reply included U.S. Air Force and U.S. Marine Corps units deployed in the Western Pacific as well as the 25th Infantry Division and the 1st Marine Brigade in Hawaii. He also noted that the Seventh Fleet was maintained in a high state of readiness and was available for employment in contingency situations throughout the Western Pacific including Korea. In addition, the Admiral stated, Third Fleet units were prepared, on order, to deploy and operate anywhere in the Pacific. In answer to another question, Admiral Weisner stated that adequate forces, including naval forces, would remain in the Pacific as a demonstration of the U.S. commitment to the area and to the Mutual Defense Treaty with the ROK. Questioned about plans for air augmentation for the defense of Korea, including outside forces, the Admiral noted the strong U.S. Air Force combat capability deployed in Korea on a day-to-day basis. Additionally, other U.S. Air Force units in the Western Pacific area were capable and ready for rapid deployment to Korea if necessary. Referring to past crises, the Admiral noted that U.S. Air Force units based in the Continental United States could also be deployed to Korea in a matter of hours if necessary.¹

(U) Admiral Weisner's answers to these and other questions only confirmed what he and other military and civilian officials of the United States had stated previously. However, the official North Korean News Agency immediately reacted to CINCPAC's remarks. The text of the North Korean News Agency remarks was broadcast in South Korea by the clandestine Voice of the Revolutionary Party for Reunification of Korea.²

Pyongyang October 12 (KCNA) -- Papers today vehemently denounce Weisner, Commander of the U.S. forces in the Pacific, for openly revealing the invariable aggressive design of U.S. imperialism on Korea at his recent exclusive press interview.

Weisner, announcing that the "joint exercises" of the U.S. and South Korean puppet air forces would be staged as

1. ADMIN CINCPAC 300311Z Sep 77.
2. FBIS Okinawa 121703Z Oct 77.

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scheduled under the "agreement" reached at the "South Korea-U.S. Security Consultative Meeting" held in July, clamoured that the United States keeps U.S. Marines in Okinawa and the U.S. 25th Division in Hawaii for "defense" of South Korea in case of emergency and would send the U.S. Marine and Air Forces in the Pacific and Air Force units in the U.S. mainland to South Korea, if necessary, and that the United States would remain "Pacific forces" to observe its "commitments" to the Pacific Region.

Commenting on these remarks of Weisner, Nodong Sinmum says: This brings to light the ulterior aim of the U.S. imperialist war maniacs to keep and reinforce their huge aggression armed forces in South Korea and around the Korean peninsula and thus step up the aggression and war adventures in Korea and the Asian region. The commentary goes on:

The assertions that the United States is contemplating to dispatch its troops to South Korea from Okinawa, Hawaii, and the U.S. mainland and would remain "Pacific Forces" to observe its "commitments" to South Korea reveal the aggressive attempt of U.S. imperialism to continue its military occupation of South Korea, impose a permanent division upon the Korean people by "force of arms" and step up war preparations in South Korea.

The U.S. imperialist, while giving lip-service to "peace," are, in actuality, seeking aggression and war and beefing up their armed forces and scheming to perpetuate their military occupation of South Korea behind the facade of the U.S. ground forces "withdrawal" from South Korea.

The commentary recalls that the U.S. Army bases operating around our country are being rapidly reinforced and expanded to be "advance bases" and "supply bases" for a Korean War, Guam-based "B-52" strategic bombers of the U.S. imperialists are flying to South Korea two or three times a month for flight exercises and that the U.S. imperialists are staging with the South Korean puppet troops frequent provocative "joint military exercises" simulating an attack on the North half of the republic.

The commentary goes on: facts go to prove patently that the U.S. imperialists are refusing to give up their

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wild aggressive design on Korea and working desperately to manufacture "two Koreas" to retain their grip on South Korea as their permanent colony and military base and use it as a bulwark for containing the revolutionary forces and socialist forces in Asia. This is, however, a foolish attempt.

The commentary points out: There is no pretext whatsoever for the U.S. imperialists to remain in South Korea. They should stop at once their war provocation maneuvers against the Korean people, give up their "two Koreas" plot and quit South Korea without delay taking along all their aggression forces as they had promised.

The Tongsun Park Affair

(U) As the year ended, the principal figure in the "Koreagate" scandal, Tongsun Park, had agreed to return to the United States from Korea to testify in criminal court trials for bribery in return for immunity from prosecution. The announcement was made on 30 December at the Department of Justice in Washington during a press conference. The acting deputy Attorney General was to travel to Korea early in 1978 to conclude the Mutual Prosecution Assistance Agreement with the Korean Ministry of Justice, sign a memorandum of understanding with Tongsun Park, and carry out an initial interrogation. The immunity from criminal prosecution did not exempt Park from a possible subpoena to testify before Congress.¹

Korean Cabinet Changes

~~(C)~~ Early in December the major opposition party in South Korea (the New Democratic Party) demanded the resignation of the Premier's cabinet. The opposition charged that the government had failed to come up with adequate counter-measures against the withdrawal of U.S. ground troops, caused U.S.-South Korean relations to deteriorate because of the Tongsun Park scandal, and invited an unfavorable reaction from the American Congress towards Korea which influenced support for the Korean compensatory package. On 20 December the ROK government announced a "medium high-scale" cabinet reshuffle. The most important change announced, from the standpoint of CINCPAC political-military relationships, was the replacement of Suh Jyong-chul by General Ro Jae-hyun as Minister of National Defense. General Ro had been the Chairman of the Joint Chiefs of Staff of the ROK Armed Forces. On 29 December General Kim Chong-hwan, the former commander

1. CINCPAC ALFA 102/041930Z Dec 77; SECSTATE 311128/311515Z Dec 77; SECSTATE 311181/311951Z Dec 77, which transmitted AMEMB Seoul 10967 of 31 Dec 77.

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of the Third Republic of Korea Army was appointed Chairman of the ROK JCS.¹

(X) The U.N. Commander advised the Chairman of the JCS in Washington and CINCPAC that, in his acceptance speech, General Kim had stressed the long-term nature of the ROK-U.S. relationship and expressed confidence that the relationship would continue in the future. Speculation that the appointments of General Ro and General Kim had a slight tinge of anti-Americanism was, in the personal view of the U.N. Commander, not only unfounded but wrong. Neither of the appointees spoke English and that, stated the U.N. Commander, was probably the basis for the speculation. He had personally received strong pledges of cooperation from each, and strong expressions of their desire to strengthen Korean-American relations.²

Human Rights in Korea

(U) The martial law regime of President Park was subjected to increased pressures on the subject of human rights after the inauguration of President Carter. The instance of alleged suppression with the most visibility involved the signing, on 1 March 1976, of a manifesto calling for the restoration of democracy and the resignation of President Park. The manifesto had been signed by eighteen South Korean dissidents, the most prominent of whom was Park's last presidential election opponent, Kim Dae-jung. On 22 March 1977 South Korea's Supreme Court upheld prison terms of one to five years for the eighteen signers of the manifesto. Of the original eighteen, four of the sentences were suspended by lower courts, and the government had stayed the sentences of five others. That left nine of the eighteen in prison.³

(X) In June 1977 the U.S. Embassy in Seoul reported that press freedom seemed to be expanding considerably. The Korean press had been reporting in significant detail subjects which three months before would probably have been eliminated by either the KCIA or rigid self-censorship. One example had been the wealth of detailed material printed on the National Assembly interpellations, when subjects potentially embarrassing to the ROK were reported in unusual depth. Featured in the press had been NDP demands for the release of the Myeongdong (1976 Manifesto) prisoners and its request for repeal of Emergency Measure Number Nine, which made any criticism of the government a crime. Stories of the alleged U.S. electronic surveillance of the Blue House and the

1. AMEMB Seoul 10699/200556Z Dec 77; CINCUNC 200740Z Dec 77 (EX) and 290435Z Dec 77 (EX).
2. Ibid.
3. Honolulu Star Bulletin, 22 Mar 77, "Korea High Court Upholds Terms for Park's Foes," dateline Seoul (AP); Honolulu Star Bulletin and Advertiser, 15 May 77, "U.S. and Human Rights in Korea," dateline Seoul (Los Angeles Times Service).

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Ambassador's denial of the allegations were also reported. Stories were also printed regarding the "Koreagate" scandal including names of ROK officials alleged to have been directly involved.¹

(S) The Embassy's observation was borne out by wire service releases from Seoul stating that the National Assembly had urged President Park to free violators of his 1975 decree banning dissent (Emergency Measure Number 9). The National Assembly resolution was adopted unanimously by members of Park's party and the opposition party. This story noted that the 13 May 1975 decree had banned virtually all criticism of the President and his authoritarian regime. It had been one of the chief causes of opposition in the United States to U.S. Government support of South Korea, particularly since President Carter's criticism of human rights violations in Communist countries. The Assembly also approved a resolution opposing the withdrawal of U.S. ground forces and another suggesting that U.S. authorities take appropriate measures to discourage "unfair anti-Korean propaganda activities" in the United States. An editorial in a Honolulu newspaper on 10 July noted the signs that President Carter's policy of support for human rights in international relations was having some affect in South Korea and the Philippines. The editorial noted a resolution for release of jailed political dissidents by the South Korean National Assembly, but stated that "so tight is Park's control of the assembly that the move amounted to him sending a public message to himself...." The editorial also noted the release of 1,000 prisoners by President Marcos in the Philippines and speculated as to his motives. The writer stated that there were few surprises in the Park and Marcos actions. "They are tough people unlikely to be swayed by emotional and idealistic appeals about rights."²

(S) On 31 December 1977 the ROK government released all of the Myongdong prisoners except Kim Dae-jung. The release was described to a U.S. Embassy officer as the result of negotiation between the dissidents and the ROK government which had taken place during the previous two months. The released prisoners had signed a statement agreed upon between the dissidents and government negotiators.³

Japan

(S) The cornerstone of U.S. foreign policy in Northeast Asia--in fact, throughout the entire Pacific Command--was the bilateral relationship with

1. AMEMB Seoul 5230/230914Z Jun 77.
2. Honolulu Star Bulletin, 6 Jul 77, "Dissenters Gaining," dateline Seoul (AP); Honolulu Star Bulletin and Advertiser, 10 Jul 77, "Park, Marcos and Rights," Editorial.
3. SECSTATE 311548Z Dec 77, which transmitted AMEMB Seoul 10970 of 31 Dec 77.

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Japan. Asian peace and stability depended largely on the character and direction of Japan's political, economic, and military evolution. No other nation in the Pacific had the industrial capacity nor the strategic location so essential to the U.S. forward deployment strategy, and thus, the cornerstone of U.S.-Japan security relationships was the Treaty of Mutual Cooperation and Security of 1960. Despite vocal opposition parties, the Government of Japan (GOJ) viewed the presence of U.S. forces in Japan as essential to its security. Steps taken by the GOJ to reassess its national defense policy and to encourage closer security cooperation with the United States had evoked favorable public, political, and media reaction. Japan considered the security of South Korea to be vital to its own security, and was concerned that U.S. ground force withdrawals from South Korea might upset the power balance and encourage Soviet perceptions of lessening U.S. resolve. Japan's "nuclear allergy" continued to be a strong political factor during 1977 whenever the issue of the presence/transit of U.S. nuclear weapons in or through Japan was raised. While adhering to its three non-nuclear principles--not to possess, produce, or introduce nuclear weapons--the GOJ had supported U.S. options for nuclear weapons deployments/employment. After prolonged debate, the International Nuclear Non-Proliferation Treaty was ratified by Japan in May of 1976. Bearing on this issue was the debate over the declaration by Japan of a 12-mile territorial sea, which raised the question of nuclear weapons transit through international straits.¹

(S) In addition to the well-publicized problem between Japan and the United States regarding the balance of trade, which received increasing attention by both governments during 1977, the less than one percent of gross national product allocated by Japan to its defense budget tended to exacerbate the economic issues between the two countries.²

(S) During 1977 Japan and the Soviet Union continued to negotiate a fisheries agreement regarding the 200-mile economic zone of the Soviet Union and attempts to reach a fishing agreement with North Korea were begun. The GOJ also ratified an agreement reached with South Korea four years before to jointly explore continental shelf mineral resources. Negotiations with the PRC toward a peace and friendship treaty (PFT) continued during the year without resolution.³

The Embassy View

(S) The annual policy and resource assessment submitted by the U.S. Embassy in Tokyo to the Department of State for 1977 acknowledged that the economic

1. J51 Point Paper, 14 Sep 77, Subj: Military/Political Assessment - Japan.
2. Ibid.
3. Ibid.; J51 Point Paper, 23 Dec 77, Subj: Military/Political Assessment - Japan.

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problems of energy, commodities, exchange rates and trade barriers were impossible to approach effectively without Japanese consultation, coordination, and cooperation. Moreover, the large and increasing volume of U.S.-Japan trade (\$25 billion in 1976) and the growing investment ties created both the strong foundation of the bilateral relationship and sources of strain in some areas. Parallel to the bilateral economic relationship was the Mutual Security Treaty (MST) between Japan and the United States, which was a constant in the world power equation. The MST strengthened both the United States and Japan in their dealings with the Soviets and the Chinese, and allowed access to bases and facilities in Japan necessary to meet U.S. defense commitments to Japan and other countries in the region.¹

~~(S)~~ Allowing Japan to take the lead and set the pace, the United States had advanced the security treaty relationship to permit more meaningful substantive consultation on defense cooperation. Base reductions and consolidations had lowered the profile of the United States without damaging creditability although, stated the Embassy, a limit to that process could have been reached. As a strategic and political objective, the Embassy noted the need to convince Japan of the continued interest of the United States in East Asia and of the value attached to the strategic relationship between Washington and Tokyo. To that end, the Embassy recommended regular reaffirmation at all levels of the U.S. intention to remain an active Pacific power, emphasizing the importance of the U.S. relationship with Japan to achieve that aim. Another course of action was to use existing channels to improve the content of strategic, political, and political-military consultation at all levels. This involved a special effort to keep the Japanese apprised of U.S. policy regarding the withdrawal of U.S. ground forces from Korea, diplomatic efforts to reduce tensions on the Korean peninsula, the progress in the normalization of relations with Peking and Hanoi, the results of U.S. base negotiations in the Philippines and relations with the Association of Southeast Asian Nations (ASEAN).²

~~(S)~~ The Embassy noted that the security treaty relationship was less contentious and enjoyed more popular support in 1977 than at any time in its history. Nevertheless, there were some troublesome areas. The activities of U.S. forces created day-to-day problems for both the U.S. forces and the Japanese authorities. Moreover, budgetary problems threatened the ability of each side to maintain forces needed to implement the security threat objectives. The Embassy recommended continued close coordination among the elements of the Country Team and between those elements and the Japanese authorities to minimize damage to the security relationship. In international forums on such issues as human rights, non-proliferation, arms control and disarmament,

1. AMEMB Tokyo 6754/070847Z Apr 77.
2. Ibid.

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law of the sea, terrorism, environment, and narcotics, the Japanese should be encouraged to play a more active political role. Although such encouragement was essentially political and diplomatic in nature, the Embassy noted that virtually every department with a role in multi-lateral affairs, as well as the Mission components, would be involved. This would include the Departments of Treasury, Commerce, Defense, and the science agencies.¹

(S) In early June the newly-appointed U.S. Ambassador to Japan, Mike Mansfield, stopped in Honolulu on his way to Japan. He received a briefing from the CINCPAC staff which ran the gamut from key personnel, organizational structure, and the political-military relationship of U.S. forces on Okinawa to the Sino-Soviet equation, the Soviet presence in the Far East, the capabilities of the Japan Self Defense Force (JSDF), and the numbers of facilities in Japan maintained and operated by the U.S. Government and by the GOJ.²

(U) On 15 June Ambassador Mansfield held his first press conference in Japan. His remarks were covered extensively by major newspapers and on prime-time evening television news shows. Mansfield stressed the importance of Japan to the United States as an "equal" partner. He emphasized the need to resolve trade problems to avoid protectionism; the need to solve nuclear reprocessing problems which would meet President Carter's proliferation concerns and Japan's energy needs; his support of troop withdrawals from the Republic of Korea (ROK); the dramatic reduction in the numbers of U.S. bases in Japan since 1952; the logic of qualitative improvements in Japan's defense force; and a statement that efforts would continue by the United States to normalize relations with the PRC.³

(S) As could be inferred from the foregoing, the new Ambassador was thoroughly familiar with, and deeply immersed in, relationships between the United States and the countries in Northeast Asia. In early November, as what he called the "new boy on the block," Ambassador Mansfield submitted, for State Department review, his impressions of the state of U.S.-Japan relationships. In his judgment, an increasingly contentious atmosphere had developed between the United States and Japan, with serious problems to be faced. Japanese performance in some areas left much to be desired, but it was important to recognize the limitations on the ability of the GOJ to influence the situation. Although the United States had difficulties with Japan, Japan also had many with the United States, and it was important to avoid exerting excess pressure on specific problems so that others would not emerge. Reviewing the catalog of difficulties in U.S.-Japan relations, he began with the economic front, where the massive bilateral trade deficit and Japan's overall current account

1. Ibid.
2. CINCPAC 072151Z Jun 77, personal to MAJ GEN Lynn from LT GEN Manor (BOM).
3. AMEMB Tokyo 8969/160858Z Jun 77.

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surplus was distressing and unacceptable. He cited differences in the regulation of civil aviation, fisheries/economic zone questions, nuclear energy policies, the withdrawal of troops from Korea, the accompanying congressional investigation of bribery charges, and criticism in Congress that Japan was doing less than it should in the defense field. He agreed that a dispassionate and perceptive approach to the issues could narrow the differences. It was important, as these issues were addressed, not to allow concentration on problems to overshadow the essential health of the U.S.-Japan relationship or the major benefits derived from it by the United States.¹

(Q) As with the annual Embassy assessment described previously, the Ambassador's evaluation of U.S. military relationships with Japan was very favorable. He stated that the United States had good reason to be pleased with the military relationship and content with the state of development. The joint U.S.-Japan policy that Japan would not play a regional military role was well understood both in Japan and by the Pacific Command. However, this policy was often misunderstood in the Congress, according to the Ambassador, and it was important that it be understood in that body. Politically, Japan was no more ready for a regional military role in 1977 than it was ten years before; conversely, Japanese rearmament would have a profoundly unsettling effect on Asia as a whole. Within these strict and logical limits, Japan was attempting to strengthen the capability of its forces. The Ambassador noted the intention of the JSDF to buy such aircraft as the F-15, P-3C, and the E-2C, all of which were qualitative improvements. The major point made by the Ambassador was that U.S.-Japanese relationships--despite numerous problems--continued to be a major source of strength for both countries. Preoccupation with issues which divided the United States and Japan would obscure, and ultimately weaken, the ties of mutual understanding, respect and interest which united them. If that should happen, the ability of the United States to manage its problems would diminish and a degenerative cycle would begin which would be difficult to bring under control. The U.S.-Japan relationship was vital to both countries, but, stated the Ambassador, the United States had the power to destroy it.²

The Korean Controversy.

~~TOP SECRET~~ The security of South Korea was considered by Japan to be essential to its own security. The decision by President Carter to withdraw U.S. ground troops from Korea weakened Tokyo's faith in the U.S. commitment to the defense of both the ROK and Japan. However, following U.S. reassurance, the official GOJ reaction was that the withdrawal was largely a bilateral problem for the United States and the ROK. The reassurance was based on the

1. AMEMB Tokyo 17287/090818Z Nov 77.
2. Ibid.

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understanding that ROK forces would be strengthened and that the United States remained committed to a U.S. military presence in Asia. Despite the low-key official reaction, however, grave misgivings remained among conservative politicians and military officers as to the actual ability to defend the ROK as well as future U.S. resolve. This anxiety was expected to persist until the mechanics of the withdrawal phasing and the extent of congressional support toward the strengthening of ROK forces became clear.¹

(S) Even before President Carter and Vice President Walter Mondale had been inaugurated, arrangements had been made for Mondale to visit Japan to discuss the American troop withdrawal from South Korea. During his meeting with Prime Minister Fukuda on 31 January, Fukuda reportedly told the Vice President that troop withdrawals from Korea were purely a bilateral affair between the United States and the ROK. Security-conscious elements of the Prime Minister's own party (Liberal Democratic Party) reacted sharply to Fukuda's statement to Mondale. They expressed concern that the Prime Minister's position would be misunderstood to mean that Japan no longer cared about the Korean Peninsula. This group believed that Fukuda should have reaffirmed the importance of ROK security to Japan and expressed opposition to the intention of the United States to reduce the level of ground forces in the ROK. Meanwhile, an opposition party leader questioned GOJ officials closely on the content of the talks with the Vice President, asking particularly whether the GOJ had expressed approval of the U.S. desire to withdraw troops from Korea. The reply was that Japan simply listened to the U.S. side but expressed no approval. This was qualified somewhat by the Prime Minister, in response to Diet questioning on 4 February, when he stated that the situation on the Korean Peninsula was a matter of "serious concern," adding his hope that the "international framework" which supported the balance on the Korean peninsula would not collapse. As stated by the U.S. Embassy, none of the critics were aware that the Prime Minister had defined clearly for Vice President Mondale the importance of the ROK to Japanese security.²

(S) Thus began many months of controversy over the U.S. ground forces withdrawal, not only between Japan and the United States, but also between Japan and the Republic of Korea. In February the ROK Foreign Minister met in Tokyo with the Japanese Foreign Minister, and briefly with the Prime Minister, after a week of intensive political contact between Japan and South Korea. The Korean Foreign Minister reportedly was reassured that the GOJ shared Korean

1. J51 Point Paper, 14 Sep 77, Subj: Impact Upon Asian Perception of U.S. Role and Position in Far East as the Result of U.S. Troop Withdrawals; IPAC Point Paper, 13 Sep 77, Subj: Japanese Reaction to USFK Troop Withdrawal.
2. CINCPAC ALFA 038/182010Z Jan 77; COMUSJ 250001Z Jan 77; AMEMB Tokyo 1823/090211Z Feb 77.

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concerns over the implications of the U.S. troop redeployment from the ROK even though, because of domestic political difficulties, Fukuda's government was required to maintain a low profile on certain Korean issues. The Korean Foreign Minister acknowledged to the GOJ Foreign Minister that the ROK did not expect U.S. troops to remain in Korea indefinitely, but it believed that the time was not "ripe" for the withdrawal of U.S. forces, particularly the 2nd Infantry Division. There were military and psychological consequences to such a "premature" move which could be used to advantage by North Korea. The ROK official noted that the U.S. Government had not yet formally raised the withdrawal issue with the ROK, but he expected such discussions shortly. The most immediate concern of the ROK officials was to forestall any rapid improvement of relations between Japan and North Korea which, they warned, could have destabilizing effects. The U.S. Embassy reported that the ROK officials were apparently satisfied that despite Fukuda's apparent shift on Korea--from public anxiety over troop withdrawals in late 1976 to an early 1977 public stance downplaying Japan's interest in the issue-- "in reality Fukuda and the Japanese government fully shared our [ROK] concern about this matter."¹

(U) Indicative of the intense interest in U.S. withdrawal plans, not yet formally announced, was the press coverage in Tokyo regarding Admiral Weisner's testimony during a Senate subcommittee session on 11 March. He reportedly stated that American military strength necessary for a North-South Korean military balance should be retained in that area, "...thereby indicating his objection to the proposed USFK withdrawal." According to the press reports in Japan, Weisner also affirmed the desirability of maintaining Marine bases in Okinawa. According to these reports, carried in most Tokyo newspapers, Weisner explained that about 160 (over forty percent) Japanese bases used by U.S. forces had been closed during the previous seven years and that there was mounting comment among some Japanese that the United States had gone too far with the reduction of military strength in Japan.²

(U) In mid-May three leading Tokyo newspapers published a somewhat more accurate report of Admiral Weisner's testimony of 13 March before the Senate subcommittee. After repeating the previous coverage, the press reports noted his statement that studies would be conducted by Washington governmental agencies, including the State Department and the Defense Department, to align the U.S. troop withdrawal program according to the policy of the Carter administration, recommendations for which had been submitted by the Pacific Command to the Joint Chiefs of Staff. At the same congressional hearing, according to these press reports, CINCPAC stated that he had been telling Japan of the need to bolster the quality of national defense, especially in the fields of anti-

1. AMEMB Tokyo 2451/220906Z Feb 77.
2. Ibid.

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submarine warfare and air defense. At the same time, one newspaper quoted the Japanese Foreign Office and other concerned sources in Japan as speculating that the United States would pull out 3,000-4,000 Army personnel from South Korea as the first step of the withdrawal beginning in October of 1977. Citing these same sources, the newspaper reported that the United States would maintain more than one half of its deployed nuclear weapons, said to amount to 700 rounds, in South Korea.¹

~~(S)~~ After their May visit to Korea, General Brown and Undersecretary Habib visited Japan on 27-28 May to consult with the JDA on specific factors involved in the planned withdrawal of ground forces from Korea. The discussions were led on the Japanese side by JDA Director General Mihara, Vice Minister Maruyama, and Joint Staff Council Chairman, Admiral Samejima. General Brown stated that President Carter had determined that the United States would remain a Pacific power, that it would uphold fully its security treaty commitment to the ROK, but that because of ROK economic, social and military strength, the time had come to initiate phased withdrawal of U.S. ground forces from Korea, leaving air units in Korea and naval forces in the Pacific. The U.S. plan envisaged a phased withdrawal of ground forces over a four to five year period, during which, with congressional support, the United States intended to transfer certain equipment and weapons from the U.S. 2nd Division to the ROK in order that the military balance on the Korean Peninsula would not be disturbed. This was in addition to the strengthening and modernization of ROK military forces already underway under the five year force improvement plan. Brown cited possible examples including additional anti-tank weapons, additional tanks, and communications equipment, together with the training necessary for their use and maintenance. Following the 2nd Division withdrawal, some U.S. Army personnel would remain in the ROK to provide logistical, communications, and certain intelligence support for remaining air units and assistance to ROK forces.²

~~(S)~~ Secretary Habib added that the security treaty commitment to the ROK remained valid and strong, reflecting the determination of President Carter and the new administration. Habib acknowledged to the Japanese officials that the ROK would have preferred the retention of ground forces. However, President Park Chung-hee and the ROK leadership were practical people and would concentrate on measures to insure that the withdrawal of the ground forces would not inhibit the security of the ROK. The Japanese officials then questioned Brown and Habib regarding the rationale for the U.S. decision and whether the United States had considered that the success of the withdrawal plan required a favorable international framework. In reply, Brown stated that the President's

1. COMUSJ 160631Z May 77.
2. SECSTATE 124571/290522Z May 77, which transmitted AMEMB Tokyo 7911 of 29 Mar 77.

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decision had been based principally on the strength of the ROK and the gradual drawdown of U.S. forces in the twenty-four years since the Korean Armistice. The proposed withdrawal of ground forces represented a continuation of that program, which would be supplemented with improvements in ROK forces and by the diversion to them of equipment from the 2nd Division. Habib noted that the reasons for the decision were complex. Significant among them was the belief, based primarily on the Korean capacity for self reliance, that ROK security could best be assured with support from the United States. The ability of the United States to maintain the necessary support in terms of congressional and public understanding were dependent upon the demonstration of that ROK capacity.

~~(S)~~ Regarding the international environment, Habib noted that, in U.S. contacts with the PRC and the Soviet Union, the commitment of the United States to the ROK had been emphasized. Neither had grounds for an illusion that adventurism by Kim Il-sung would be permitted to occur without the strongest reaction from the United States. In response to Brown's request for a summary statement of Japanese views to convey to President Carter and to consider in planning, Mihara offered three points. First, the U.S. ground forces in the ROK were the last remaining on the Asian continent and their presence had been regarded as special evidence of the U.S. commitment not only by the ROK but by other Asian countries as well. Their withdrawal could be interpreted in Asia as a diminishing U.S. commitment unless there was a clearly understood rationale and a proper international framework. A related point was the need to establish a framework for the maintenance of peace and stability on the Korean Peninsula which involved the United States, the PRC and the USSR. This could not be done if left to North and South Korea alone. Finally, Mihara stated that the Prime Minister had instructed him to emphasize the importance of U.S. assistance and compensatory support for the strengthening of ROK forces. He asked continued close coordination and expressed the hope that the withdrawal of ground forces would be carried out smoothly and with full coordination between both countries.

~~(S)~~ The U.S. Embassy in Tokyo advised the State Department in mid-June that the media coverage of the Korean troop withdrawal as a result of the Brown-Habib visit had been relatively restrained, suggesting that the withdrawal decision had been defused as an immediate political issue for the Japanese. Nevertheless, there were persistent signs of underlying uneasiness about the implications for the future course of U.S. foreign policy in East Asia. For example, some editorials and commentary following the Brown-Habib visit complained that the much-vaunted consultations with the GOJ and the ROK really amounted to a simple announcement of a unilateral decision on the part of the United States. They regarded the manner in which the withdrawal decision had

1. Ibid.
2. Ibid.

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been handled as evidence of U.S. preoccupation with domestic political concerns and diminished interests in Asian regional considerations. Most papers published General Brown's congressional testimony after his visit to Japan with Habib which included the U.S. forces on Okinawa as part of the deterrent against North Korean aggression. The press speculated that if U.S. bases in Japan were so closely tied to the defense of the ROK, a re-examination of the "prior consultation" system within the U.S.-Japan security treaty might become necessary. Although the media had not displayed undue excitement, the Embassy referred to an ill-defined sense of uncertainty and uneasiness over U.S. intentions in Asia which continued to surface, particularly in private conversations with politicians, commentators, and others.¹

~~(S)~~ Following his attendance at the 10th U.S.-ROK SCM in Seoul, Secretary of Defense Harold Brown visited Tokyo to confer with officials of the GOJ. During his meeting with Prime Minister Fukuda on 27 July, Brown was asked to elaborate on the phasing of the withdrawal as indicated in the Joint Communique following the conclusion of the SCM in Seoul. It was the Prime Minister's impression that, following the first phase withdrawal of 6,000 men, the balance of the ground force would remain until the pull-out of the 2nd Division Headquarters. On a confidential basis, the Secretary explained that approximately one-half of the first phase 6,000 man withdrawal would be from the 2nd Division and the remainder from non-divisional elements. The 2nd Division Headquarters, together with two brigade headquarters and the bulk of the complement of those brigades, would remain until the final phase sometime in 1981 or 1982. Except for this retention of the 2nd Division Headquarters and two brigades until the final phase, Secretary Brown stated that details had not yet been resolved concerning the second stage withdrawal. It was planned to "backload" the withdrawal with the result that even after the second stage, which Brown explained could come about one-and-a-half years after the first, the bulk of the ground force combat capability would remain in Korea until the final stage.²

~~(S)~~ The Prime Minister asked whether the ROK Government was satisfied with this plan. Brown replied that the ROK believed that the broad outline of the withdrawal plan was a reasonable way to proceed, provided the contemplated transfers and purchases of equipment could be realized. In this connection the Secretary stressed that the bulk of the equipment transfer would have to be purchased by the ROK over and above its five year force improvement program, and that the ability of the ROK to handle such purchases financially was of critical importance. The Secretary said that tentative plans would return the 2nd Division to the Continental United States as part of the central reserve for use in meeting emergency situations. However, he noted, the

1. AMEMB Tokyo 8804/140850Z Jun 77.
2. AMEMB Tokyo 11360/281005Z Jul 77 (EX).

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United States had not yet reached the point where a final decision was required and requested that his remarks in that regard also be kept confidential. Secretary Brown solicited the Prime Minister's comments or advice as to the manner in which the United States was proceeding, given the basic decision to withdraw. He offered to convey to President Carter any comments which the Prime Minister might have.¹

~~(S)~~ The Prime Minister expressed the hope that the U.S. Government would consider the plan for withdrawals between the first and final stages in the context of the overall situation on the Korean Peninsula, and that subsequent withdrawals would not endanger stability and would be made in close consultation with the ROK. He added that the GOJ also would watch the situation on the Korean Peninsula carefully. Brown noted that security on the Korean Peninsula involved more than military questions, although these were very important. He noted that the interests of Japan, the Soviet Union, the PRC and the United States also converged there and that, in his view, each of these powers desired peace on the Korean Peninsula to be preserved. Much detailed planning remained and the Administration would consult with Congress and seek its approval for the sale of certain equipment to the ROK. Secretary Brown stressed that the Carter administration, by its declaratory statements and its actions, had made clear that the United States was and intended to remain a strong power in the Western Pacific, militarily as well as politically and economically. He noted that the United States would continue to maintain strong military power in the Western Pacific. Specifically, there would be an augmentation of U.S. air power in Korea; there would be no change in the deployment of U.S. Marines and Air Force elements in Japan; a base structure would be maintained in the Philippines; there would be no change in Seventh Fleet deployments in the Western Pacific; and, a strong Air Force base capability would be retained on Guam.²

~~(S)~~ On the same day, Secretary Brown also had separate meetings with the Japanese State Minister for Defense and the Minister of Foreign Affairs. He covered essentially the same ground with these officials as with the Prime Minister; however, he specifically stated that tactical air forces in Korea would be augmented to full wing size. During the meeting with the Defense Minister, Brown was asked about the prospects for congressional approval for the modernization program of the ROK forces. He said it was not easy to generalize about various components such as no-cost transfers, military assistance, and foreign military sales, but that consultation with Congress had been going on for two months and he believed it would in time produce the necessary support. To the question of whether there would be difficulty obtaining congressional approval in the event it was necessary for the United States to reintroduce

1. Ibid.
2. Ibid.

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forces, Secretary Brown pointed out that the division headquarters and two brigades which would remain until the end of the withdrawal program would become engaged in any conflict and, even after the withdrawals, some forces, both ground and air, would be engaged. He noted that the War Powers Act permitted the President to commit forces to meet an attack on U.S. forces. Congressional approval was required after a fixed period of time in any event, so the withdrawal made no difference. Regarding initiatives to maintain a diplomatic balance, Brown referred to the ROK proposal of a non-aggression treaty and U.S. support of the resumption of talks between North and South Korea which had been suspended by North Korea in 1973. He also stated that the United States was willing to participate in a conference of all powers concerned, but had reaffirmed that it would not enter into talks with North Korea unless the ROK were represented. Brown stated that the day before he had left Washington, President Carter had personally reiterated that promise to him.¹

(S) One participant in the meeting with the Defense Minister requested Secretary Brown's frank opinion about how the Japanese could help. Brown replied that smooth withdrawals required the cooperation not just of the ROK and the United States, but of other countries in the area as well. Japanese-Korean trade as well as investment were important in order to bolster the economic strength of the ROK. In addition to political and economic strength, it was essential for countries in the area to maintain military balance. Japanese effort toward that end would play an important role because perceptions of the countries in the area were affected by fluctuations in the GOJ defense budget. Brown acknowledged that the JDA was under severe budget pressure, similar to that faced by the U.S. Department of Defense, but stated that his own relations with Congress would be improved if he could indicate that the Japanese defense budget had been increased. Brown concluded his meeting with the Ministry of Defense officials by noting that the future of the 2nd Division in Korea had not yet been formally decided and that no public statement had yet been made in the United States.²

(S) During Secretary Brown's meeting with the Prime Minister and the State Minister for Defense, he had stated that there were no plans to change the military structure of the United Nations Command, but that a new combined command in South Korea would also be formed. This was amplified during his meeting with the Minister of Foreign Affairs when Brown stated that the staffs of the United States and the ROK had already accomplished a good deal of work toward the establishment of the combined command with a four-star U.S. general and a Korean deputy. This command would be activated in conjunction with the first

1. AMEMB Tokyo 11361/281000Z Jul 77 (EX).
2. Ibid.

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increment of the withdrawal. One foreign affairs official asked Brown what the anticipated North Korean reaction was to the withdrawal program. Brown replied that North Korea was one of the most obscure and hard to read countries in the world. Elements of unpredictability, as seen in the tree-cutting incident in 1976 and the helicopter shoot-down in 1977, demonstrated the proclivity of North Koreans to shoot first and ask questions later. Subsequent negotiations such as, for example, the return of survivors and bodies, were more calmly conducted.¹

Bilateral Cooperation

~~(S)~~ During Secretary Brown's 27 July meeting with the Japan Minister of Foreign Affairs to discuss the withdrawal of U.S. ground forces from Korea, he also briefly discussed bilateral issues. The Secretary expressed concern about the increasing costs of maintaining U.S. forces in Japan and pleasure that the GOJ was working on the subject. He realized the legal problems involved and the domestic political problem but hoped for some relief. Brown also asked the Minister's support for increased defense cooperation as rapidly as the political situation in Japan would allow. He was encouraged by the progress of the Sub-committee for Defense Cooperation (SDC) and, if possible, hoped to see joint planning for the defense of Japan go forward. He also urged, as he had with the State Minister for Defense, that Japan do more in selected defense areas such as antisubmarine warfare, air defense and logistics. He recognized the political sensitivity involved, but expressed hope that the Foreign Minister would work toward this end.²

~~(C/NOFORN)~~ During a subsequent meeting in Washington between Secretary Brown and Japan State Minister for Defense Mihara on 13 September they agreed that cooperation between the Department of Defense and the GOJ on defense issues had improved steadily in recent years. Greater commonality of purpose, increased awareness of defense issues among the Japanese public, and a concerted effort on both sides to establish an effective coordinating mechanism were the principle causes for the results achieved thus far. They jointly agreed that both sides should maintain this momentum by embarking upon specific programs to foster closer cooperation and mutual understanding. Programs identified as most fruitful for early emphasis were officer exchange programs, information exchanges, and the strengthening of consultative mechanisms.³

1. SECSTATE 180521/020146Z Aug 77, which transmitted AMEMB Tokyo 11363 of 28 Jul 77 (EX).
2. Ibid.
3. JCS 8760/311759Z Oct 77.

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(C7NOFORN) As a result of this meeting, Secretary Brown requested comments, suggestions and analyses from the JCS on how such programs might best be pursued. He was particularly interested in which organizations might participate, what exchange programs were currently underway, what problems were foreseen, and the cost to overcome these. The JCS advised CINCPAC that the expense involved in developing a sufficient number of officers with adequate language capability, the requirements of national disclosure policy, and the need to protect the confidentiality of staff work had already been identified as potential problems. CINCPAC assistance was requested by the JCS to identify programs then underway within the PACOM to exchange personnel or information and to evaluate their success. CINCPAC was also asked to identify any new programs which could be undertaken to promote the objectives agreed upon by the Secretary and the Defense Minister. The JCS informed CINCPAC that Secretary Brown's guidance was to limit the collection of data and any accompanying analysis to U.S. Government sources. After Defense Department analysis and interagency coordination was completed, the GOJ would be approached with U.S. Government proposals.¹

(C7NOFORN) CINCPAC requested COMUS Japan to provide comments for inclusion in the response to the JCS, and tasked component commands and the Military Defense Assistance Office (MDAO) in Tokyo to assist COMUS Japan in composing a reply. Based on the replies, all of which essentially elaborated upon programs and mechanisms already existent, CINCPAC replied that current programs were many and diverse, furnishing ample opportunity to attain the objectives prescribed. CINCPAC stated that the need was to re-emphasize existing programs and foster in-depth participation by all U.S. military organizations involved. CINCPAC also stated that only the lifting of GOJ political constraints and a higher degree of reciprocity on the part of the JSDF would assure the success of bilateral cooperation. Bearing on the overall concept was the funding and manpower available to U.S. forces.²

CINCPAC-JSO Staff Exchange Visits

(C) Staff exchange visits between CINCPAC and the Joint Staff Office (JSO) of the JDA had been traditional for a number of years. The purpose of these visits was to promote mutual understanding and friendship and to exchange views on matters of mutual concern. In May 1977 the CINCPAC Director for Plans, accompanied by staff representatives from intelligence, operations, logistics and security assistance, plans and the JCS, visited Japan as part of this program. The senior Japanese military officers participating included the Director

1. Ibid.
2. CINCPAC 010105Z Nov 77; CHMDAO Tokyo 9117/020900Z Nov 77; CINCPACFLT 050337Z Nov 77; COMUSJ 040635Z Nov 77; ADMIN CINCPAC 052310Z Nov 77.

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of the JSO and the Chief of the Operations Division, JSO. The visit included formal briefings and round table discussions regarding the Japanese defense budget, major programs, strategy, readiness and mobility in the Pacific Command, and a briefing by the JCS representatives on crisis management in connection with Operation PAUL BUNYAN (1976 tree-cutting incident). The field trips included visits to Japanese military and heavy industry facilities in central Japan.¹

(U) Although a representative from the JCS in Washington had been included in previous visits to Japan under the staff exchange program, the JSO staff had not previously visited the JCS. In August the JSO requested COMUS Japan to make an informal query about a possible visit to CINCPAC and the JCS during the November-December 1977 time frame. The visit proposal had the full support of the Chairman of the Joint Staff Council, depending upon fund availability. CINCPAC requested U.S. Forces Japan to initiate informal coordination with the JSO to set specific dates for the JSO visit. The Chairman of the Joint Staff Council advised COMUS Japan that late November-early December was satisfactory and proposed two working days at CINCPAC followed by a visit to the JCS in Washington. The primary area of interest of the JSO staff was command and control information which might be useful in the development of a JDA central command center.²

(S) In October CINCPAC advised the JCS that the JSO desired to maintain the informal discussion format utilized throughout previous exchange visits with the CINCPAC staff to promote frank and candid exchanges of military views. The informal discussion format included short introductory remarks on a discussion topic by the proponent party followed by a "free talking" exchange of "personal and unofficial" views. CINCPAC advised that the JSO intended to discuss the framework for deliberations by the SDC, bilateral planning between the JSDF and U.S. forces, the concept of complementarity, and the development of joint operations/training.³

(S) The meetings between the JSO and the CINCPAC staff took place as scheduled on 25 November. The Japanese delegation was headed by Vice Admiral Eiichi Tsunehiro, Director, JSO. During the executive session, Vice Admiral Tsunehiro asked two questions not included in the subject matter programmed for discussion. The first question involved the impact on U.S. strategy in the Pacific if a Japan-PRC treaty was signed. The answer was that the impact would depend on the nature of the treaty. If the treaty were limited to cultural and economic

1. COMUSJ 232235Z May 77; J51 Point Paper, 21 Nov 77, Subj: CINCPAC-JSO Staff Exchange Visit.
2. CINCPAC 130342Z Aug 77; COMUSJ 310429Z Aug 77 and 120701Z Sep 77.
3. CINCPAC 142040Z Oct 77; COMUSJ 070023Z Nov 77; ADMIN CINCPAC 090334Z Nov 77.

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matters, the impact would be slight. But, if it involved limitations on Japanese and U.S. defense capabilities, the treaty could present problems for the United States. Tsunehiro also asked whether CINCPAC believed that the PRC-USSR relationship was changing. Specifically, was their relationship warming up? The reply was that major military, ideological, and historical problems confronted Russia and China. During the staff level talks, various phases of the SDC deliberations were discussed as was the subject of complementarity and sensitive political constraints in Japan regarding bilateral planning. The Japanese delegation received briefings and tours of CINCPAC, the Pacific Air Forces, and the Pacific Fleet Command Centers. A variety of questions was asked covering the entire spectrum of command and control activities.¹

(S) As discussed in the Intelligence chapter of this history, Japan took the initiative toward a more rewarding exchange of intelligence information during 1977.

This invitation portended greater defense cooperation in the field of intelligence and an opportunity for the United States to encourage Japan to move toward a centralized intelligence processing facility.

Security Consultative Mechanisms

(S) The highest ranking security consultative forum was established on 19 January 1960 through an exchange of notes between the U.S. Secretary of State and the Foreign Minister of Japan. Senior participants were the U.S. Ambassador to Japan, who acted as co-chairman; CINCPAC, who served as principal advisor to the Ambassador on military and security affairs; the Japanese Minister of Foreign Affairs, who acted as co-chairman; and the Director General of the JDA. COMUS Japan served as the military advisor in the absence of CINCPAC. This forum was entitled the Security Consultative Committee (SCC), and was established under the authority of Article IV of the Treaty of Mutual Cooperation

1. J51 HistSum, Dec 77; CINCPAC 270217Z Nov 77.
2. J22 Point Paper, 7 Sep 77, Subj: DIA/CINCPAC/JSO Exchange Conference; COMUSJ 310429Z Aug 77, 050140Z Nov 77, and 300900Z Nov 77.

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and Security. Some two-and-one half years intervened between the 15th and 16th SCC meetings, the latter of which was held on 8 July 1976 in Tokyo. There was no SCC meeting during 1977.¹

(c) Because of the sensitivity of the Japanese people to military security matters, and perhaps seeking means for a lower political profile, the GOJ proposed the establishment of three other security consultative mechanisms. The Security Consultative Group (SCG), comprised of ranking military and diplomatic officials of both countries in Japan, met monthly to consult and coordinate mutual security matters, particularly in regard to the use of facilities and areas in Japan by U.S. forces. A third consultative body was entitled the Security Consultative Subcommittee (SSC), formed to provide follow-up "working level" talks at the Vice Minister-Ambassadorial level subsequent to meetings of the SCC. The first SSC meeting was held on 25-26 May 1967. The 9th SSC meeting was held in 1974 and the 10th had not yet been held at the end of 1977, although SSC 10 was scheduled to be held in January 1978 in Hawaii. This meeting had initially been proposed by the GOJ for November or December 1977 but was delayed at GOJ request because of Diet extensions in late 1977. CINCPAC was requested by the Departments of State and Defense to coordinate the meeting arrangements on behalf of the Secretary of Defense, and a proposed agenda, compiled by coordination between CINCPAC and the Washington agencies, was forwarded to the Japan Ministry of Foreign Affairs for consideration. By the end of the year, CINCPAC had made arrangements to hold SSC 10 on 16-17 January 1978 in Honolulu. The agenda proposed to the Ministry of Foreign Affairs had been accepted. The agenda included:²

- Soviet military plans and programs in the Pacific.
- U.S. force posture in the Pacific.
- Domestic situation as it affects U.S.-Japan defense relations.
- Discussion of areas of emphasis for further cooperation for defense of Japan.

1. J51 Point Paper, 14 Sep 77, Subj: Security Consultative Committee (SCC).
2. J51 Point Paper, 29 Dec 77, Subj: Security Consultative Subcommittee (SSC); COMUSJ 180519Z Oct 77; AMEMB Tokyo 15771/120833Z Oct 77, 17155/071024Z Nov 77, 17702/160836Z Nov 77, and 19004/090920Z Dec 77; SECSTATE 257855/280141Z Oct 77 and 273096/150336Z Nov 77; CINCPAC 262229Z Nov 77; J5 Bi-Weekly Executive Brief (BWEB), 24 Oct-7 Nov 77 and 5-18 Dec 77.

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(Q) As noted by the U.S. Ambassador to Japan in December 1977, the SCG also had not been meeting regularly because, in the face of personnel turnovers and time-consuming labor-costs negotiations, the Japan Ministry of Foreign Affairs had been unable to prepare itself for regular SCG sessions. Thus, the newest of the security consultative bodies to be established, the SDC, was the only one of the four to meet regularly during 1977. The SDC had been established during the 16th SCC meeting on 8 July 1976. The ground work for its formation had been laid during August 1975 meetings between the Japanese Prime Minister and President Ford and the Director General of the JDA and Secretary of Defense Schlesinger. The purpose of the SDC, as promulgated during the July 1976 SCC meeting, was to "conduct studies and consultations concerning the scope and modalities of Japan-U.S. cooperation, including guidelines for measures to be taken to ensure coordinate joint activities by the self-defense forces and the U.S. forces at the time of emergency." The SDC was also authorized to establish subsidiary panels when necessary. Three meetings of the SDC were held in 1976 and three in 1977.¹

(Q) The SDC was considered by the United States to be a milestone in a carefully orchestrated GOJ effort to gain public and political support for U.S.-Japan bilateral military planning. However, CINCPAC guidance on SDC activities emphasized to COMUS Japan that the first order of business was to help the Japanese gain public confidence in the SDC and in civilian policy control over military planning. COMUS Japan was advised to avoid such controversial subjects as bilateral contingency planning and to address non-sensitive subjects first, such as mutually supporting logistics systems. An attempt was in order to encourage the Japanese to maintain some SDC momentum while, at the same time, deferring to the GOJ pace.²

(Q) The first SDC meeting was held on 30 August 1976 in Tokyo amidst and despite Japanese political furor over the Lockheed scandal and an intra-party power struggle. The second meeting, held on 18 October 1976, considered the basic premises of studies and consultations, future agenda, and a concept of guidelines for military services. During the third meeting on 6 December 1976, the basic premises and the subjects for studies and consultations were approved. The Japanese side proposed the formation of SDC panels at the next meeting and the JSO presented a military "situation assessment." These first meetings, in other words, were devoted to setting the political stage for subsequent SDC consultations and studies.³

1. AMEMB Tokyo 10256/080300Z Jul 76 and 19898/290317Z Dec 77; J51 Point Paper, 14 Sep 77, Subj: Subcommittee for Defense Cooperation (SDC).
2. Ibid.
3. J51 Point Paper, 16 Nov 77, Subj: Subcommittee for Defense Cooperation (SDC); AMEMB Tokyo 16199/300250Z Oct 76 and 18142/090846Z Dec 76.

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¶ The fourth SDC meeting was held on 18 April 1977 in Tokyo. The establishment of three functional panels was approved to begin studies and consultations on guidelines for defense cooperation. As recommended by CINCPAC prior to the meeting, the U.S. side noted that nothing in the Japanese defense concept presented during the meeting could be construed as going beyond the treaty commitments, and that modifications of the concept might be in order. The Japanese representatives signified understanding and agreement with these reservations. A special point was made by Japanese representatives (JDA/JSO) of the Japanese will to continue resistance by conventional means in case of nuclear attack while relying on U.S. nuclear retaliatory capability.¹

¶ During the fourth meeting, subordinate panels were organized to assist in the development of guidelines for cooperation in the functional areas of intelligence, operations/communications, and logistics. CINCPAC requested Service component support for SDC panel deliberations and issued guidance to the components and COMUS Japan regarding eventual U.S.-Japan bilateral military planning.²

¶ During the 5th SDC meeting on 16 August 1977, U.S. representatives reiterated that there was no objection to the use of the GOJ defense concept for the purpose of assisting SDC panels in their work, provided it was understood that references in the concept to U.S. actions were not to be construed as U.S. commitments beyond those in the MST. During this meeting, the GOJ presented subjects for panel deliberations. With the understanding that these might be modified in the future, the U.S. side agreed on an operations panel, an intelligence panel, and a logistics panel. The operations panel was to consider command and coordination, defense preparedness conditions, ground operations, maritime operations, air operations, communications/electronics, and preparation for operations. The intelligence panel was to address intelligence and information exchange, cooperative intelligence organization, and intelligence activities in cooperative operations and security. The logistics panel was to address the management and direction of coordinated logistic activities, functional matters for coordinated logistics activities, basic matters of logistics cooperation in peace time such as equipment capability, the standardization of logistic procedures, and requirements for logistics coordination. The Japanese representatives presented a draft guideline for command coordination which stated that, when taking joint coordinated actions in emergencies, the SDF and U.S. forces would operate under their respective command channels in close cooperation. Specifics were provided by the Japanese side on how such cooperation could be achieved without disturbing command systems, noting that

1. J51 HistSum Apr 77; CINCPAC 272014Z Feb 77; AMEMB Tokyo 6018/260040Z Apr 77.
2. J51 HistSum May 77; CINCPAC 302057Z Apr 77 and 312335Z May 77.

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while the concept was not necessarily comprehensive, it could form the basis of work for the operations panel. The two sides agreed that a modified version of panel subject areas could be released to the press, and a low-key press treatment followed SDC V.¹

(S) Prior to SDC VI, COMUS Japan responded to a Secretary of Defense and CINCPAC request for recommended points of discussion for September meetings in Washington between the Secretary of Defense and the Japanese State Minister for Defense. Five subject areas were suggested. These included the SDC, labor cost sharing, the Okinawa-military land use issue, joint-combined training in Japan, and the GOJ reaction to the disclosure by the U.S. forces in Japan of the relocation of U.S. Army munitions to Korea. Regarding the SDC, COMUS Japan stated that a good start had been made and systematic progress could be expected. The Japanese side was proceeding with caution and careful deliberation in order to avoid misunderstanding on the part of the Japanese Diet and the public. The JDA and the Ministry of Foreign Affairs had been providing full support to the SDC and progress by Japanese standards had been more than satisfactory. The reaction of the public had also generally been favorable. COMUS Japan recommended that the United States avoid any implication during the Washington talks that the Japanese side should make greater efforts in expediting SDC deliberations. On the contrary, COMUS Japan recommended that the high interest and satisfaction of the United States in the progress of the SDC be made known and the need for both sides to make every effort to maintain momentum be emphasized.²

(S) The 6th SDC meeting was held on 29 September 1977. The participants approved the command and coordination guidelines presented by the operations panel during the 5th meeting, and the intelligence panel presented guidelines on intelligence and information exchange. The logistics panel presented guidelines for the management and direction of coordinated logistics activities.³

(S) The 7th SDC meeting, which had been considered for early December, was postponed because of changes in the Japanese cabinet and other reasons. The date for the next meeting had tentatively been scheduled for January 1978. Topics proposed for discussion included guidelines for common defense preparedness and ground, maritime, and air operations. COMUS Japan advised CINCPAC that the target for completion of guidelines for the direct defense of Japan was August 1978. Following that, SDC deliberations would progress to "phase two" concerning situations in other parts of the Far East which impacted upon

1. AMEMB Tokyo 12609/180834Z Aug 77.
2. COMUSJ 310429Z Aug 77.
3. J51 HistSum Oct 77; COMUSJ 270115Z Sep 77; AMEMB Tokyo 15606/070935Z Oct 77.

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the security of Japan. During the JSO exchange visit to CINCPAC and the JCS in late November and early December, the JSO advised that it was working toward official recognition for bilateral planning between the U.S. forces and the JSDF at the next meeting of the SCC, tentatively considered for the spring of 1978. If held at that time, the GOJ would not yet have developed a firm approach to the bilateral planning issue, and the JSO suggested that it would be more appropriate to postpone the SCC until mid-1978. During the stop of the Japanese delegation at CINCPAC, the JSO representatives had advised CINCPAC's staff that since they had taken the lead in the SDC "phase one" (direct defense of Japan) guideline development, they expected the United States to take the lead during the phase two (U.S. operations emanating from Japan for the defense of other areas). In regard to phase two, the CINCPAC staff was told that the Japanese military preferred to be informed as to what was expected of the JSDF by the United States. The Director of the JSO suggested that the United States should provide military requirements without trying to interpret Japanese political constraints, and to let the JSO/JDA resolve such problems with the Minister of Foreign Affairs and the Diet. Concerning bilateral planning, the JSO director stated that the major JDA problem was to avoid compromise of contingency plans with the Diet, and that the JDA did not intend to allow access to bilateral plans outside the JDA.¹

Republic of China (Taiwan)

~~(S/NOFORN)~~ The two most relevant issues of political-military relationships with the Republic of China (ROC) were the normalization issue and the numbers of U.S. forces stationed on Taiwan. The first of these was discussed previously in this chapter and the second in another chapter of this history. The only other event of note during the year was the defection to Taiwan of a PRC pilot in a MIG-19 aircraft on 7 July. When the unidentified aircraft was reported heading west, the ROC Air Force scrambled five Makung-based F-5s and the ROC Armed Forces assumed Defense Condition II readiness posture. The aircraft was met, taken under escort, and landed at Tainan Air Base without further incident.²

~~(S/NOFORN)~~ The DIA requested CINCPAC to designate an on-site command and control authority to assure proper management of the MIG defection incident. CINCPAC was requested to keep the DIA continuously informed of the status of both the aircraft and the pilot and possible U.S. access to both. The DIA requested that CINCPAC attempt to determine as soon as possible the manufacturer of the aircraft--whether Chinese or Russian made--and to advise if any missiles or live armament had been carried. Before CINCPAC could dispatch a message

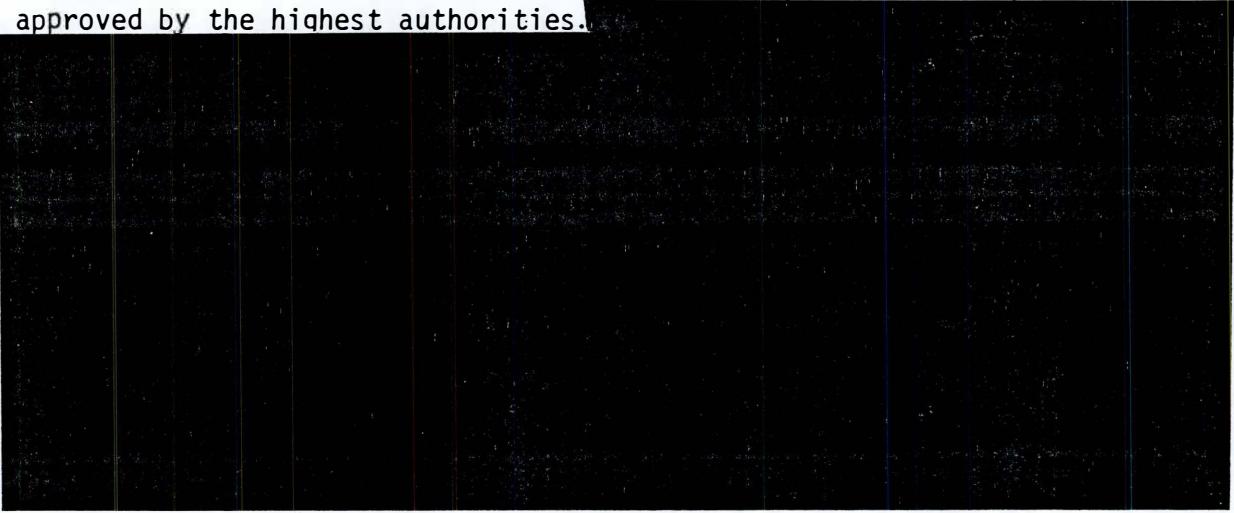
1. CINCPAC 270217Z Nov 77; COMUS Japan 070023Z Nov 77, 142343Z Dec 77, and 240030Z Dec 77.
2. CINCPAC 070700Z Jul 77; 13th Air Force 070735Z Jul 77 and 070835Z Jul 77.

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designating the Commander of U.S. Forces, Taiwan Defense Command (COMUSTDC) as the in-country U.S. defense coordinator, DIA countermanded its previous message and advised CINCPAC to take no action of any type relevant to the MIG aircraft or defector pending receipt of specific joint national-level instructions. This guidance eliminated the need for CINCPAC to take action on a request by intelligence units in Japan for area clearance to proceed to Taiwan with personnel and initial photo exploitation equipment.¹

~~(TS/NOFORN)~~ On the day after the defector landed at Tainan Air Base, the DIA advised CINCPAC that U.S. Government policy concerning participation in the exploitation of the MIG 19 aircraft and the pilot had not yet been formally approved by the highest authorities.



1st Two days after the MIG landed, the U.S. Embassy in Taipei advised the State Department that various military and civilian elements of the mission had received invitations from the ROC to send representatives to Tainan to inspect the MIG. The Chinese military had repeatedly pressed for a definitive response. All mission elements had been non-committal to such invitations, but the Embassy commented that a refusal on the part of U.S. personnel to accept invitations to inspect the jet and interview the pilot would subject the U.S. Government to considerable unfavorable press attention and be widely interpreted as another sign of official U.S. disengagement from the ROC. The refusal would also be a sharp departure from past very close associations with the ROC military.³



1. 5th AF/DET4FTD 070830Z Jul 77 (BOM); DIA 5659/071431Z Jul 77 and 6433/080713Z Jul 77.
2. DIA 6935/081727Z Jul 77.
3. AMEMB Taipei 4126/090400Z Jul 77.

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(6) Based on the foregoing guidance, Admiral Weisner instructed COMUSTDC to assist the Ambassador in any way necessary, while, at the same time, keeping CINCPAC fully informed, preferably by being an addressee on Embassy messages dealing with the subject. CINCPAC noted that his staff had kept the staff of COMUSTDC informed by telephone concerning developments since the defection.²

1. SECSTATE 160098/091625Z Jul 77 (EX).
2. CINCPAC 110004Z Jul 77 (BOM).

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licity.¹

Meanwhile, the reaction on Taiwan to the PRC MIG defection was conveyed by the U.S. Embassy to the Department of State. No time was lost in publicizing the defection. Extra single-page editions of major local papers were being sold in the streets less than an hour after the plane landed at Tainan. By noon of the next day, a song of welcome to the pilot had been composed and was being broadcast on the airways. News of the defection was eagerly consumed by the public and had been interpreted by some as a welcome slap at American China policy. One cartoon showed President Carter and Secretary Vance (with a "normalization" label) being bowled over by an incoming MIG labeled "human rights" and "total diplomacy". The cartoon was captioned "We want to get in while he wants to get out". On the day after the defection, a Chinese newspaperman approached the Embassy to ask how the Ambassador would react if the MIG pilot requested the Ambassador to contact the Secretary of State to intercede with the PRC to get his family out of the PRC. The Ambassador informed the State Department that, unless instructed otherwise, he intended to respond to such press queries by saying that he has no contact with the pilot and had received no such requests. If a written request were received, he would accept it and say he would look into the matter.²

State informed the Embassy of its concurrence in the approach to the handling of press queries. State provided examples of answers to specific questions which a State Department spokesman had been authorized to give. To a question regarding U.S. reaction to the flight of the Chinese MIG 19 pilot to Taiwan, the answer was that the matter did not involve the United States. When asked what the State Department response would be to a request by the pilot to intervene with the PRC on behalf of his family on the mainland, the authorized answer was that no such request had been received. It would be addressed when and if it arose and hypothetical questions would not be discussed.³

On the following day (9 July) the Embassy informed State that, because of continued press interest in the possibility of the defector appealing for U.S. aid for his family, the Embassy intended, if and after a request from the pilot was actually received, and on an if-asked basis, to state that the request had been received and its content forwarded to Washington. A sample of the spot news queries received from various press sources and the responses thereto was provided by COMUSTDC to CINCPAC on 11 July. One question was whether the U.S. military had joined in the examination of the MIG and if so, for what pur-

1. CINCPAC 012133Z Nov 77; JCS 6904/082324Z Nov 77; SECSTATE 288536/022351Z

Dec 77 (EX); AMEMB Taipei 7287/070647Z Dec 77 (EX).

2. AMEMB Taipei 4118/080945Z Jul 77 and 4120/081030Z Jul 77.

3. SECSTATE 159175/082110Z Jul 77.

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pose. The answer was no, that U.S. military personnel had not examined the MIG. A similar question, but amplified to include the removal of aircraft parts to the United States, was answered the same as before. Questioned as to any intent on the part of the U.S. Government to examine the aircraft, the answer was that no such intentions had been discussed. These answers had been coordinated with the U.S. Embassy and the U.S. Information Service. Their guidance, in addition to the foregoing answers, was to answer further questions with "it is a matter for the Republic of China".¹

(C) Six days after the defection, the Ambassador did in fact receive a copy of a letter, together with a covering letter to the Ambassador, which had already been sent to the Secretary of State. The letter from the pilot (Fan Yuan-yen) stated that he had fled because of the tyranny in the PRC and requested U.S. intercession in behalf of his family who would be subjected to "cruel persecution". He requested the Secretary to broach the subject during his visit to the PRC in August. The cover letter to the Ambassador also enlisted his aid to extract Fan's family from the mainland. In answer to query, the U.S. Embassy told a press correspondent that the letter had been received and forwarded to Washington. Other queries were also received and the answer generally quoted correctly without amplification. One story, however, said Secretary Vance might find the letter a "big headache" in view of his forthcoming trip to the PRC. The Embassy also advised State that the Ambassador and other mission officers had once again received invitations from the Ministry of Foreign Affairs and the Ministry of National Defense to visit Tainan to inspect the MIG and talk to the pilot. All had declined.²

(N) According to one Chinese press report, Fan had been offered a Chinese Air Force commission as a Lieutenant Colonel and received the standard ROC award for defectors, 4,000 ounces of gold.³

(N) The U.S. Liaison Office in Peking, four days after the defection, reported that the PRC had remained officially mute on the defection. Neither the PRC official media nor PRC-controlled foreign press had carried a word. However, the basic story had leaked to the Peking man in the street through resident foreigners. Low-level Chinese reactions were blasé and unconcerned. One reaction was that, with a population of over 800 million people, what difference could one person more or less make. Another reaction was that China was a big country and it was not surprising that a few would be unhappy and want to leave. By 14 July, however, wire service reports alleged that China had threatened retaliation against Taiwan for accepting the Chinese pilot and that a

1. AMEMB Taipei 4130/090432Z Jul 77; COMUSTDC 110925Z Jul 77.
2. AMEMB Taipei 4213/130952Z Jul 77 and 4285/160502Z Jul 77.
3. USDAO Taipei 605/130130Z Jul 77.

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"full combat alert had been issued for Taiwan troops on the off-shore island of Quemoy." Communist Chinese troops had made repeated threats over loud speakers to Taiwan troops on Quemoy. They said Taiwan would be punished for allowing the defecting MIG pilot to remain in the country and for not returning the MIG aircraft; they did not, however, specify what retaliatory action China was prepared to take.¹

~~7&L~~ The American Consul in Hong Kong advised State on 28 July of the first reference to the defection of the MIG pilot by Hong Kong pro-PRC media. The reference was an editorial which described Fan as a "dry branch falling off a big tree". This was termed a common occurrence which did not hurt the tree. The editorial took the same line as reported on the Mainland that, out of a population of 800 million people it was not surprising to find a few deserters and rebels. The paper noted that even Sun Yat-sen's revolution had defectors, but that the revolution still succeeded. The editorial did not admit the defection directly, but referenced "foreign reports".²

1. USLO Peking 1388/110600Z Jul 77; CINCPAC ALFA 040/140134Z Jul 77.
2. AMCONSUL Hong Kong 8856/280830Z Jul 77.

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SECTION IV--SOUTHEAST ASIA

(U) Following the end of the war in Indochina, Southeast Asia was generally divided into subregions (Burma was an exception); one included the five Association of Southeast Asian Nations (ASEAN) states--Thailand, Malaysia, Singapore, Indonesia, and the Philippines; the other comprised the three communist states--Vietnam, Laos, and Cambodia. Relations among these two subregions, and among the communist states themselves, were strained and uncertain. Although Cambodia appeared to be the most belligerent nation in the area, regional stability was largely dependent upon whether the Socialist Republic of Vietnam (SRV) would pursue aggressive policies toward other states in the region. The SRV was the most powerful country in the region, and its formidable military capabilities made it a source of concern to its neighbors. Border conflicts between Cambodia and Thailand, between Cambodia and the SRV, the presence of SRV troops in Laos, and continued support for the communist insurgency in Thailand contributed to Southeast Asian uncertainty. China was Cambodia's principal ally, while Hanoi's relations had been more cordial with Moscow than with Peking--reflecting Moscow's long-standing aid and greater distance.¹

SEATO Disestablished

(U) The Southeast Asia Treaty Organization (SEATO) was established in 1955 as an administrative headquarters after eight nations signed the Manila Pact on 8 September 1954. These nations were the United States, United Kingdom, France, New Zealand, Australia, Thailand, Pakistan and the Philippines. On 30 June 1977 the SEATO headquarters was disestablished. The flags of the six remaining member nations--the United States, United Kingdom, New Zealand, Australia, Thailand and the Philippines--were raised without ceremony for the last time shortly after dawn on 30 June. Absent were the banners of France and Pakistan, both of which had withdrawn at the turn of the decade. The Manila Pact, however, remained in effect.²

(U) The final fiscal year 1977 SEATO budget contribution by the United States was \$30,822.16, of which the Department of Defense share was \$21,501.34. The last United States military advisor's representative to SEATO was Colonel James A. Diddle, U.S. Air Force, who was appointed to that position on 15 February 1977.³

1. Asia-Pacific Defense Forum, Vol. III, No.1, "Asia-Pacific: U.S. Military Posture", by General George S. Brown.
2. Honolulu Star Bulletin, 29 Jun 77, "The Alliance that Never Was", dateline Casteau, Belgium (N.Y. Times Service).
3. SECSTATE 313865/302255Z Dec 76; J51 HistSum, Feb 77; CINCPAC 052101Z Feb 77.

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(S) In January 1977 the SEATO permanent working group recommended to SEATO council representatives that the headquarters building in Bangkok be sold to the Royal Thai Government for \$541,125.21. This negotiated amount, agreed upon by the member governments, represented a 4.5 percent depreciation on the building and fence and a 20 percent depreciation on air conditioning, telephones and other equipment.¹

Association of Southeast Asian Nations

(C) ASEAN was initially organized in 1967 as a regional grouping consisting of Thailand, Singapore, Malaysia, Indonesia, and the Philippines. The basic intent of the organization was to facilitate regional economic cooperation. ASEAN provided a vehicle for consultation on economic and political cooperation. The Treaty of Amity and Cooperation signed in 1976 provided a framework for the discussion of disputes but did not provide for compulsory settlement.²

(C) On 1 July the U.S. Embassy in Moscow transmitted a message to the State Department with the provocative subject: "ASEAN-Son of SEATO?" The message stated that the formal demise of SEATO had evoked several Soviet commentaries claiming that the United States and other countries hoped to convert ASEAN into a military block to compensate for the loss of SEATO. One Russian commentator asserted that the United States, Australia, and "certain forces within the ASEAN countries" were attempting to turn that organization into a military grouping along the lines of SEATO. The Embassy noted that the Soviets remained ambivalent about ASEAN, but that the Soviet Union probably desired to improve its own relations with the ASEAN countries. However, Moscow was constrained by the views of Hanoi and Vientiane and was not willing to risk their displeasure by taking a more positive line on ASEAN.³

(U) The 10th ASEAN ministerial meeting was held in Singapore on 5-8 July 1977. The meeting was formally opened by the Prime Minister of Singapore, Lee Kuan Yew. In his opening address, Lee observed that the earlier meeting of the ASEAN economic ministers had reached some degree of understanding on a number of issues, and that these economic issues should be placed on the agenda of the forthcoming ASEAN heads of government meeting in Kuala Lumpur. He noted that, since the world was in a state of transition, the future of ASEAN would depend more on what it could do for itself than on what others would or could do for the ASEAN countries. The ASEAN nations needed to take the initiative through cooperation among themselves, especially in the economic and political fields. He stated that the changed political situation in Southeast

1. AMEMB Bangkok 930/130513Z Jan 77.
2. IPAC Point Paper, 11 Oct 77, Subj: Southeast Asia Regional Stability (ASEAN).
3. AMEMB Moscow 9506/011517Z Jul 77.

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Asia required the ASEAN countries to build relations with Vietnam, Laos, and Cambodia on a constructive and productive basis with the assurance that there be non-interference in each other's internal affairs. The Foreign Ministers at the meeting discussed the preparations and proposed agenda for the forthcoming meeting of ASEAN heads and meetings between the heads of government of ASEAN and Australia, Japan, and New Zealand.¹

~~(S)~~ On the eve of the second summit meeting of 4-5 August 1977 in Kuala Lumpur (the first summit conference was held in February 1976) the U.S. Embassy in Malaysia advised the State Department that both the SRV and the Soviet Union had continued their negative attitude toward ASEAN. In contrast, the People's Republic of China (PRC) had treated the meeting favorably. The SRV had refused invitations to attend the opening and closing ceremonies of the ASEAN summit on the grounds that the SRV did not recognize ASEAN. Just before the meeting, the Malaysian press reported a Soviet armed forces daily newspaper accusation that the United States was relying on assistance from Australia, New Zealand and Japan to further its plans to "dress ASEAN in military uniform". It accused Australia of supplying arms to Indonesia and stationing troops in Malaysia, and New Zealand of maintaining forces in Singapore.²

~~(S)~~ In his opening address to the ASEAN heads of government on 4 August, Philippines President Ferdinand Marcos announced that, in the interest of the unity and strength of ASEAN, the Philippines would "take steps to eliminate" one of the issues which stood between two member states--the Philippines claim to the Malaysian state of Sabah.³

(U) The joint communique issued at the end of the two-day summit meeting stressed the importance of progress in economic and social issues to enhance regional stability. The communique also reaffirmed the ASEAN commitment to a Zone of Peace, Freedom and Neutrality in Southeast Asia, welcomed the upcoming economic dialogue with the United States, called for more liberal trade policies by the developed countries, and commended central banks and monetary authorities for ASEAN currency or "swap" arrangements. The summit leaders also welcomed the entry of Vietnam into the United Nations and agreed to develop peaceful relations with the former Indochinese nations. They also agreed to implement preferential trade on 71 items by 1 June 1978, to curb the abuse of and illegal traffic in narcotics, to establish one industrial project per country, and to press for economic cooperation with other countries--especially Australia, Canada, Japan, and the European Economic Community.⁴

1. AMEMB Singapore 2985/080930Z Jul 77.
2. AMEMB Kuala Lumpur 5056/030316Z Aug 77.
3. AMEMB Kuala Lumpur 5112/040802Z Aug 77.
4. J51 Point Paper, 14 Aug 78, Subj: ASEAN Summit, 4-5 August in Kuala Lumpur.

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(U) The ASEAN summit meeting was followed by meetings with the prime ministers of Australia, New Zealand, and Japan. Australia agreed to provide \$10 million (A) to support joint development projects under an ASEAN-Australia economic cooperation program, and to increase bilateral aid to ASEAN from \$160 million (A) to \$250 million (A). New Zealand agreed to increase developmental assistance to ASEAN countries, particularly in forestry and animal health. New Zealand also agreed to implement and finance measures to help ASEAN exporters gain a greater share of New Zealand markets, including improved coverage in the New Zealand system of preferences. Japan agreed to extend \$1 billion in financial assistance for five ASEAN industrial projects if their feasibility was confirmed. Japan also agreed to help increase ASEAN exports to Japan, to encourage the Japanese private sector to invest and transfer technology, and to examine with ASEAN the stabilization of export earnings.¹

(U) Before the summit meeting, the Government of Malaysia announced the formation of the Malaysia/Japan Economic Association (MAJECA) to promote greater economic and trade relations in the private sector. After the meeting, the Philippines, Malaysia and Indonesia announced their intention to negotiate a border crossing and patrol agreement to curb piracy, smuggling and narcotics. In another significant development, after the post-summit prime ministers' meetings, Japan agreed to provide Malaysia with \$79 million in credits for development projects.²

(S) After the summit, the State Department advised diplomatic posts in the Pacific area that recent intelligence had indicated that the ASEAN leaders had discussed the U.S. use of Philippines military bases with the Prime Ministers of Japan, Australia, and New Zealand. The U.S. Embassy in Manila, however, replied that discreet inquiries had produced no confirmation that there had been any substantive discussion of the bases, and that the view had been expressed that all ASEAN states, "even Malaysia", supported the retention of the bases in the Philippines. Further inquiry disclosed no reliable evidence that the subject had been broached either during the ASEAN summit or in peripheral discussions.³

(S) From 8-10 September 1977 ASEAN held its first formal discussions with the U.S. Government in Manila. A second round of talks was tentatively scheduled for the summer of 1978 in Washington. The United States position vis-a-vis ASEAN was that relationships between ASEAN as an organization and the United States did not replace existing bilateral relationships with the individual

1. Ibid.

2. Ibid.

3. SECSTATE 202120/242101Z Aug 77; AMEMB Manila 13610/310203Z Aug 77; AMEMB Wellington 4116/120542Z Sep 77.

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countries. The United States was only one of several industrial nations or groupings engaged in a constructive dialogue with ASEAN and would continue to play a supportive but not leading role among the countries having relationships with ASEAN. Although it was clear to the ASEAN nations that the regional organization had the support of the United States, U.S. behavior appeared to puzzle them. Public statements by the United States Government recognized the importance of ASEAN but U.S. actions had not yet matched the words. Some of the criticism, albeit muted, of the U.S.-ASEAN September dialogue pivoted around this bewilderment. The Japanese had offered a billion dollar package--the United States only engaged in exploratory talks. The official U.S. policy, regardless, was that ASEAN would not be smothered with attention, nor would the United States adopt a paternalistic attitude in its policies or dialogue.¹

(S) As summarized by the U.S. Information Agency, the motives of the United States for participating in the U.S.-ASEAN economic consultations were to demonstrate the importance attached by the United States to Southeast Asia; to add a new dimension to U.S. economic relations with the countries of ASEAN; to exchange views on trade investment, commodity policies, and development cooperation; and, to explore realistic possibilities in those areas through which the United States could contribute to the strengthening and cohesion of the economies of the ASEAN nations.²

Royal Thai Government Changes

(S) On 6 October 1976 Thailand's three-year old experiment with democracy ended with a coup d'etat which saw the take over of power by the National Administrative Reform Council (NARC). As analyzed by the U.S. Embassy in Bangkok, the Royal Thai Government (RTG) could experience periods of relatively open and even free government, but there could be few illusions about the temporary character of such episodes. In large measure, the results of the experiment in democracy were foreordained in the sense that democratic government in Thailand stood out as a break in the pattern of autocratic or oligarchic rule which had characterized Thailand's history. In the forty-odd years which had passed since the overthrow of the absolute monarchy in 1932, there had been only about three years of democratic government, most of it since October 1973. There was some reason to believe that Thailand's flirtation with democratic institutions and practices had not entirely ended. The initial manifesto of the NARC, in its final paragraph, stated that "the council affirms that it will uphold the desire of the Thai people for democratic government with the King as head of state and will do everything it can to give firm foundations to this system of government, by stages, until we have a democratic government with the King as head of state

1. USIA Washington 35549/192213Z Dec 77.
2. USIA Washington 24151/121938Z Sep 77.

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that is appropriate to the present circumstances".¹

TS The Secretary General of the newly formed NARC was General Kriangsak Chamanan, who was also Deputy Commander of the Supreme Command of the Armed Forces. During a meeting on 19 October 1976 between Kriangsak, the Chief of the Joint U.S. Military Advisory group, Thailand and the Deputy Chief of the U.S. Mission in Bangkok, Kriangsak emphasized that it was the NARC's intention to maintain the closest possible relationship with the United States. He emphasized that the military had taken over the government with extreme reluctance and that, if the new government failed, the consequences for Thailand would be tragic.²

AN On 26 March 1977 an attempted coup by a group of disgruntled Thai military officers failed. The Defense Minister, Admiral Sa-ngat told newsmen that five officers had been charged with treason, and Kriangsak stated that they would be tried by military court. Two days after the coup attempt, Kriangsak described it as an "inflated balloon" which the government desired to "deflate slowly" to avoid violence. According to Kriangsak, the government had the coup attempt isolated and under control at an early hour and immediately informed the people that the government continued in control. They then proceeded to reach an understanding with the soldiers of the 9th Division who had been "misled" by the ringleaders, to lay down their arms. Once that was accomplished, only a small number of hard core rebels and their hostages remained.³

AN By June 1977 the U.S. Embassy noted the steadily growing influence of General Kriangsak. Although he had long been considered likely to be appointed Supreme Commander upon the retirement of the incumbent, the Embassy had concluded that he almost certainly harbored greater ambitions. As Secretary-General of the NARC, which had carried out the coup of 6 October 1976, and of its successor, the Prime Minister's Advisory Council (PMAC), Kriangsak had brought his influence to bear continuously and at the highest level on almost every issue of national significance. The PMAC was the principal instrumentality through which the Thai military exercised supervision and control over the largely civilian cabinet of Prime Minister Thanin Kraiwichian, and as the most intelligent and dynamic member of the Council, Kriangsak had grown to be the person whose views on most issues were likely to prevail. His status as the indispensable man was enhanced when he played a key role in defusing the tense situation created by the abortive coup of 26 March. In early June when Bangkok was swept by rumors of another coup, Kriangsak again played the key, and probably determining, role. In the eight months since the Thanin government had

1. AMEMB Bangkok 28513/141117Z Oct 76.
2. AMEMB Bangkok 28937/191145Z Oct 76.
3. DIA 1137/290243Z Mar 77; AMEMB Bangkok 6778/291000Z Mar 77.

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been formed, Kriangsak had been conspicuously supportive of the Prime Minister, but his position had changed. He had begun to criticize Thanin as inflexible and narrow-minded. The Embassy speculated that during Kriangsak's visit to the United States in April 1977, during which he received a thorough physical examination at Walter Reed Hospital, he may have been impressed with the warmth of his reception. The willingness of senior American officials to engage in wide-ranging conversations with him could well have confirmed that he was perceived by the United States to be a broad-gauged leader of national stature and not merely a senior military commander.¹

(U) On 20 October 1977 Radio Thailand announced the takeover of the Thai government by "the revolutionary party consisting of the Army, Navy, and Air Force" led by Admiral Sa-ngat. The U.S. Embassy reported that the constitution had been abrogated, the PMAC and the National Assembly dissolved, and the under-secretaries of the various ministries had been named as Acting Ministers. Military units remained under the orders of their commanders, there was no indication of troop movement, and Bangkok city life was proceeding normally.²

(U) On 10 November Radio Thailand officially announced the promulgation of an interim constitution. The new constitution contained 32 articles, and provided for a Prime Minister, a National Legislative Assembly, and a National Policy Council. The National Policy Council was granted the authority to remove the Prime Minister. The new government had Kriangsak as Prime Minister with Admiral Sa-ngat as the head of the National Policy Council.³

Republic of the Philippines

(U) During 1977 the foreign policy of the Philippines continued to be directed toward the improvement of relations with third world and communist countries, and increasing regional cooperation. President Marcos desired worldwide identification with the third world and "non-aligned" nations, and the achievement of recognized leadership in the Association of Southeast Asian nations (ASEAN). On 17 December the martial law regime was upheld in a referendum which endorsed Marcos' continuation as President and his appointment as Prime Minister after an Interim National Assembly was elected. Based upon the 1973 Constitution, Marcos desired to introduce a British-style parliamentary order with a unicameral National Assembly and a Prime Minister as the head of government with a ceremonial President.⁴

1. AMEMB Bangkok 13656/221107Z Jun 77.
2. AMEMB Bangkok 24458/201155Z Oct 77; FBIS Washington 201118Z Oct 77.
3. AMEMB Bangkok 28661/101417Z Nov 77; J51 Point Paper, 29 Dec 77, Subj: Political-Military Situation Report-Thailand.
4. J51 Point Paper, 28 Dec 77, Subj: Political/Military Issues, Philippines.

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(Q) In a 21 September State of the Nation address, Marcos stated that strong relationships must be forged with new governments in Indochina and that relations with the Soviets and the PRC would be vigorously promoted in coming years. However, he stated, these foreign policy initiatives toward communist countries should not weaken Philippines ties with the United States and Europe. He also stated that Philippines relations with ASEAN would be expanded.¹

(Q) Efforts to quell the Muslim rebellion in the southern Philippines continued during the year but, on 10 October, armed violence erupted in Jolo in Sulu province. The Moro National Liberation Front (MNLF) massacred a detachment of the Armed Forces of the Philippines (AFP), including an infantry division commander. Although Marcos announced that the Government of the Philippines (GOP) would continue to observe the nominal cease fire, AFP reinforcements were ordered to the South and retaliatory strikes were made. At the end of the year, clashes continued and the situation was not stable. It was reported that military support for the rebels from Libya through Sabah had resumed.²

(S) The frame of reference for CINCPAC's political/military relationship with the Philippines continued to be the long-standing negotiations for a new Military Bases Agreement (MBA), combined with the need to continue to operate from the bases in spite of Filipino discontent with the existing MBA. Complicating the military issues was the new emphasis in U.S. foreign policy on human rights and the prospects for a return to constitutional civil government by President Marcos. For the past several years, the Philippines had been questioning the value of its defense relationship with the United States in terms of threats they perceived from insurgents, protection they desired around some disputed islands in the South China Sea, and compensation for the use of the bases at Clark and Subic. They approached these problems by focusing on the Mutual Defense Treaty and demanding negotiation of a new MBA. In December 1975 Presidents Ford and Marcos agreed to renegotiate the 1947 MBA. Negotiations began with a formal session in Washington in April 1976 between Secretary Kissinger and Foreign Secretary Romulo. The proposed U.S. draft MBA was presented to the Philippines. Technical level discussions between Ambassador Sullivan's U.S. delegation and Ambassador Romualdez's Philippines delegation began in Baguio on 14 June 1976 and moved to Manila on 1 July after a week recess. The Philippine draft, tabled on the first day of the technical talks, was completely divergent from the U.S. draft. The GOP negotiators appeared to be following compelling instruction from Marcos on sovereignty, extra-territoriality, and defense support. This effort reached an impasse at the end of 1976 with 25 issues having to do with base operating rights remaining unresolved and, more importantly, the Philippine rejection of a U.S. offer for a five-year

1. Ibid.
2. Ibid.

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compensation package consisting of \$500 million of military aid and \$500 million of economic aid.¹

~~(C)~~ After the Philippine rejection of the U.S. compensation officer, President Marcos was asked about the status of base negotiations during a press conference on 4 January 1977. He replied that the talks were at a standstill and that it would be up to the United States to make the next move. In that regard, he said that Philippines negotiators were awaiting the inauguration of President-elect Carter. In an exclusive interview with United Press International on 11 January, Marcos reportedly said that "I have always said that one of the four options is to renounce the treaties if it came to a point that we decided it was in our national interest to do so". However, he also reportedly stated that negotiations with the Carter administration would include all military agreements with the United States, including the MDT, the MBA, and the Military Assistance Agreement.²

~~(S)~~ In April 1977 U.S. Ambassador William Sullivan provided his assessment of the prospects in a farewell message to the State Department. He stated that, after nearly four years, he was leaving the Philippines as frustrated as all his predecessors had been and as concerned as his successor would be. He had reluctantly concluded that the primary preoccupation of both President Marcos and his wife was self-aggrandizement. In the beginning, stated Sullivan, he had been prepared to accept the Marcos reasoning that some of the excesses of pre-martial law Philippines "democracy" needed to be suppressed for the sake of efficiency. Since the authoritarian rule introduced by Marcos seemed largely acceptable to the majority of Filipinos, Sullivan believed that a good case could be made that the temporary replacement of the extravagant and inefficient GOP "democracy" by one-man rule was a tolerable price to pay if that man were intelligent, competent, and prepared to devote full effort to improve the welfare of his people. He acknowledged that the Marcos regime did provide better government services than any of his predecessors. Some programs to that end had been initiated, and some senior officials were supporting the program. But Marcos himself, in the past two years, had given such programs little more than lip service. Instead, he had manipulated the constitutional system in order to retain authoritarian control of the government after the abolition of martial law and the formation of a legislative body. Sullivan did not agree with those who speculated that Marcos was overly influenced by his wife, nor did he agree with those who concluded that the Philippines was a "smoldering volcano" which could be expected to erupt in the foreseeable future. The more likely prognosis was, therefore, that Marcos would continue, using the same combination of tactics he had used for the past four years, to retain control of the Philippines.³

1. CINCPAC Command History 1976, Vol. II, pages 449-485.
2. AMEMB Manila 152/050739Z Jan 77 and 738/140910Z Jan 77.
3. AMEMB Manila 5910/210153Z Apr 77.

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~~TS~~ Nevertheless, as a nation the Philippines was important to the United States. It harbored the two largest U.S. military bases in Southeast Asia and occupied a strategic position in control of the Southeast Asian sea lanes. Fortunately, the Ambassador believed that, except for Mrs. Marcos, most Filipino leaders could be expected to perceive that the long-term national interests of the United States and the Philippines were generally complementary. There was an enormous reservoir of good will, respect and affection for the United States among Filipinos at the popular level; conversely, there were intimate historical and emotional bonds among Americans for the Filipinos. For these reasons, Sullivan expected bilateral relations to continue at a more or less satisfactory level. Some limited deterioration, however, could result from U.S. emphasis upon human rights or GOP sensitivities about U.S. criticism of its regime.

(U) The text of Ambassador Sullivan's farewell statement was released to the press on 26 April and carried on the front page of all major dailies on the following day. This public statement, of course, was couched in much more optimistic terms than had been his message to the State Department discussed above. He stated that the Philippines was in a period of transition, its governmental institutions were undergoing change, its international relationships were expanding, and its economic and social structure was on the brink of significant transformation. He cited his confidence in the future of the Philippines and his expectation that the next "economic miracle" in Asia would take place in the Philippines. He noted the need for a more pragmatic approach to the relationships between the two nations, characterized by mutual respect and dignity. He concluded by expressing his regret that two of his concrete goals had not been accomplished. The first was the revision of the 1947 MBA, and the second was a successor agreement to the Laurel-Langley agreement on economic matters.²

The Insurgency Problem

~~TS/NOFORN~~ Two months after martial law was declared in the Philippines on 22 September 1972, an AFP Marine landing team of three companies was surrounded and almost destroyed by Moro insurgents before relief forces could break through. Since that time, sporadic heavy fighting had broken out on the island of Mindanao and in the Sulu Archipelago, including a temporary rebel seizure of Jolo City in February 1974. The object of the insurgency by the Muslim rebels was to establish an autonomous region for self-government within the Republic of the Philippines. Serious efforts by President Marcos to find a political solution to the Philippine Muslim problem began in late 1976, after a trade mission to Libya headed by Mrs. Marcos. Her visit was credited by President Marcos with paving the way for peace talks between GOP officials and the Islamic Con-

1. Ibid.
2. AMEMB Manila 6316/270307Z Apr 77 and 6422/280721Z Apr 77.

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ference Committee of Four (Senegal, Somalia, Saudi Arabia, and Libya). On 15 December 1976 a 25-member delegation convened in Tripoli with representatives of the MNLF and the Islamic Conference. The MNLF reportedly issued a statement on the eve of negotiations stating that the Muslims were only asking for autonomy and not separation from the Republic of the Philippines. At the same time, the Defense Intelligence Agency (DIA) reported that the level of fighting on Jolo Island had increased significantly and, in reaction, Philippine forces on the island had been greatly reinforced. The aim of both parties appeared to be to influence the Tripoli negotiations.¹

~~(S/NOFORN)~~ Agreement was reached to negotiate a cease fire on 23 December, but Marcos declared a unilateral cease-fire on 24 December 1976 and announced his intention to hold a plebiscite on the question of autonomy. On 14 January 1977 Islamic Conference and MNLF cease-fire supervision teams arrived in Manila. After well-publicized initial contacts by the truce supervisors with hard-core rebels in Jolo, the GOP and the MNLF issued a statement that the second stage of the cease-fire was effective on 20 January.²

~~(C)~~ On 22 January a cease-fire implementing agreement was signed in Zamboanga City by a joint GOP/MNLF cease-fire commission. Representatives of the Islamic Conference Committee of Four witnessed the signing. The agreement reportedly provided for amnesty and the release of prisoners, except those guilty of murder, piracy, hijacking, kidnapping, etc. It also called for a cessation of hostilities except for government law enforcement activities and the defense of installations against attack. Firearms were not to be carried except by government forces in the performance of their duties. However, press accounts made it clear that hard-core rebels had not been asked to turn in their weapons. The U.S. Embassy noted that, although the latest cease-fire developments were encouraging, no experienced observer believed that peace would come quickly or completely to Mindanao. However, Marcos had apparently concluded that even a partially effective cease-fire was worth the risk of Christian backlash if he could be assured that his oil supply were no longer hostage to Pan-Islamic sentiment.³

~~(C)~~ A second round of talks was held in Libya beginning on 27 February to resolve remaining details of the agreement. However, the conference deadlocked over the method of determining autonomy in the 13 provinces under consideration. Marcos sent his wife, who had been instrumental in arranging the December 1976 negotiations with Libyan President Quadafi, to try to end the deadlock.

1. IPAC Point Paper, 28 Apr 77, Subj: Current Situation in Philippine Muslim Conflict; AMEMB Tripoli 1565/151525Z Dec 76; DIA 3005/210351Z Dec 76.
2. AMEMB Manila 800/170913Z Jan 77 and 1095/210955Z Jan 77.
3. AMEMB Manila 1420/280806Z Jan 77 and 1433/280912Z Jan 77.

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ently she was successful because, on 26 March, Marcos accepted Quadhafi's compromise and proclaimed that the 13 provinces in the southern Philippines were autonomous. The proclamation also provided for the formation of a provisional regional government with representatives from the MNLF and other inhabitants of the provinces. It was again announced that a referendum would be held to determine administrative arrangements within the autonomous areas.¹

(S//NOFORN) After several postponements, Marcos finally held a referendum on 17 April. As expected, the majority of the Christian population voted overwhelmingly against the concept of an autonomous region dominated by the MNLF. In what was to have been the final negotiating session before the settlement, a week-long talk began on 21 April in Manila between a government panel and an Islamic mission, but it broke down completely. The talks foundered mainly on the Islamic Conference delegates insistence that previous agreements had called for unified autonomy for the 13 provinces while the government insisted that the results of the 17 April referendum-plebiscite nullified that agreement. Two days before the referendum was held, the CINCPAC Representative in the Philippines (CINCPACREP Phil) advised CINCPAC of a meeting between the U.S. Ambassador and President Marcos in which the Ambassador explained the concern of the United States that additional security assistance might be required if concerted violence were resumed in the southern Philippines. Previous GOP requests for accelerated deliveries of supplies and munitions had already been honored.²

(S) In mid-June, the U.S. Embassy Charge d'Affaires had a wide-ranging discussion with President Marcos, Foreign Secretary Romulo, and Defense Secretary Enrile. The Charge asked Enrile if he thought the Embassy should lift restrictions on U.S. official travel to areas of the Muslim insurgency on Mindanao. Enrile replied that the situation remained fluid in those areas, and except for Zamboanga City, he did not advise lifting the restrictions. He was not optimistic about the prospects for peace in Mindanao and considered that the Philippines had been involved with "a very strange crowd indeed", referring to the Islamic Conference members. Enrile also intimated possible Russian complicity in the Muslim issue, intimating that if the Soviet Union decided to back the MNLF the GOP would approach the United States for assistance. The Charge also informed the State Department that restrictions on the travel of U.S. Government personnel and their dependents to areas of possible insurgent contention in Mindanao would be continued. He referred to a Washington Post article which implied U.S. support to the buildup of the AFP in the southern Philip-

1. AMEMB Manila 2944/280910Z Feb 77, 3003/010601Z Mar 77, 4068/180921Z Mar 77, 4474/260421Z Mar 77, and 4528/280900Z Mar 77.
2. IPAC Point Paper, 28 Apr 77, Subj: Current Situation in Philippine Muslim Conflict; CINCPACREP Phil 150700Z Apr 77 (EX); AMEMB Manila 6577/020435Z May 77.

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pines, and stated his concern for any appearance of direct U.S. military collaboration with the AFP in the Southern theater of operations in support of the travel ban. The State Department concurred, noting that Defense Attaché Office (DAO) aircraft and U.S. military personnel in uniform should not be observed in areas such as Zamboanga.¹

~~(S/NOFORN)~~ The cease-fire held reasonably well for the first nine months of 1977, with only isolated incidents and small-scale violations. The first major hostilities occurred in September when as many as 4,000 AFP troops, supported by artillery and aircraft, attacked rebel forces on Basilan Island. This was in retaliation for a land mine explosion which had killed twenty-four rubber plantation workers. The Government attack led to MNLF retaliations in several areas in the Muslim south. This tense situation was inflamed further on 10 October when Muslim rebels in Sulu Province assassinated AFP First Infantry Division Commander Brigadier General Teodulfo Bautista and thirty-four other officers and enlisted men. One survivor confirmed that all had been shot from behind at point blank range after the General shook hands with an MNLF leader during supposed peace talks. The GOP immediately declared the MNLF leader and his men to be outlaws. A large Government operation was launched to pursue the rebels, but the leader was believed to have escaped from Jolo Island. The AFP offered a reward of \$28,000 for the leader, and civic organizations had added to the Government reward which eventually reached \$66,000.²

~~(S/NOFORN)~~ For the balance of the year the "Moro problem" continued to pre-occupy GOP authorities. The MNLF rebels mounted a major offensive against Zamboanga City and had reportedly threatened to capture or control Zamboanga City before January of 1978. When newly-appointed U.S. Ambassador David Newsom presented his credentials to Marcos on 11 November, Marcos stated that the situation in the southern Philippines was more serious than it had been for some time. The GOP was reportedly attempting to shift the focus of negotiations from Libya to an Asian location. Indonesia had offered to help resolve the differences between the Philippines and the Muslim rebels, including allowing talks to be held in Indonesia. Marcos reportedly would not agree to hold such talks on Malaysian territory because Islam was the state religion of Malaysia, which was not the case with Indonesia.³

1. AMEMB Manila 9072/130745Z Jun 77: SECSTATE 139281/160049Z Jun 77.
2. AMEMB Manila 14966/220649Z Sep 77, 15264/261015Z Sep 77, 15611/300858Z Sep 77, 16234/120940Z Oct 77, and 16430/141020Z Oct 77; USDAO Manila 110836Z Oct 77; DIA 1436/150357Z Oct 77.
3. AMEMB Manila 16779/200955Z Oct 77, 17215/280936Z Oct 77, and 17952/120351Z Nov 77; AMEMB Kuala Lumpur 8640/150855Z Nov 77; DIA 5055/220400Z Oct 77 and 8081/111739Z Nov 77.

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(U) In a speech on 10 November, President Marcos estimated that since the fighting began in 1973, between 30,000 and 50,000 civilians had been killed and 500,000 to 1,000,000 displaced. The U.S. Embassy considered that the outlook was for continued fighting in the southern Philippines and that there was little hope for further negotiations in the immediate future. The AFP seemed to be concerned about the trend of the fighting as the year ended. In a reaction reminiscent of the early days in Vietnam, AFP officers lamented that the MNLF would not adopt conventional tactics and engage in set-piece battles in which the AFP could bring its superior fire power to bear.¹

(S) (NOFORN) The AFP continued to fight another insurgent group during 1977--the communist New People's Army (NPA). The NPA was the only communist insurgent group operating in the Philippines and, during 1977, it carried out infrequent small-scale raids against outposts of the Philippine Constabulary, ambushed AFP patrols, and kidnapped or killed suspected government informants, agents, and local officials. The principal NPA operating areas were in northern and central Luzon, the Visayan Islands of Samar and Panay, and the mountainous areas of northwestern and southern Mindanao.²

(U) In the same message in which CINCPACREP Phil had established travel restrictions in the southern Philippines, he also restricted travel along the coast lines of Cagayan, Isabella, and the Aurora sub-province of Quezon Province on Luzon Island and northeastern Samar in the Visayas. Although not restricted, central Luzon, particularly Tarlac, northeastern Bataan and Pampanga provinces, had been hot beds of communist activity since the early 1950's, and a potential hazard for travellers continued to exist in 1977. As a precautionary measure, all U.S. personnel and their dependents were advised to restrict travel to national highways and to travel outside metropolitan areas only during periods of daylight.³

(U) In late August two ambushes of AFP personnel were reported in Bataan Province on National Highway 7 between Subic Naval Base and Clark Air Base. In one ambush, a 5-man Philippines Constabulary unit was engaged in small arms fire by a suspected unit of the NPA. Two M-16 rifles were captured during that engagement. The second incident involved a force of approximately 15-20 NPA personnel who ambushed a Philippines Constabulary jeep and a Navy truck carrying an unknown number of personnel. CINCPACREP Phil reported that National Highway 7 had been declared a hazardous area to U.S. military, dependent and DOD civilian personnel. Travel between Olongapo City, Zambales and San Fernando

1. AMEMB Manila 17459/040703Z Nov 77, 18330/190400Z Nov 77, and 19046/030153Z Dec 77.
2. PACOM Year-In-Review, Mar 78, page VI-41.
3. CINCPACREP Phil 220302Z Jul 77.

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near Clark Air Base was restricted. Another example of the NPA threat involved a nuclear power project being built for the Philippines National Power Corporation in Bataan. Intelligence was received by the U.S. Embassy in mid-December that a forty-man squad of the NPA might attack the project site. The planned target was the rock crusher plant which, if successful, would seriously retard the project. There was no evidence that the purported attack took place.¹

The Sabah Dispute

(S) In mid-July the U.S. Embassy reported that the GOP once again appeared to be moving toward settlement of its long-standing dispute with Malaysia over Sabah. Following a visit to the Philippines by the Sabah Chief Minister, the Manila Press heralded an imminent resolution of the dispute. Press reports indicated that Marcos was ready to renounce GOP claims to Sabah during the forthcoming ASEAN summit conference in Kuala Lumpur (q.v.). Marcos reportedly had indicated willingness to offer some form of assistance to Sabah to help with the burden of 75,000 Filipino refugees who had fled to Sabah during the height of fighting in the southern Philippines in 1973 and 1974. The Embassy noted that these reports were highly speculative since, during the first ASEAN meeting in Bali, Marcos had reportedly promised to renounce GOP claims to Sabah but had not followed through.²

(S) Speaking at the second annual ASEAN summit in Kuala Lumpur on 4 August, Marcos announced that the Philippines was withdrawing its claim to the Malaysian state of Sabah. He said that he had discussed the issue with Malaysian Prime Minister Hussein Onn in the presence of Indonesian President Suharto, to ensure that his sincerity would not be doubted. He added, however, that before the claim could be irrevocably dropped, there were various legal, constitutional, political, and psychological obstacles to overcome in the Philippines. On the question of monetary compensation to the heirs of the Sulu Sultanate, Marcos stated that this was a matter for the heirs to pursue with the Government of Malaysia. Opposition to the Marcos initiative was voiced by Philippine opposition groups, including former President Macapagal, who questioned Marcos' authority to drop the claim. Other Filipino leaders, including several members of the National Security Council, suggested that the Sabah issue be settled through legal procedures, such as an arbitration tribunal or the international courts. At the end of the year the Sabah issue remained unresolved.³

1. Commander U.S. Naval Base, Subic Bay Letter Serial 1599 of 2 May 78; Subj: Command History: Submission of, with on Enclosure: Command History 1977; AMEMB Manila 19797/160505Z Dec 77.
2. AMEMB Manila 10985/180641Z Jul 77.
3. PACOM Year-In-Review, Mar 68, page VI-38.

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The Spratley Islands, Reed Bank, and MDT Issue

~~(S/NOFORN)~~ Both the Spratley Islands and the Reed Bank area, located about 150 miles due west of Palawan and about 50 miles east of the Spratleys were claimed by Vietnam, the PRC, the ROC and the Philippines. In early 1975 North Vietnam forces took control of six South Vietnamese-claimed islands in the Spratley group. In late 1975 the AFP removed some Marine elements temporarily from the Northeast Cay, which was near the North Vietnamese-occupied island. The Northeast Cay was remanned by an AFP Marine company in late 1975. Three of five other Philippine-claimed islands were seasonally manned by a 30-40 man Marine detachment. During 1977, Vietnam completed an airstrip on Spratley Island capable of accomodating light aircraft which could conduct surveillance operations over the entire island group. The Philippines completed an airstrip on Thitu Island in early 1976 which was garrisoned by marine contingents and a 200-man air force detachment. In March 1976 the Philippines established a new joint western command at Puerto Princesa, Palawan which was intended to strengthen control over the Muslims in South Palawan and provide security for oil exploration activities on the Reed Bank. The PRC had repeatedly publicized its claim to the Spratley group, and according to a May 1977 intelligence report, the PRC had established a maritime command headquarters on one of the Paracel Islands. The Paracels were also claimed by the four countries, but the PRC had maintained a presence there since ousting the South Vietnamese in January 1974.¹

(U) In September 1975 President Marcos received intelligence from satellite surveys of the earth's oil reserves indicating a probable large reserve in the Reed Bank area. If true, the Philippines would become independent of oil imports and eliminate a heavy drain on foreign exchange. In November 1975 the Philippines signed a contract with a Swedish group (Salen group) to drill three wells in the Reed Bank area during 1975-1977. One well was to be drilled each year for the following three years. The American Oil Company (AMOCO) joined the Salen group as project managers in mid-1976.²

(C) When the AMOCO people joined the operation, their representative reported to the U.S. Embassy that he had received President Marcos' assurance that he personally had received commitments from the North Vietnamese and the Chinese not to intervene in the Philippines drilling operations in the Reed Bank area. Marcos also allegedly said that he had personally talked with the "American Commander of the Pacific Fleet", who was not further identified, and had received a commitment that American forces would protect American private

1. IPAC Point Paper, 14 Nov 77, Subj: Spratley Islands UpDate; 500 MIGP Camp Zama 250740Z May 77.
2. ADMIN CINCPAC 300236Z Nov 77.

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interests in the area if necessary. An Embassy officer advised the AMOCO representative that he knew nothing of any such commitment and doubted whether any such assurance had been given to President Marcos.¹

(S) On 15 September several AMOCO representatives called on the U.S. Ambassador, who reviewed U.S. position on the Reed Bank, noting that United States firms were discouraged from exploration in the disputed area. During this meeting, the senior AMOCO representative noted that, while the GOP claim to the Reed Bank area was not air tight, AMOCO legal experts believed that it was better than that of the Chinese or Vietnamese. The Ambassador remarked that regardless of legalities, a significant oil strike could draw a hostile reaction from Vietnam or the PRC.²

(S) After the regular July 1976 meeting of the Mutual Defense Board (MDB) at Subic Bay, General Romeo C. Espino, AFP Chief of Staff, had requested an executive session. During the session, he acknowledged the value of the MDB in supporting understanding and cooperation through personal contact, but stated that the MDB had provided only perfunctory service since its inception in 1958. He stated that issues of importance needed to be brought before that forum, and then raised the very sensitive issue of U.S. interpretations of responses under the Mutual Defense Treaty (MDT) of 1951. He noted that the GOP had asserted its sovereignty over the Reed bank area, which it considered to be part of the Philippines continental shelf and was therefore Philippines territory. The GOP therefore considered the Reed Bank area to fall within the treaty area and its defense to be covered by the MDT. He recalled the position of the U.S. Ambassador during bases negotiations in July of 1976 that the United States viewed the Reed Bank area as a disputed territory and that, while it understood and would do nothing to diminish the Philippine claim, the United States preferred that the claim be resolved by peaceful discussion among the various claimants. The U.S. Ambassador, according to Espino, had also stated that the United States did not interpret the occupation of the Reed Bank area by unfriendly forces as posing a direct threat to U.S. bases because the land area involved was insufficient to sustain a significant military presence. Espino then cited U.S. congressional testimony that the United States would only defend the Philippines if U.S. military bases in the Philippines were directly threatened or endangered. He pressed for a resolution of the apparent conflict in the testimony by U.S. officials with the provisions of the MDT regarding an external armed threat against AFP troops, vessels or aircraft in territorial lands or waters remote from U.S.-occupied bases in Luzon such as, for example, Mindanao and Sulu. He questioned the efficacy of the MDB to address and solve such problems, and stated his desire to be informed whether it was the official

1. AMEMB Manila 10762/220845Z Jul 76.
2. AMEMB Manila 14158/150909Z Sep 76.

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position of the U.S. Government that it would not defend the Philippines against external armed attack unless the attack directly affected bases occupied by the U.S. forces. If that were the U.S. position, stated Espino, he would report to the Philippines National Security Council that, in effect, the MDT was of no value to the Philippines. He stated that his remarks applied to the larger group of the Spratley Islands as well as the Reed Bank area, even though he acknowledged the boundaries of the Philippines at the time the MDT was signed did not include the Reed Bank or the Spratleys. He indicated his desire for a response as soon as possible. CINCPACREP Phil stated that, in his opinion, Espino had been executing orders from higher authorities in making such a presentation at the MDB meeting.¹

~~TM~~ The GOP insistence upon a reply from the United States regarding its commitment under the MDT became a parallel issue to the negotiations underway in 1976 for a new MBA. The issue was raised to diplomatic level by Foreign Secretary Romulo during a meeting with Secretary of State Kissinger on 6 October 1976. On 28 October Secretary Romulo was handed a U.S. Aide Memoire clarifying the U.S. Government position regarding its obligation under the MDT. The U.S. commitment to the MDT was reaffirmed and specific sections of articles addressing the question were quoted. Under Article IV, each party obligated itself to "act to meet the common dangers in accordance with its constitutional processes" in the event of an "armed attack in the Pacific area on either of the parties". Article V provided that "an armed attack" was deemed to include "an armed attack on the metropolitan territory of either of the parties, or on the island territory under its jurisdiction in the Pacific or on its armed forces, public vessels, or aircraft in the Pacific".²

~~TM~~ Since such phrases clearly indicated that the obligation of the United States did not arise solely in the event of an external attack which directly threatened U.S. bases in the Philippines, any such external attack on any part of the Philippines would make the treaty applicable and would, accordingly, obligate the United States to "act to meet the common dangers in accordance with its constitutional processes". The Aide Memoire noted that the presence of U.S. forces at bases in the Philippines facilitated the ability of the United States to fulfill this obligation forcefully and expeditiously. The Aide Memoire went on to state that the reference in the treaty to "constitutional processes" served to make clear that the treaty could not, and was not intended to, alter those processes for either party. In the case of the United States, the powers of the President under the constitution as the chief executive and Commander in Chief were extensive, and remained unimpaired by legis-

1. CINCPACREP Phil 291035Z Jul 76.
2. SECSTATE 268153/090200Z Nov 76 (EX), which repeated to CINCPAC the same message as had been previously sent to the U.S. Embassy in Manila on 30 Oct.

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lation such as the War Powers Resolution. The Aide Memoire acknowledged the assurances from the Philippines that it had no intention of involving the United States in the resolution of disputed territorial claims, since, for its part, the United States had no intention of withdrawing its commitments under the MDT.¹

(IS) In March 1977, CINCPAC recommended to the JCS that U.S. policy with respect to protection for oil exploration vessels operating in the Spratley Islands and the Reed Bank area be updated. Pending this update, CINCPAC did not intend to engage any foreign military force during any incident arising out of the oil exploration activities in the Reed Bank area unless such engagement was directed by the JCS. The JCS concurred with that policy.²

(C) Some of the foregoing background information was provided to Admiral Weisner by his staff prior to a scheduled MDB meeting in December 1977. Other information included the fact that the initial three wells drilled by AMOCO had been dry. AMOCO had no intention to drill additional wells on the Reed Bank during the remainder of the year, stating that the data collected required extensive evaluation before the next site could be determined. In October 1977, AMOCO received a firm verbal commitment from Philippines Energy Secretary Velasco to defer drilling in 1978 pending the results of additional seismic work.³

Mutual Defense Board (MDB) Meetings

(U) On 15 May 1958 the MDB was established under the Philippines-U.S. Council of Foreign Ministers. "The purpose of this board is to provide continuing inter-governmental machinery for direct liaison and consultation between appropriate Philippines and United States authorities on military matters of mutual concern so as to develop and improve, through continuing military cooperation, the common defense of the two sovereign countries". Monthly meetings were sponsored alternately by major U.S. and Philippine military commands. The co-chairman for the United States was CINCPAC, who was normally represented by CINCPACREP Phil as acting U.S. co-chairman. The co-chairman for the Republic of the Philippines was the Chief of Staff of the AFP. CINCPAC normally attended at least one meeting per year in the Philippines, usually the May anniversary meeting which was sponsored either by the U.S. Embassy or the Philippines Department of Foreign Affairs. The MDB had four standing committees. These were intelligence, plans, metes and bounds, and the legal affairs committee. The 19th anniversary meeting, held on 12 May in Manila, was one of the two MDB

1. Ibid.
2. ADMIN CINCPAC 300236Z Nov 77.
3. Ibid.

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meetings attended by CINCPAC during 1977.¹

(S) Prior to his attendance at the 12 May meeting, CINCPAC was advised by the U.S. Embassy in Manila that there was almost total preoccupation within the GOP official circles with the Muslim rebellion. This preoccupation was expected to continue and to prevail at the time of the 12 May meeting. The Embassy noted that the United States also faced certain intangibles on base negotiations and related security issues (q.v.), and that it was unlikely that U.S. positions on those matters would be clarified by the time of the meeting. In those circumstances, the Embassy recommended that tone be emphasized over detailed substance at the anniversary meeting. This meant giving the usual iterations on the value of the MDB and tending to the routine business of shared security interests.²

(S) Illustrative of the political as well as military implications of such forums as the MDB was the recommendation by the CINCPAC Staff that the subject of the illegal acquisition of tax-exempt goods in the Philippines (black marketing) not be addressed by CINCPAC either during the MDB or in subsequent discussions with General Espino. During an MDB meeting in Hawaii in December 1976, sponsored by CINCPAC, the Chief of Staff of the AFP had introduced the subject of black marketing into the record by personal letter from him to Admiral Weisner. Specifically, he requested information as to what U.S. authorities had done to control alleged smuggling syndicates operating in U.S. bases in the Philippines. CINCPAC had responded by letter, the thrust of which was to show that, although the United States was doing a great deal to regulate the sale of tax-exempt goods, similar efforts on the part of the Philippines to eliminate illegal activities were necessary to combat the problem successfully. In his reply, Admiral Weisner also noted that U.S. military authorities in the Philippines had court martialed 34 servicemen and administered non-judicial punishment to 143 others for involvement in black marketing activities. He described administrative measures imposed at both Clark Air Base and Subic Naval Base to control the illegal possession of tax-free merchandise. At the January 1977 MDB meeting, the CINCPACREP Phil staff presented a follow-on briefing on U.S. efforts to curb black marketing. The issue was placed on the agenda of the Legal Affairs Committee as a result of the exchange of letters by the two principals. However, a comparison by the Legal Affairs Committee of data on U.S. and GOP efforts to control black marketing revealed that there had been no GOP prosecutions, and only three hearings for confiscation of property for failure to pay customs during the period examined. This data had placed Philippines Customs officials on the defensive and it was almost certain that General Espino

1. J51 Point Paper, 29 Apr 77, Subj: U.S.-GOP Mutual Defense Board (MDB); CINCPACREP Phil 310110Z Mar 77.
2. AMEMB Manila 5860/200635Z Apr 77.

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was aware of the comparison. Consequently, the CINCPAC staff recommended against the introduction of the black market subject for the anniversary meeting.¹

(U) The anniversary meeting took place as scheduled on 12 May with co-chairman General Espino presiding. Although both the Philippine Secretary of Defense and the Secretary of Foreign Affairs had been expected to attend the 19th anniversary meeting, both were occupied by business connected with the Muslim rebellion and could not attend. The meeting was pro-forma.²

(S) During the MDB monthly meeting of 22 September, two of the subjects previously identified by CINCPACREP Phil to CINCPAC were addressed. The subject of the future operations of the Aero Clubs at Clark and Subic was officially referred to the MDB during the September meeting. In addition, proposed U.S. initiatives regarding the integration of AFP personnel into the physical security programs at Subic and Clark were formally presented. Both of these subjects had become controversial during the year and are discussed in greater detail later in this chapter.³

(U) During the October MDB meeting over which the acting U.S. co-chairman presided, one subject (quarantine inspections at U.S. bases) was removed from the agenda of the MDB and referred to the Philippines panel of the Joint Task Force on base irritants (q.v.). During this meeting the Board approved a recommendation by the Legal Affairs Committee that the responsibility for preparing a draft Presidential Decree on the security of military bases be passed from the Legal Affairs Committee to the GOP Department of Justice.⁴

(S) The second MDB meeting attended by CINCPAC during 1977 was held on 1 December (meeting 11-77) and was chaired by CINCPAC. In preparation for the 1 December meeting, the CINCPAC staff prepared several background papers updating the status of items from previous MDB meeting agendas. The subjects were generally the same as previously discussed, except for an emerging debate on the importance and/or utility of the MDB. GOP Secretary of Defense Enrile and President Marcos had both characterized the MDB as "useless in resolving

1. J51 Point Paper, 3 May 77, Subj: Illegal Acquisition of Tax-Exempt Goods in the Philippines; Letter, Republic of the Philippines Department of National Defense, Office of the Chief of Staff, Armed Forces of the Philippines, 3 Dec 76, personal General Espino to Admiral Weisner; CINCPAC Ltr Serial 24 of 4 January 77, personal from Admiral Weisner to General Espino.
2. ADMIN CINCPAC 062151Z May 77: CINCPACREP Phil 090700Z May 77 and 090703Z May 77.
3. CINCPACREP Phil 230130Z Sep 77 and 230135Z Sep 77.
4. CINCPACREP Phil 270743Z Oct 77.

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the broad political problems related to bases in the Philippines". The debate received added impetus following a meeting in Manila in September between Assistant Secretary of State Holbrooke and Marcos. In the jointly agreed press release following the meeting, it was stated that "both governments will give serious consideration to the organization of a body for policy level management of the defense relationship". CINCPAC was aware that the MDB charter did not task the MDB with the resolution of broad political problems; rather, the MDB was the only (and very important) forum where top and middle level military leaders met regularly to work out the problems of day-to-day implementation of the existing bases agreement.¹

(S) The corollary to the discussions on the utility of the MDB was the consideration of possible concurrent or alternative security consultative mechanisms. The two most pertinent high-level policy consultative bodies already existent in the PACOM were the SCM in Korea and the SCC in Japan, both of which were oriented toward carrying out mutual defense treaties. However, their focus was somewhat different. In Korea the emphasis was more on defense needs and less on domestic policy considerations, whereas in Japan the opposite was true. In Korea, the Korean delegation was headed by the Minister of Defense; in Japan, the Minister of Foreign Affairs. In the Philippines, on the other hand, the MDB membership did not include the Secretaries of Defense or members of their staffs from either country. This was suggested as one reason why Secretary of Defense Enrile expressed disenchantment with the MDB. If true, the Korean SCM model would be more attractive. However, since the MDB functioned under the aegis of the Council of Ministers, it was unlikely that the GOP Ministry of Foreign Affairs would want to give up its preeminent position.²

(S) Nevertheless, this was a somewhat delicate subject which the CINCPAC staff recommended be discussed with General Espino in a closed session of the MDB. The purpose of discussing the issue in closed session was to elicit the views of General Espino on the utility of the MDB and to enable CINCPAC to offer frank comments on its importance. The Staff noted that over the years, MDB committees had done some important work. For example, in 1977 the MDB had coordinated with the Philippine National Railway to remove squatters and to repair a dismantled spur line near Clark Air Base. This railroad line was an important military link between Clark and Subic when roads were impassable. In another instance, in 1976, the Metes and Bounds Committee had coordinated the relocation of the Subic-Clark petroleum pipeline in connection with a major

1. J51 Point Paper, 23 Nov 77, Subj: RP-U.S. Mutual Defense Board (MDB), and 26 Nov 77, Subj: Closed Session Discussion on Utility of Mutual Defense Board.
2. J51 Talking Paper, 22 Nov 77, Subj: Consultative Forums; CINCPACREP Phil 190400Z Nov 77.

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highway project. This coordination had held the loss of operational time to a minimum.¹

~~(S)~~ During his visit to the Philippines for MDB meeting 11-77, CINCPAC also had discussions with Secretary Enrile and President Marcos. Before the MDB meeting, Enrile stated that, in regard to the MBA discussions, he thought there would be some problem with criminal jurisdiction, but he saw no particular problems with regards to the duties of the Philippine Base Commander (PBC) and the issue of sovereignty. He stated that it was clear that the United States would have command of the facilities, equipment, and U.S. personnel, and that the AFP couldn't handle it even if they desired to. Enrile also stated that the PBC would have some outer area of responsibility and perhaps some control over a portion of the watershed areas. CINCPAC took the opportunity to brief Enrile regarding MDB Operation Plan 1-70, including its provisions, revisions during previous years, and the initiative on the part of the United States in 1975 and 1976 to upgrade and update it. Enrile indicated total ignorance of the MDB plan in any form, stating that he was not included in military planning. He indicated that his problem with the usefulness of the MDB was that he didn't know what it did or didn't accomplish. Enrile confirmed that there had been some discussion within the GOP official community regarding a possible security consultative mechanism, but nothing definite had been decided. He conceded that a separate body might not be needed, and that the MDB might suffice. Enrile also informed Admiral Weisner that the AFP list of military equipment requirements would be forthcoming shortly, and acknowledged U.S. cooperation in requests for accelerated deliveries of certain military equipment in recent months. CINCPAC expressed appreciation for Enrile's and Marcos' help with regard to the Aero Clubs. Enrile stated that the President had signed the authorization for the Aero Clubs to operate on 29 November, but that they would have to register and comply with the CAA directives and requirements. CINCPAC expressed his appreciation for the personal interest of the Secretary and the President in the base negotiations. In his personal memorandum of the conversation with Secretary Enrile, CINCPAC acknowledged his surprise at Enrile's comment that he was not involved in military planning, his total lack of knowledge of the existence of Operation Plan 1-70, and his inability or lack of desire to thrust himself into military planning matters.²

(U) During MDB meeting 11-77 RADM Huntington Hardisty was nominated to replace RADM Thomas J. Kilcline as acting U.S. co-chairman and MDB member. Admiral Hardisty replaced Admiral Kilcline as Commander of the Naval Base, Subic Bay, Commander of U.S. Naval Forces in the Philippines, and CINCPACREP Phil

1. Ibid.

2. Memorandum of Conversation, Admiral M. F. Weisner CINCPAC with Juan Ponce Enrile, Philippine Secretary of Defense, 30 November 77.

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on 15 December 1977.¹

~~(S)~~ After the MDB meeting, Admiral Weisner and Ambassador Newsom called on President Marcos. During this meeting, Marcos emphasized his interest in establishing an MDB link with civilian authorities, specifically stating that Defense Secretary Enrile should be directly involved. They exchanged views on the political-military relationships in Northeast Asia, Korea and Vietnam, and Marcos expressed his hope that the Muslim problem would be resolved in the first half of 1978. He also informed Newsom and Weisner that he would like to finish the base discussions before the elections for the National Assembly which, Marcos stated, would take place "sooner" than June 1978.²

~~(S)~~ In a rare message directly to CINCPAC from the State Department on 7 December, Secretary Vance advised that he had read the reports of Weisner's conversations with President Marcos, Secretary Enrile, and other Philippine leaders. Vance noted that the success of the Ambassador and CINCPAC in keeping both Marcos and Enrile involved in and satisfied with the progress so far in the discussions was particularly welcomed. State was happy with the directions of the discussions on defense consultations, and congratulated CINCPAC on a job well done.³

Aero Club Operations

~~(S//NOFORN)~~ In June 1977 the PAF arbitrarily terminated flight clearances for Clark Air Base and Subic Naval Base military Aero Clubs, thus essentially shutting down Aero Club operations. CINCPACREP Phil requested General Espino to refer the matter to the MDB. In a 29 August review of the situation, CINCPACREP Phil informed the CINCPAC Director for Plans that the basic difficulty appeared to stem from the Deputy Commanding General of the PAF, Brigadier General Bueno. He was reputedly part owner of a large air charter company in Manila. After the Aero Clubs had been closed down for about a month, Bueno's company contacted the presidents of both clubs and gave them personal briefings on how his company could rent aircraft and instructors that would satisfy all of the needs of the clubs. The price tag was very high and Bueno's company representatives were surprised at the low operating costs of the Aero Clubs at Clark and Subic. CINCPACREP Phil reasoned that they had miscalculated the commercial advantage of taking over the activities and he expected their inter-

1. CINCPACREP Phil 042345Z Dec 77 and 290703Z Dec 77; Commander U.S. Naval Base, Subic Bay, Letter, Serial 1599 of 2 May 78, Subj: Command History; Submission of, with one Enclosure: Command History 1977.
2. J51 HistSum, Dec 77; CINCPAC 031633Z Dec 77: SECSTATE 289181/031055Z Dec 77 (EX), which transmitted AMEMB Manila 19061 of 3 December 77.
3. SECSTATE 291428/070307Z Dec 77.

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est to wane. A request to discuss the matter in the MDB was denied by General Espino, based on the interpretation that Aero Clubs did not come under the charter of the MBA. CINCPACREP Phil acknowledged that the operations of the Aero Clubs themselves were not critical to U.S. operations, nor were they absolutely essential to the morale and welfare of U.S. personnel. The primary concern was to control precedent and attitudes toward the MDB.¹

(C) In early and mid-September, Pacific Air Forces (PACAF) passed two messages to Admiral Weisner from 13th Air Force at Clark Air Base. Efforts to secure GOP approval for the resumption of Aero Club operations had not been successful. A routine request for extension of authority to operate covering both the Clark and Subic Aero Clubs was refused by the PAF on the grounds that the Aero Club operations had been discontinued by direction of General Espino. CINCPACREP Phil had advised 13th Air Force that he had discussed the Aero Club problem with Espino, who had directed his Chief of Staff to refer the matter to the Department of Foreign Affairs for decision. Although CINCPACREP Phil viewed this move optimistically, 13th Air Force believed that Espino had passed the buck and that the Department of Foreign Affairs was unlikely to reverse its prior position that Aero Clubs were not covered by the MBA.²

(C) On 17 September CINCPACREP Phil transmitted to CINCPAC a copy of a letter received from General Espino which noted that, although the Aero Clubs had been operating for years, nothing in the records showed that the GOP recognized such operations as sanctioned by any provision of the MBA. The operations of the Aero Clubs, Espino opined, had been allowed without a clear legal basis. He referred to a letter from CINCPACREP Phil on 26 January 1977, and to his reply of 15 February 1977 which initially stated the position that the GOP Department of Foreign Affairs had "primary cabinet responsibility for international agreements". However, Espino concluded his letter by stating his agreement to refer the matter to the MDB Legal Affairs Committee. This, of course, was contrary to previous indications that Espino would refer the subject to the Department of Foreign Affairs and was considered to be a step backwards by CINCPACREP Phil. Nevertheless, he considered that the problem was in the proper forum where efforts toward continuing operations would be heard in the open and would have a good chance of acceptance. Two days later, CINCPACREP Phil met with General Espino, who stated that he would use his influence to try to obtain a prompt solution to the problem. However, the expected presentation of the proposal to resume Aero Club operations by the Legal Affairs Committee to the MDB in October did not take place. Instead, the GOP Undersecretary of Foreign Affairs, who was also the Philippines co-chairman of the Joint Task Force (JTF) (discussed in following pages) referred the Aero Club question to

1. CINCPACREP Phil 290140Z Aug 77; J5 BWEB, 12-25 Sep 77.
2. CINCPAC ALFA 072130Z Sep 77 and 150400Z Sep 77; CINCPAC 100106Z Sep 77.

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the JTF, bypassing the MDB.¹

(S) During his second meeting with President Marcos on 16 November, newly designated U.S. Ambassador David Newsom asked for Marcos' personal assistance in resuming Aero Club operations. Marcos reportedly tasked Defense Secretary Enrile to arrange for prompt "dispensation" to allow the clubs to resume operations. In December President Marcos issued a decree pertaining to Aero Clubs which would allow the operation to resume, but appeared to stipulate that aircraft operated by the Aero Clubs were required to register under rules and regulations to be promulgated by the Civil Aeronautics Administration of the Philippines. The U.S. Embassy reported that the decree could cause more problems than it solved and solicited the advice of the State Department on foreign registration of U.S. Government aircraft. Although the Embassy had obtained a copy of the draft Presidential Decree, stamped secret, and although several Filipino sources had indicated that the decree had been signed, U.S. Embassy had not been able to locate an authoritative copy as of 23 December 1977. The AFP Deputy Judge Advocate General and co-chairman of the MDB Legal Affairs Committee had confirmed that the final draft, which he said was signed by the President, was as discussed in the U.S. Embassy message.²

Alternatives to U.S. Bases in the Philippines

(S) Among the options considered in the Presidential review of U.S. policy toward the Philippines was that of withdrawal from both Clark Air Base and Subic Bay. During a visit to the Philippines by D. J. Alderson, Library of Congress, whose connection with the issue was somewhat tenuous, information was provided to assist Alderson's "committee" in the planning of alternative sites in the event that the United States evacuated Subic Bay and Clark. He was interested in the capacities, dollars and workload of the ship repair facilities at Subic, Singapore, and Yokosuka and the problems involved if any one facility had to assume the workload of any of the others. During his January visit, Alderson also asked why there had been no sharp reduction of personnel at Subic since the end of the Vietnam conflict, whether the ship repair facility at Singapore could absorb some of the workload at Subic, and the reaction of Navy officials to a hypothetical closing of Subic and opening of Guam. The reply to the latter question cited higher labor and overhead costs, a smaller harbor at Guam with reduced capabilities, smaller training areas, the increased steaming time from Guam to Southwest Pacific and Indian Ocean areas, and the need to import skilled labor at Guam.³

1. CINCPACREP Phil 170330Z Sep 77 and 190900Z Sep 77; J5 BWEB, 24 Oct-7 Nov 77.
2. J5 BWEB, 8-20 Nov 77 and 19 Dec 77 - 3 Jan 78; J51 HistSum, Dec 77; AMEMB Manila 20220/230902Z Dec 77.
3. CINCPACREP Phil 251156Z Jan 77.

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(S) On 3 February the JCS advised CINCPAC that a broad review of the Philippine base negotiations was being conducted by appropriate Washington agencies (Presidential Review Memorandum NSC-14). The review was expected to encompass such areas as the current status, U.S. interests at stake, the utility of the bases, alternate means of performing current functions and the impact of relinquishing some or all of the facilities, and the expected Philippine strategy and objectives in future negotiations and their possible impact on U.S. flexibility on the bases. CINCPAC's comments were requested on alternatives to U.S. basing in the PACOM.¹

(S) Replying for CINCPAC, the Director for Plans stated that, in general terms, the loss of Philippines bases would significantly reduce U.S. flexibility and strategic posture and make operations more difficult in all areas south and west of the Philippines all the way to the Middle East and the East Coast of Africa. Withdrawal from the Philippines would almost assuredly be perceived by other countries as a lessening of U.S. interests and a weakening of U.S. resolve, with consequent impact on political alignments. Among the U.S. interests at stake were stability throughout the PACOM area, but particularly in Northeast Asia and Southeast Asia, and an orderly and evolutionary improvement in the investment climate and continued access to raw materials. The Subic Bay-Cubi Point complex and Clark Air Base had different missions but complemented each other in the U.S. defense posture with their air-sea logistic interface. The loss of either would impact adversely on the other. The importance of the Subic Bay-Cubi complex to deployed naval forces lay in its storage of POL and ordnance war reserve, its ship repair facilities, the cost of which was the lowest in the Pacific, and that it housed the largest supply depot in the Western Pacific. Alternative facilities in Japan, Guam, Okinawa or even Singapore would pose problems in manpower costs, skills available, and flexibility of fleet operations.²

(S) The loss of Clark Air Base would have a serious detrimental impact on U.S. capabilities in the PACOM. Clark was the only U.S. Air Force installation in the Southwest Pacific capable of providing major area/regional contingency support, including operations against Soviet forces transiting the Southwest Pacific air/sea lines of communications. Force withdrawals from the Asian mainland had placed added strategic importance on Clark and the operational flexibility it afforded. Re-deployment of the tactical fighter, tactical training, and airlift squadrons from Clark Air Base to other locations in the Pacific would not only overload the other facilities, but also restrict operational flexibility significantly. For example the maximum allowable payload on a C-5 would be reduced by 44 percent from Guam and 42 percent from Okinawa on resupply

1. J51 HistSum, Feb 77; JCS/J5 1108/031429Z Feb 77 (BOM).
2. CINCPAC 140306Z Feb 77 (BOM).

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missions to or through Diego Garcia. The loss of Clark would also result in additional constraints to U.S. air operations in the Western Pacific and the Indian Ocean by increasing the shortage of WRM/POL storage in the PACOM, degrade the PACOM capability to support logistics plans, increase aerial tanker requirements, and degrade force readiness because of the loss of gunnery ranges and other training areas. Most serious of all, perhaps, was the severe degradation of military communications in the Western Pacific/Indian Ocean area which would result from the loss of Philippines base rights. Nevertheless, and to answer the mail, the CINCPAC Director for Plans offered the following alternatives to bases in the Philippines, noting that they would satisfy only some of the requirements, entail greater costs or have other undesirable impact:¹

- Supporting fleet from Yokosuka, Guam, and Singapore (if available) ship repair facilities (major support in Yokosuka and Guam, minor support in Singapore).
- Increasing deployments and/or overseas homeporting of mobile replenishment ships and tenders as well as increasing force assets.
- Concentrating more forces in Japan.
- Increasing tactical airlift and aerial tanker support.
- Increasing utilization of Guam as a naval operating base.
- Providing a greater percentage of defense budget for facility expansion/relocation and higher operating costs of alternate locations.
- Accepting decrement in communications and intelligence collection capabilities in Western Pacific until reestablished elsewhere.

~~T&L~~ The perennial need to justify the presence of U.S. bases in the PACOM was, in fact, done in many other CINCPAC papers and planning documents in the context of the overall forward deployment posture of U.S. forces. Nevertheless, a challenge to CINCPAC's rationale appeared from a somewhat unexpected source at the precise time when the preceding dialogue was taking place. On 9 February the U.S. Ambassador to Malaysia opted to provide an unsolicited opinion on the need for the U.S. military bases in the Philippines. Although his message was

1. Ibid.

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was classified confidential, he stated that there was nothing in the discussion itself which could not be in the public domain because there were no arguments on either side that an intelligent Filipino (or an intelligent Russian or Chinese) could not adduce for himself. The Ambassador challenged the need for the United States to project its military power on the mainland of Southeast Asia and neighboring waters, the political and military stabilizing factor as a demonstration of the sincerity of the U.S. commitment to Southeast Asia, the deterrence of the forces in the Philippines to Russian and PRC adventurism, and the existence of elements of a global, strategic power balance related thereto. In his lengthy but somewhat simplistic analysis, Ambassador Underhill concluded that the price that the United States had paid and would pay for the presence of U.S. bases in the Philippines was too high. He concluded that "rather than negotiating to remain, we should be negotiating for an orderly and gradual withdrawal..." The JCS informed CINCPAC that, apparently, neither the State Department nor the Defense Department planned to respond to the Ambassador's message.¹

Let Considering the rather unusual reference in Underhill's message to public domain, it was interesting that, on 10 March, the Wall Street Journal carried a story, datelined Manila, to the effect that the U.S. Ambassador in Malaysia had advocated a complete U.S. withdrawal from major Philippine bases in a classified "report". On 21 March, Underhill reported to the State Department on the Malaysian press reaction to the Wall Street Journal article regarding the leaked confidential telegram. The story first appeared on the back page of one newspaper under the heading "Carter Urged to Pull Out Manila Forces by U.S. Envoy Here". Two Chinese language newspapers carried wire service reports and an English language newspaper ran an Associated Press story datelined New York captioned "Complete U.S. Withdrawal from Philippine Bases". Among regular press contacts of the U.S. Embassy, one comment was that it would be a mistake for the United States to pull out of the Philippines. Another stated that if the United States withdrew it would be understandable because of the opportunistic handling of the negotiations by Marcos. Another comment expressed suspicion and asked why Underhill had been "selected" to make the recommendations. This query implied that the whole thing was a clumsy ploy to affect the bargaining in Manila.²

Let Not quite as drastic in approach as the recommendation by Ambassador Underhill was the annual Policy and Resource Assessment submitted by Ambassador Sullivan from Manila on 2 March. This assessment was an across-the-board analysis of overall United States-Philippines relations--including the pending base negotiations, the end of the Laurel-Langley economic era, and the professed

1. AMEMB Kuala Lumpur 900/090400Z Feb 77; JCS 2062/261830Z Feb 77.
2. AMEMB Kuala Lumpur 1731/210131Z Mar 77; SECSTATE 55054/112239Z Mar 77.

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and increasing emphasis by the Philippines on self reliance. The long-term interests of the United States, as defined by Ambassador Sullivan, included U.S. strategic defense needs and the maintenance of peace in Southeast Asia, the Philippine achievement of rapid economic development, protection of U.S. investment and encouragement of additional trade and investments, and a controlled reduction of the "archaic" special relationship between the Philippines and the United States. Regarding the latter relationship, it was interesting that Ambassador Sullivan described its effect as a "neurotic, manipulative, physically crippling dependency", which was a direct quotation from the Underhill message discussed previously. From the purely political-military relationship viewpoint, Sullivan recommended that the military/economic aid mix proposed by the United States as a quid pro quo for the use of the U.S. bases in the Philippines be changed to a cash rental/economic aid mix. Sullivan stated that "we" had tended to assume that most of the present base structure was essential for the foreseeable future. It appeared, however, that major reductions should be possible at Clark. He then proposed accelerated studies addressing global U.S. political-military strategy, the need for the bases over the next 5-10 years, major reductions and consolidations, the effect of giving up the bases entirely, the possibility of sacrificing Clark Air Base, in large part or in whole, to assure the continued use of Subic, and the long-range potential for greater AFP participation in non-combat operations at the bases.¹

(N) He recommended that the United States avoid reassuring Marcos concerning the importance to the United States of the bases, since the question of compensation was, of course, central to the progress of the negotiations. Once again referring to Clark Air Base, the Ambassador recommended that the possibility be considered to turn the U.S. assets at Clark over to the Philippines as part of the overall quid pro quo. He also suggested that the program of the Joint U.S. Military Advisory Group (JUSMAG) be phased out, and recommended against attempts to strengthen the AFP through military assistance programs. The Ambassador also discussed the economic development of the Philippines, U.S. investments and the economic climate, and human rights. Regarding the latter, it was interesting that, at the same time that the United States was criticizing Russia for restricting emigration, Ambassador Sullivan recommended restrictions on Filipino emigration to the United States.²

(N) Based partially on component command comments, CINCPAC submitted an analysis of the Ambassador's assessment to the JCS on 9 March. He noted that, coming at a time when the Policy Review Memorandum (PRM) regarding U.S. policy towards the Philippines was in its final stages of drafting, the Ambassador's comments on the military aspects of the U.S.-Philippines relationship could

1. J51 HistSum Mar 77; AMEMB Manila 218/020922Z Mar 77.

2. Ibid.

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cause confusion during the final review process. CINCPAC noted, first of all, that the Ambassador's call for a broader view did not consider the overriding importance of the U.S. bases in the Philippines in a broad confrontation with the Soviet Union. He noted that any Warsaw Pact-NATO conflict would assuredly spill over into the PACOM area. The Soviets would attempt to stop the flow of oil from the Middle East to Western Europe, to Northeast and Southeast Asia, and to the United States. If the United States were to prevent Russia from cutting these lifelines, U.S. forces must be positioned to protect them in the Indian Ocean and the Western Pacific. The bases in the Philippines were an absolute requirement if that task were to be accomplished. CINCPAC concurred that it was not in the interest of the United States to encourage expansion of the AFP nor the acquisition of sophisticated weapons. However, it was essential to continue a balanced military assistance program which contributed to an unsophisticated modernization of the AFP and improved the quality of self-reliance efforts. Military assistance provided a form of leverage to hold down unwarranted demands and to develop appropriate forces. For that reason, CINCPAC did not concur with the Ambassador's proposal to phase out military assistance and pay a cash rental for the bases. Cash rental for the bases would influence other U.S. military bases agreements worldwide. Further, rent money implied no strings attached on the use of the money and an attendant loss of U.S. influence over Philippines acquisition of sophisticated non-supportable equipment. He also did not concur with the proposal to phase out JUSMAG. There would be a continued need for the kind of high-level management assistance provided by the JUSMAG, regardless of the outcome of the bases agreement, to assist in the building of a more self-reliant AFP while discouraging programs which might be counterproductive.¹

187 CINCPAC agreed that some reductions in U.S. military functions in the Philippines were possible, but cautioned that such cuts should be made with due consideration for cost effectiveness and good management practices. He acknowledged that several reductions had been made by the U.S. Air Force at Clark, but did not agree that Clark should be considered a bargaining chip. The basic functions and capabilities of Clark Air Base were too vital, for reasons previously submitted. Furthermore, relative values should not be placed on Clark and Subic which overlooked the interdependence of their capabilities. CINCPAC noted that, even if assets at Clark were turned over to the Philippines as part of the quid pro quo, as suggested by the Ambassador, all relocatable equipment would be removed to reduce the costs of reestablishing these capabilities elsewhere in the PACOM, and what remained would have diminished value as a quid. He agreed with the Ambassador that the importance of the U.S. bases should not be overly stressed, since it would only increase the requested quid pro quo. He also strongly supported the Ambassador's suggestion that the training program

1. J51 HistSum Mar 77; CINCPAC 092155Z Mar 77.

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in the Philippines be expanded.¹

~~TS~~ Ambassador Sullivan strongly re-affirmed his position on the bases as expressed in his annual assessment during a meeting with CINCPACREP Phil in early April. He acknowledged a remark by CINCPACREP Phil that his previous comments could color the attitude of the new members of the Administration toward the bases and their strategic importance, but did not appear, according to CINCPACREP Phil, to appreciate fully the potential impact of his assessment. Sullivan stated that he had complete confidence in the ability of the Defense Department to justify Subic Bay and its facilities because its utilization was obvious and continuing. His problem, he told CINCPACREP Phil, was with Clark Air Base and he was concerned about the image of under-utilization which could well jeopardize the base. He stated that the presence of the Military Airlift Command (MAC) unit, the well-staffed hospital, and a relatively large staff structure was good to have in place in a contingency, but were too big and obviously not needed. His idea was to reduce the overhead but hang on to the basic requirements and keep the structure to expand quickly when needed. Sullivan believed this proposal to be a compromise between what was desired and what might be forced by outside observers such as the General Accounting Office, congressional delegations, etc. The Ambassador also referred to the draft PRM option calling for the withdrawal of the tactical fighter squadrons and stated his opinion that even this would not be effective in "protecting the rest of the base".²

~~TS~~ On 17 April U.S. Assistant Secretary of State for East Asian and Pacific Affairs Richard Holbrooke arrived in Manila for a briefing and orientation. During his briefing by the Ambassador and the Country Team, Holbrooke stated that no sensible person in a position of responsibility was proposing that Clark or Subic be closed or moved. However, Holbrooke noted that he had heard of the secure position of Subic, but that there was some question as to the usage of Clark Air Base. According to CINCPACREP Phil, this statement was indicative of an impression which Holbrooke seemed to have modified after his visit to Clark Air Base. At Clark he received a detailed briefing on the missions and personnel adjustment plans, and a fly-over of the Crow Valley gunnery range. He appeared to be impressed and his appreciation of Clark's purpose and future appeared to have been improved. He was briefed on actions being taken and proposed to adjust the manpower at Clark Air Base, which seemed to be his primary concern. After hearing the briefing on proposed manpower reductions (q.v.), Holbrooke indicated that his position in the defense of Clark Air Base could be more persuasive.³

1. Ibid.
2. CINCPACREP Phil 090655Z Apr 77 (EX).
3. CINCPACREP Phil 191134Z Apr 77.

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(S) During Holbrooke's visit to Subic, he was impressed with the large area of diverse activity and satisfied that Subic was essential to support the Seventh Fleet. He then asked a series of "what if" questions ostensibly to prepare himself to answer the same type of questions before the White House, the Office of Management and Budget, and the Congress. These questions concerned the impact on Subic if Clark Air Base were closed, the impact on the Air Force if Clark were closed, the relative importance of Clark if U.S. ground forces were withdrawn from Korea, the movement of fighter squadrons from Clark Air Base to Korea, the affect of an across-the-board cut in U.S. military personnel in the Philippines, whether the Indian Ocean area could be supported from Guam, and several questions relating to the Filipino work force. Holbrooke stated that President Carter was faced with serious decisions in an attempt to meet commitments he had made and to reduce expenditures, and that some arbitrary decisions, such as closing bases, might be necessary. Nevertheless, Holbrooke indicated to CINCPACREP Phil and U.S. Embassy officers that he would support Clark and Subic.¹

Force Reductions/Joint Use

(S) The draft PRM to which CINCPAC referred as being open to influence by Ambassador Sullivan's annual assessment was reviewed by CINCPAC in March. Prior to the receipt of the draft PRM from the JCS, CINCPAC was asked to comment, based on verbal background, on provisions of the draft PRM relating to consolidation and "Filipinization". On the basis of the available data, CINCPAC reaffirmed views expressed during 1976 on the consolidation issue, noting that if new ground were broken by the PRM, CINCPAC would need to reexamine any new provisions before making judgment on their workability. Regarding "Filipinization", any proposal to turn over management or control of any portion of the bases function to the Filipinos, or to commercialize any portion of those functions, would be a matter of serious concern. It was doubtful that the Philippines would be inclined to fund the maintenance at a level to insure the quality required by the United States or that adequately trained Filipinos could be found to perform more demanding technical functions. Moreover, the lack of U.S. control over facilities or functions could be detrimental to security, employee management, and criminal jurisdiction.²

(S) After review of the hard-copy draft PRM, CINCPAC recommended several changes. The statement of the air defense mission was inaccurate, in that it implied that the United States was responsible for the air defense of the Philippines. As set forth in MDB Operations Plan 1-70, air defense was the responsibility of the PAF. The draft also contained restrictive phrases regarding the

1. Ibid.
2. J51 HistSum Mar 77; CINCPAC 060020Z Mar 77 (BOM).

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purpose of the bases in the Philippines. Implications that the bases protected only Southeast Asia were too narrow since the bases provided for sustaining and projecting U.S. naval and air power in all areas of the PACOM, particularly for the protection of sea lines of communication. Regarding one option listed in the draft PRM, CINCPAC saw no benefit in removing tactical fighter squadrons from Clark Air Base, since their presence had posed no problem in previous negotiations. Consequently, the withdrawal of the tactical fighters would not lead to a reduction of GOP demands or make it any more receptive to U.S. positions. CINCPAC was also concerned, in the same option, over expressed willingness to turn over base service functions without specific identification. Each function which might be identified needed to be examined for its impact on operational capability and security. CINCPAC recommended that any reference to "labor issues" either be deleted or caveated as a possible issue for discussions.¹

(S) Another option in the draft PRM proposed that the United States cede Clark Air Base but retain some functions. This implied that Filipinos would run the base. If that implication were correct, then ceding all of Clark Air Base would seem to permit a greater manpower reduction than the 1,800 cited in the PRM. CINCPAC doubted seriously that the GOP could afford to maintain Clark Air Base either with adequate funds or trained manpower. If, on the other hand, this option intended that the United States continue to run Clark Air Base, with the possibility of turning over some suitable functions to the Philippines, then, as in the previous option, CINCPAC doubted that the removal of tactical units would result in any negotiating leverage for the United States. Regarding the timing and approach of the various options for a U.S. position regarding the MBA, CINCPAC recommended that the U.S. negotiators not specify which of the options to be presented was the preferred one from the viewpoint of the United States. CINCPAC also assumed that whatever option was tabled, there would be additional opportunities for the JCS and CINCPAC to comment before re-opening the dialogue on the negotiations.²

(S) In April the JCS informed CINCPAC that the Policy Review Committee (PRC) in Washington was considering the overall situation in the Philippines, not only regarding the bases negotiation, but including the need for the bases, possible alternatives, and the strategic, political, and economic consequences of significant reductions at Clark or Subic. Among the options on the tentative review agenda were:³

- Consolidation within status quo, maintain existing facilities and basic force structure.

1. CINCPAC 192255Z Mar 77 (BOM).
2. Ibid.
3. JCS/J5 4446/201714Z Apr 77 (BOM).

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- Philippinization under a new defense relationship, reduce our presence and enhance the Philippine capability to perform functions for us.
- Major reduction of Air Force presence, minimize air presence and function as a tenant at Clark.
- Base relinquishment, return all bases but attempt to retain some communications, monitoring and access rights.

(S) On the day before the scheduled PRC meeting, CINCPAC expressed his opposition, in the strongest terms, to the movement of Air Force squadrons from Clark. CINCPAC noted that, although U.S. personnel in the Philippines had done everything possible to describe the requirement for the bases, there could be no substitute for the strong united support of the JCS and the Secretary of Defense in protecting these bases which were so essential. CINCPAC recommended that those working the problem in the JCS and the Office of the Secretary of Defense continue to stress, at every opportunity, the overall strategic importance of the Philippine bases with respect to the U.S. position in the Pacific and Indian Oceans vis-a-vis the Soviets. General Brown's reply to Admiral Weisner concurred with CINCPAC's comments regarding the retention of Clark Air Base squadrons and the need for both bases. He advised that these positions were reflected strongly in the Defense/JCS talking papers for the PRC.¹

(S) As a result of the PRC review of 21 April, the Chairman of the PRC called a meeting of the interagency task force on 27 April. It was determined that the Defense Department would take the lead in a study to reduce U.S. personnel at the Clark and Subic Bay complexes without sacrificing basic capabilities. Defense would also identify functions and capabilities which could be turned over, in part or in whole, to the Philippines to perform for the United States. The Air Force and the Navy were tasked to examine base reductions of 10, 20 and 30 percent. On 16 June, the JCS advised that the Deputy Secretary of Defense had requested the Secretary of the Navy and the Secretary of the Air Force to provide possible U.S. personnel and functional reductions in the Philippines as well as functions which could be turned over to the Philippines by FY 1978 and FY 1982. These instructions were in consonance with the previously discussed PRC review.²

(S) The Secretary of the Navy responded that Subic Bay/Cubi Point complex was the dominant naval operating support base in the Western Pacific. CINCPAC-

1. CINCPAC 202042Z Apr 77 (EX); JCS 4734/251452Z Apr 77 (EX).
2. J53 HistSum Aug 77, JCS/J5 4855/282057Z Apr 77 (BOM) and 5314/161941Z Jun 77.

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FLT and other responsible commanders had, on a continuing basis, reviewed, rebalanced and streamlined Subic activities and functions. While a realignment of communications activities could achieve a personnel reduction of ten percent, further vertical reductions were not possible because of the previous realignments and reductions. It would be possible to transfer selected tasks, increase the direct hire of local nationals and local contractor-supply services, but labor problems and technical skill levels needed would adversely impact on effectiveness. The direct support provided for the Seventh Fleet at Subic could not be relocated elsewhere at a similar cost or with comparable accessibility to fleet operating areas, nor could such support be substantially restructured, without the risk of losing operational capability. The Secretary of the Navy recommended strongly that, prior to implementation of large scale realignments, an opportunity be afforded for thorough study of their overall value and practicability.

(S) The Secretary of the Air Force replied that management initiatives had already programmed a reduction of approximately 10 percent at Clark Air Base. In order to achieve a 30 percent reduction the relocation of additional units and functional activities was under consideration. These included the relocation of Headquarters 13th Air Force to Guam, transfer of the Pacific Air Forces Band to Korea, moving the C-130 engine maintenance function to Japan, and other functional activities and aeromedical evacuation units transferred to Japan. Other initiatives underway were to contract selected communications functions, reduce the Clark Air Base hospital to a base facility, reduce the manning of the tactical airlift wing, relocate the airlift control center and theater airlift manager to Hickam Air Force Base in Hawaii, conversion of U.S. personnel spaces to local nationals, and elimination of the Clark Air Base automated digital network (AUTODIN) switch. Functional candidates for transfer to the Philippines included contracting the laundry, dry cleaning, and family housing maintenance and refuge collection, the turnover of a portion of Wallace Air Station operations, and the release to GOP control of the John Hay Air Base recreational area. The estimated one-time cost for this substantial reduction in U.S. presence and planned relocations was \$14 million. Additionally, the proposed relocation could result in some recurring base support costs. For example, the average annual cost of a local national in the Philippines was \$2,050 versus \$5,250 in Korea and \$14,700 in Japan.²

(S) In response to the JCS invitation for CINCPAC to comment on the foregoing recommendations by the Secretaries of the Navy and the Air Force, CINCPAC concurred with the Navy remarks. He believed that the current manning at Subic and Cubi Point was near the minimum required to support U.S. naval operations

1. Ibid.
2. JCS 2770/020424Z Jul 77.

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in the Western Pacific and the Indian Ocean. CINCPAC also agreed with the programmed Air Force reduction at Clark Air Base of 10 percent. However, CINCPAC stated that relocation of selected secondary missions to Japan would increase already overcrowded conditions there, provide local Japanese dissidents additional anti-U.S. propaganda, and further aggravate the housing shortage at Kadena. CINCPAC did not concur with the reduction of the Clark hospital to a base level facility, the elimination of the AUTODIN switch, the relocation of Headquarters, 13th Air Force to Guam, nor with the contracting out of functions already performed by direct hire Filipinos. CINCPAC further stated that the turnover of the John Hay Air Base to the Philippines should be withheld for bargaining during the base negotiations. Finally, CINCPAC recommended that substantial reductions under consideration for Clark Air Base be considered in the context of their impact of future U.S.-GOP negotiations and in connection with other on-going reductions in mainland Japan, Okinawa, Korea and Taiwan. Such simultaneous and appreciable reductions throughout Northeast Asia and the major bases in Southeast Asia could have a distinct, negative effect on the perceptions of U.S. resolve throughout the region.¹

~~(S)~~ More than one month later, on 17 August, the JCS requested CINCPAC to reaffirm the views expressed in his July message, particularly with regard to the relocation of Headquarters 13th Air Force. CINCPAC was also invited to submit any additional comments about those issues or any other aspects of the Navy and Air Force proposals.

~~(S)~~ CINCPAC replied that any further major adjustments or relocations of significant elements of PACOM forces (beyond the planned reductions in Korea) would be likely to have a distinctly adverse effect on the perceptions of U.S. resolve and staying power throughout the region. CINCPAC considered Headquarters 13th Air Force a significant element of the Pacific Command and repeated his opposition to its removal from Clark. CINCPAC noted that since it was his understanding that medical specialties would be provided at other Western Pacific hospitals, he was willing to accept reduction of Clark Air Base hospital to the level of a base facility. Although CINCPAC appreciated the fact that the relocation of selected secondary missions such as the C-130 engine maintenance and aeromedical evacuation units to Japan would move those support units closer to the majority of the forces supported, he reiterated his concern about the aggravation of the long-existing housing shortage in Japan. Once again, CINCPAC commented that, while force reductions/relocations might be assessed only from the standpoint of their impact on the military force posture, any decision must include an assessment of political as well as military impact and CINCPAC's comments were predicated on those factors.²

1. CINCPAC 080335Z Jul 77.
2. J53 HistSum Aug 77; JCS 6998/172053Z Aug 77; CINCPAC 180535Z Aug 77 and 190340Z Aug 77.

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(S) In mid-October, the JCS transmitted for CINCPAC review a summary discussion of key issues contained in a paper submitted by the Defense Department for consideration by the PRC. The summary of issues included the GOP positions, the U.S. responses to date, and recommendations for future considerations. One issue concerned "Filipinization". The paper noted that the Philippines had not spoken about Filipinization except in their in-house studies of how the bases at Clark and Subic might be converted to military or civilian use if U.S. forces no longer were there. Within the U.S. Government the concept was developed, according to this paper, because of the need for a negotiating posture which would make the bases more valuable to the Philippines and a compensation package which would appear to be as generous as the previous offer. In this paper, the elements of Filipinization included the reversion of John Hay Air Base, the reversion of 47,000 acres at Clark Air Base, the reversion of Wallace Air Station with some residual U.S. manning, training the PAF to operate and maintain portions of the Crow Valley gunnery range, turning over air defense and area air traffic control to the PAF, the installation of a PBC at Clark and Subic, conversion of some base service functions to Philippine commercial operations, and the substitution of military or civilian Filipinos for U.S. personnel where the level of technological expertise or the nature of the operations allowed some flexibility. In addition, the Defense Department, according to this paper, was examining the question of joint use of the bases in terms of experience elsewhere, the advantages and disadvantages of such use in the Philippines, and conditions which should be embodied in any joint use agreement.¹

(S) Another issue addressed in the paper was the lower U.S. military profile in the Philippines. The paper cited a three-year plan developed by the Defense Department to reduce U.S. personnel at Clark by 25-30 percent and those in the Subic Bay naval shore establishment by 5-7 percent. The reductions at Clark would have a significant impact by eliminating some 260 jobs held by Filipinos, reduce U.S. reliance on off-base housing, and shift some local expenditures from the Philippines to Japan and other sites in the Western Pacific. The planned Navy reduction would have minimum impact. The paper suggested that the impact of the Air Force reductions on the local civilian community could be reduced in two ways. First, the Air Force study noted that it was possible to convert approximately 315 spaces not affected by realignment to local hire. Secondly, the U.S. Government could take steps, as discussed under compensation, to bolster the economy of Angeles City. The paper recommended that the reduction plan proceed in order to demonstrate that the U.S. Government was prepared to lower its military profile in the Philippines and, if necessary, to reduce U.S. reliance on the bases.²

1. JCS 1220/150030Z Oct 77.

2. Ibid.

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~~(S/NOFORN)~~ At about the same time, the Assistant Secretary of Defense for International Security Affairs requested JCS comments on the joint use of U.S. bases in the Philippines. The JCS requested CINCPAC to comment on successful arrangements for joint use with other allied governments, advantages and disadvantages of joint use in the Philippines, terms and conditions which should be part of any joint use arrangement, the degree of operational flexibility available for joint usage, and what additional technical assistance or expenditures might be required if current facilities were relinquished or shared. CINCPAC immediately solicited the views of CINCPACFLT, PACAF, and CINCPACREP Phil.¹

~~(S/NOFORN)~~—Regarding the Subic Bay/Cubi Point complex, CINCPACFLT's detailed reply stated that, while it was possible to make some limited accommodations with regard to the joint use of certain facilities, such arrangements would have a negative impact on overall base operations and Seventh Fleet readiness. There were no operational/functional advantages to be gained by the U.S. Navy from joint usage with the AFP.²

~~(S/NOFORN)~~ PACAF listed advantages and disadvantages related to the use of Clark Air Base, but stipulated such rigid constraints on any joint usage agreement as to negate any consideration thereof in the near term. PACAF summarized that Clark Air Base was the sole remaining U.S. Air Force installation in the Southwest Pacific and it played a vital role in projecting the U.S. sphere of influence in that part of the world. PACAF also noted that in recent years, the U.S. Air Force had repositioned its Philippines force levels to achieve an austere peace time presence. Although joint usage was recognized as a viable concept, any significant PAF force beddown would require an attendant replacement of facilities or relocation of functions because all base facilities were being used to a maximum extent. CINCPACREP Phil noting that this subject had surfaced previously in 1976, stated that the disadvantages of joint use of Subic Bay were many, and that there were few apparent advantages to the United States.³

~~(S/NOFORN)~~ CINCPAC consolidated the detailed responses in his reply. The U.S. had operated or was operating, under joint use agreements in Australia, Japan, the Philippines, Korea, Taiwan, Thailand and Vietnam. Where these arrangements had been successful, it was due to a clear understanding by host nations of the benefits to be derived from the U.S. presence. The general problems of cooperation, coordination and communication were always present and were extremely important elements in establishing and maintaining good working relationships. This was especially true when jurisdiction, authority and

1. J51 HistSum Oct 77; JCS 3477/180001Z Oct 77.
2. CINCPACFLT 222210Z Oct 77.
3. CINCPACAF 220415Z Oct 77; CINCPACREP Phil 220005Z Oct 77.

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responsibility had not been specifically agreed or did not cover the situation at hand. CINCPAC listed the specific advantages and disadvantages to joint use at length, and also addressed several issues which had to be resolved prior to any joint use agreement. These included operational priorities, control of access to the bases, control of access to restricted areas designated by either party, external and internal security responsibilities, and the operation, maintenance and payment for joint use areas and services. CINCPAC also noted that long-term commitments would be required, on both sides, to provide the proper leadership and management expertise for joint use to be successful. Any attempts to initiate joint use in the near term without the requisite time to increase Filipino managerial and technical levels could be chaotic, and could have a disruptive effect on U.S. forces.¹

(S) When Ambassador David Newsom stopped in Hawaii on his way to the Philippines, he was briefed by CINCPAC and his staff on the base reduction issue. His response was that it was important in discussions with Congress and with the GOP that the personnel and the area of the bases be at a level that could clearly be justified as efficient and essential to the overall mission. To that end, he had stated that the planned administrative reductions should proceed. Both Congressional sources and President Marcos had been informed that that was the U.S. intention. However, Newsom advised the State Department that it was his impression, on the basis of preliminary briefings, that major reductions were not being sought by the GOP and would give the wrong signal both at home and in the Philippines. Therefore, for example, he did not recommend the movement of 13th Air Force Headquarters from Clark Air Base. At the same time, the possibility could not be excluded that some further adjustment in personnel and land areas could be necessary to reach final agreement in the base negotiations. He believed that military staffs should, therefore, keep such possibilities under study and be ready with further proposals if that stage should be reached. The Ambassador advised State that, on the basis of his discussions with CINCPAC, he had received the impression that the 10 percent reduction underway at Clark Air Base presented no problem. However, in planning for the next 10 percent, the Air Force had encountered unanticipated costs and housing problems connected with the relocation of elements to Japan which would need further review.²

(S) On 11 December the JCS informed CINCPAC that the following JCS position had been forwarded to the Secretary of Defense commenting on the interagency study on Philippine base negotiations:³

1. CINCPAC 260731Z Oct 77.
2. CINCPAC 012113Z Nov 77 (from Ambassador Newsom to Assistant Secretary Holbrooke).
3. JCS 2625/110153Z Nov 77 (EX).

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- Navy should not be required to implement proposed personnel reduction plans without further study.
- Precise personnel reduction goals tend to force adjustments in both functions and facilities which may not prove to be in the best interest of the U.S., particularly in view of the current uncertain Philippine political-military situation.
- Overall, services should be permitted to move forward with adjustments in manning and support based on good management practices and on military requirements in the Pacific, coordinating with CINCPAC, JCS, and other agencies as appropriate.
- Specific constraints or target levels for personnel reductions should not be stipulated.

(S) A subsequent memorandum from the Office of the Assistant Secretary of Defense for International Security Affairs to the National Security Council had stated:¹

- Intend to implement reductions proposed by Air Force for Clark, with ceiling of 15 percent over two years. Some AF reductions depended on cost and feasibility of relocating designated units to Japan and need to maintain high degree of readiness during such realignments. In event unable to proceed as planned, NSC will be advised of circumstances.
- Request that SECNAV conduct detailed examination of presence at Subic and full-scale analysis of reductions which actually can be accomplished over the next two years. Study due 1 January 1978 and SECDEF will inform NSC of plans at that time.

(S) As a result of the foregoing discussion, the Chief of Naval Operations advised CINCPACFLT that, based on the original Secretary of the Navy comments regarding the impact on fleet readiness of the proposed 10, 20, and 30 percent reductions, additional study was recommended. The Secretary of Defense concurred that a full scale analysis of the U.S. Navy presence and the possibility of reductions at Subic Bay was required and had requested that the Department of the Navy undertake the study. Pending the result of this study, the Secretary of Defense had proposed to the NSC that U.S. personnel at Subic Bay be reduced by 5 percent over a three-year period. In requesting this study of long-term considerations and goals, the Secretary of Defense stated:²

1. Ibid.
2. CNO 182300Z Nov 77.

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While the mood in U.S.-Philippine relations has improved in recent months, we face a number of serious dilemmas and uncertainties in the base negotiations. We do not know, even with the best of efforts by our Ambassador, whether we will be able to fashion an agreement which satisfies the Philippines and stabilizes our base posture. To some extent we can improve our long-term position in the Philippines by increasing benefits they derive from our presence. Thus, your analysis of reductions at Subic should be seen as an opportunity to displace U.S. military personnel with Philippine nationals or contractual services where it is possible to do so.

The Base Security Issue

~~TC~~ An incident in which a security dog bit a Filipino on Clark Air Base on 16 May 1977 eventually led to the establishment of the Joint Task Force to discuss base "irritants" discussed in the following section. Military working dogs (K-9) were an integral part of the physical security programs at Subic and Clark Air Base. Clark Air Base employed 132 K-9's handled by Air Force personnel. Subic employed 76 K-9's, handled by Filipino direct hire guards. At both bases, the dogs were utilized only in sensitive areas (ammunition storage, flight lines, navigational aid sites, POL farms), or where stolen items were stored or "stashed" prior to removal. The K-9's had been employed at Subic and Clark for approximately 20 years. Their availability was essential to deterring thieves who plied their trade with near impunity, and their use was considered to be a reasonable use of force. Additionally, the use of recallable K-9's precluded the "unrecallable" use of firearms in highly stressed situations. Local Philippines courts historically did not discourage Filipinos from trespassing on the bases. When Filipinos were apprehended and turned over to Philippines authorities, they were usually released without action because of the absence of effective Philippine legislation specifically prohibiting trespass on U.S. military installations. This lack of deterrence resulted in repeated apprehensions of the same individual. One intruder, at the time of the 16 May incident, had been apprehended in excess of 40 times with only minimal periods of incarceration by local officials. The question of security legislation for the bases, as provided for in the MBA of 1947, had been the subject of continuing discussion on an ad hoc basis prior to martial law, and in MDB committee meetings as recently as May 1977.¹

~~PS~~ After a 23 May meeting with President Marcos, the Embassy Charge

1. CINCPACREP Phil 061000Z Jun 77.

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d'Affaires, Lee Stull, advised the State Department of Marcos' receptive attitude toward an informal discussion of bases issues, having made specific reference to the 16 May guard dog incident at Clark Air Base. The Charge proposed that he be authorized to begin broad discussions with President Marcos, informally and nominally uninstructed, to explore further Marcos' general views on concepts and procedure. Among the objectives would be to "cool down" the adverse reaction to security dog incidents involving Filipinos on the bases.

(S) The Charge did not wait for response from the State Department concerning his request for permission to approach Marcos informally. In a message to the State Department on the following day, he reviewed the circumstances of the 16 May incident, including press assertions as to what had transpired, and advised State that the commanders at Clark and Subic were reviewing all current procedures on a priority basis with a view to taking advantage of Marcos' offer to help. This was confirmed by CINCPACREP Phil, who recommended to CINCPAC that a military position be staffed as soon as possible that would indicate to President Marcos appreciation for his concern, efforts to relieve him of some of the associated troubles, and willingness to accept his offer of assistance. On 28 May the State Department advised the Charge that the situation would be examined thoroughly in Washington and that, until he received further instructions, he was not to resume discussion of the subject with Marcos.

(S) At about the same time, CINCPAC invited the attention of the Chairman of the JCS to Stull's report of his meeting with Marcos. He noted that the Charge had reported that Marcos was not pressing for a resumption of formal negotiations, was prepared to consider informal discussions as a way to solve outstanding base issues, and appeared to like a "more pragmatic" approach to resolving the issues in the absence of, and maybe in lieu of, formal negotiations. CINCPAC noted Stull's request that he be authorized to discuss the issues with Marcos informally and uninstructed, and CINCPAC acknowledged that informal discussions might be a way to work out solutions to some of the issues on the bases. However, he did not believe that the Charge should have authority to pursue an agreement, even informally, without military representatives participating fully in developing positions. Thus, CINCPAC's concern regarding Stull's request was in consonance with the concurrent instructions provided by State to the Charge.

(S) On 28 May CINCPAC informed the U.S. Embassy in Manila that a staff

1. J51 HistSum Jul 77; SECSTATE 120391/252130Z May 77 (EX).
2. SECSTATE 122201/262202Z May 77 and 124527/281933Z May 77 (EX); CINCPACREP Phil 270800Z May 77.
3. CINCPAC 282210Z May 77, personal to General Brown from Admiral Weisner (BOM).

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review of security procedures on the bases in the Philippines would be conducted. At the same time, CINCPAC reminded the Embassy that matters related to U.S. military units in the Philippines, and any actions proposed or taken with regard to the U.S. military, were within CINCPAC's area of responsibility and requested that the Embassy keep him fully informed. The Charge replied he was pleased to learn of the staff review undertaken by CINCPAC, and stated his impression that the best method to deal with the base security incidents was to "subsume" them in a larger package of security improvements, with GOP support. Anything less, he stated, was likely to be inadequate and would seem unresponsive. He stated that, since the "instant" Clark incident occurred on 16 May and that Marcos had spoken to him about it on 23 May, the United States might already be running some risk of being thought to be dilatory. The Charge also asked the State Department if he could assume that his current effort to cope with guard dog incidents by "subsuming" them in a larger package of base security improvements in response to Marcos offer of assistance was not precluded by the previous state guidance. The rather terse one line response from the State Department was "your assumption is correct".¹

~~TS~~ After the Charge had received the "policy go-ahead" encompassed in the State Department message stating "your assumption is correct", he advised CINCPAC that he was counting on a package to present to Marcos soon, as a respectable solution to the chronic problem of alleged American "shoot-beat-bite" security incidents. It was in this message that the Charge stated there had been no lateral coordination by, or even information from, Subic or Clark concerning the nature, scope, timing or any other aspect of reporting on recommendations concerning the problem. Therefore, he wanted CINCPAC to know "the extent to which I have put myself in your good hands in this matter". He requested CINCPAC's assistance to make the most of the opportunity currently presented to enhance the security and the public image of the bases, as well as to contribute to a broader improvement of U.S.-Philippines relations and to alleviate "the burden on the Carter administration's human rights policy" of the latest series of incidents as perceived by many Filipinos and exploited daily in the press.²

~~TS~~ Meanwhile, CINCPAC had conducted meetings involving the component commands, and had authorized CINCPACREP Phil to provide Charge Stull with a coordinated talking paper discussing the background of base security problems in the Philippines and measures which had been and were being taken to control the problem. The Charge had requested such a paper in anticipation of a meeting with Philippines Secretary of Foreign Affairs Romulo on 7 June. CINCPAC directed

1. AMEMB Manila 8250/302200Z May 77, which cited CINCPAC 282233Z May 77; SECSTATE 125620/010113Z Jun 77 (EX), which transmitted AMEMB Manila 8251 of 30 May 77; and SECSTATE 125613/010054Z Jun (EX).
2. AMEMB Manila 8426/020054Z Jun 77.

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that the talking paper be confined to initiatives already taken to remedy the situation. Long term solutions were subject to higher level coordinated review. CINCPAC had requested his components to consider such initiatives as the relocation of dumps or the contracting out of scavenging rights to the Filipinos, reassessing guard posts locations, and the feasibility of using the AFP in limited, specified security roles such as base perimeter patrols or to accompany U.S. dog handlers on patrols.¹

(b) Based on coordination with the component commands, CINCPAC submitted to the JCS for review some measures for dealing with the security dog issue. He noted, however, that there was no assurance that any action instituted by the United States military would defuse the situation. The GOP could be expected to use the emotional aspects of the dog incidents to pursue concessions from the U.S. Government on whatever related issues appeared useful at the time, such as human rights or criminal jurisdiction. CINCPAC suggested that U.S. officials continue to emphasize that the use of security dogs was an internationally-accepted practice inherently more humane and effective than the use of deadly force. Pertaining thereto, the security dog procedures used in Philippines were the same as those used in the United States and in other U.S. bases worldwide. Another factor to be emphasized was the GOP obligation under the MBA to enact trespass legislation and to prosecute offenders vigorously. This legislation would be the best deterrent to intruders and thieves. Among the proposals submitted by CINCPAC for JCS consideration were use of the AFP to assist with the security of perimeters, use of AFP personnel to accompany U.S. dog handlers, and new guidelines regarding circumstances under which the dog handlers could release the dogs. CINCPAC concluded with the observation that the MDB, augmented by additional military security experts, should be the forum for discussions concerning the use and planning for employment of AFP personnel in U.S. bases security forces.²

(b) On 4 June, in response to an initiative by the CINCPAC Political Advisor, the State Department provided further guidance to the U.S. Embassy in Manila regarding the extent of base security discussions with GOP officials. State noted that recent incidents involving the use of patrol dogs at Clark and Subic had raised the broader issue of the extent of the GOP role in base security. This question had been addressed on a continuing basis by base commanders and also had figured prominently in base negotiations. State encouraged the efforts of the Embassy in Manila and the U.S. military authorities to resolve the problem and to take advantage of GOP offers of assistance. State intended to consider the degree to which various proposals might proceed under

1. CINCPACREP Phil 270800Z May 77: COMNAVBASE Subic 300600Z May 77: CINCPAC 042335Z Jun 77 and 050330Z Jun 77.
2. CINCPACFLT 101727Z Jun 77; CINCPACAF 102325Z Jun 77; CINCPAC 112322Z Jun 77.

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various negotiating scenarios. In the meantime, the U.S. Embassy and base commanders, working in close liaison, were encouraged to continue to resolve the guard dog problem and to concentrate on U.S. base requirements which had aroused specific Filipino sensitivities, but without attempting to resolve broader security responsibilities with the Philippines until the appropriate time and forum for such discussions had been determined. Continuing active communications among the various U.S. official parties concerned, in advance of any talks with Philippine officials, would avoid problems in distinguishing the two areas. State noted that the Philippines could demonstrate its interest in eliminating the sources of friction by limiting the "revolving door" treatment of intruders apprehended on the bases. Charge Stull was instructed to avoid broad discussions with Romulo pertaining to base security issues.¹

(S) On 7 June Stull met with Romulo and other GOP officials to discuss the guard dog incidents, official duty cases, the proposed informal discussions on improving base circumstances, and Romulo's views on a wide range of issues from human rights to the 1976 U.S. elections. Using the talking paper provided by CINCPACREP Phil on 6 June, Stull described in detail the problem of bases security, including the effectiveness of guard dogs in that program. He also advanced the concept of the need for more effective trespass legislation. However, Romulo termed the dog biting incidents a highly emotional issue in the Philippines, and said that the President had received irate telegrams and requests to stage demonstrations from all over the country. He appeared to be unimpressed with the argument that the guard dogs were a reasonable use of force and preferable to the use of firearms in perimeter security. His suggestions were to reduce the area of the bases, remove the dogs, and even to use rubber pellets and fire hoses. While Romulo did not condone the actions of the intruders, he maintained that the U.S. military should exercise a measure of human compassion. The U.S. military he said, should recognize that they are guests of the Philippines and should not act like "almighty kings."²

(S) Charge Stull also reported that, at Romulo's initiative, other current problems concerning the bases were informally discussed. Romulo proposed a series of confidential, informal discussions "to get our point of view across, not commit our governments or hold anybody to decisions, and with a view to improving present circumstances of the bases, without however going into negotiations, calmly and without notes". He suggested such topics as customs, immigration, security, unauthorized flights, etc. The aim would be to defuse emotions and preclude the buildup of attitudes and pressures that threatened to get out of control. That, Romulo said "is the desire of the President".

1. CINCPACREP Phil 061000Z Jun 77; CINCPAC ALFA 40/030209Z Jun 77; SECSTATE 129444/041739Z Jun 77.
2. AMEMB Manila 8839/071035Z Jun 77.

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Stull replied that Romulo's suggestions would be reported to the U.S. State Department but that his response would necessarily be dependent upon instructions from Washington. Stull acknowledged his awareness of previous instructions from the State Department regarding the scope of discussions but stated that he believed it inappropriate to reject Romulo's (and President Marcos') proposal out of hand.¹

(S) President Marcos again suggested joint discussions on the "lesser" issues concerning the U.S. military bases in the Philippines in a meeting with Charge Stull on 20 June. These issues included smuggling, the protection of watershed areas of the bases, and the perimeter security of the bases. Stull acknowledged the U.S. desire to improve the situation with respect to a number of such matters, but the question was complicated by an understandable concern not to prejudice prospective base negotiations. Stull reported that Marcos seemed to suggest that formal base negotiations were perhaps not all that imminent or likely to be swiftly consummated. Meanwhile, the lesser issues remained and should and could be attended to "quietly without affecting the major issues", and "doing so would help us both". Stull advised the State Department that when Marcos began to berate Romulo, who was also present, for not following through on these discussions, Stull had no choice but to acknowledge that Romulo had made similar suggestions previously. Marcos' reaction was "well, let's get going and set up the task force. Who will take the lead?" Romulo said Under Secretary of Foreign Affairs Ingles would be in charge. Stull noted that he did not initiate nor fuel the discussions, since he was mindful of the instructions from State. However, he pointed out that it had been four weeks since Marcos first proposed the informal discussions and that this "unresponsiveness is not only embarrassing, but I believe untenable and potentially damaging to our improving relationships with the GOP. Please advise."²

(S) On 24 June CINCPAC was advised in a joint Defense/State message of concurrence with his message to the JCS of 11 June. They concurred with CINCPAC's comment that there was no assurance that anything done on the bases security issue alone would defuse the security dog situation and that dialogue must continue to emphasize the U.S. justification for the use of security dogs and reciprocal GOP responsibilities. Washington considered CINCPAC's plan of action as outlined in his message to be acceptable. Charge Stull was directed to inform appropriate Philippine officials that the U.S. Government had formulated a number of general proposals for meeting GOP concerns without eliminating the use of guard dogs, and also suggest that the U.S. proposals and any additional suggestions that the Philippines wished to make be referred to the MDB and its

1. SECSTATE 130520/071230Z Jun 77 (EX), which transmitted AMEMB Manila 8838 of 7 June 77.
2. AMEMB Manila 9449/201045Z Jun 77.

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existing committees. The Charge was also to continue to avoid Philippine suggestions that the approach be broadened into an extensive dialogue on base operating issues.¹

(N) As Acting Secretary of Foreign Affairs, Ingles was advised on 29 June of the U.S. position as contained in the State message, including that the base security matter should be referred to the MDB to improve established relationships, but that such referral would have no bearing upon the larger structural and operating issues more properly within the purview of other policy levels. Ingles indicated his willingness to talk at any time concerning the U.S. proposals but made no response to Stull's reference to discussions in depth within the MDB framework. Ignoring the MDB, Ingles replied that in-depth discussions would require more preparation by his people. Stull then reminded the State Department that, when President Marcos had told Romulo to follow-up on the base security issue, Romulo had designated Ingles for the job. The Charge requested that he be authorized to advise Ingles as soon as possible that the United States was prepared to make a full presentation of U.S. proposals and suggestions for improvements to base security within existing arrangements.²

(S) Charge Stull's request for authority to press on with informal approaches was considered during an interagency meeting on the MBA negotiations in Washington on 1 July. There was complete consensus that more could be done under the rubric of the MDB, and the group was in agreement that Charge Stull should not expand his informal contacts into the general areas of base negotiations. However, the State Department was reluctant to tell this to Stull directly. On 20 July the State Department advised the U.S. Embassy in Manila of its agreement that discussions of operational issues related to the management of the bases under the existing MBA could take place apart from formal base negotiations. Issues such as those mentioned by Marcos were appropriate matters for consideration by the MDB, and State wished to avoid dilution of the MDB mechanism through separate arrangements. State acknowledged, however, that Marcos apparently desired to add a political dimension to the discussions on certain of these issues through the participation of the Department of Foreign Affairs. In view of the GOP hesitation regarding the MDB role and Ingles' apparent determination to remain involved at least in the security issues, State authorized discussions between Charge Stull and Ingles but only in their respective roles as representatives of the MDB Council of Ministers. It was expected that, once broad discussion of an approved topic such as security had taken place, it would be referred to the MDB (either to an existing subcommittee or an ad hoc group which might include Embassy and Department of Foreign Affairs

1. SECSTATE 147355/241513Z Jun 77 (EX).
2. AMEMB Manila 10188/010835Z Jul 77.

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representatives) for detailed examination and appropriate implementation.¹

(S) State cautioned that, although the operational issues mentioned by Marcos were legitimate topics for consideration by the MDB and the Council of Ministers because they involved questions of improving the management or implementation of the existing MBA, any changes to or departure from the text of the MBA itself were outside the purview of the MDB and discussion of such matters should be avoided. Charge Stull was authorized to discuss with Ingles the proposals which the United States intended to present to the MDB on the base security question. On the smuggling issue, the U.S. should await the Philippine initiative since Marcos' motives in surfacing this issue remained obscure. Regarding watershed protection, the U.S. and GOP positions in the base negotiations on the control of watersheds differed widely. Although GOP proposals to improve the security of the watershed, perhaps as related to the base security issue, would be entertained, any such proposals would be subjected to considerable review relative to later adverse impact on the U.S. base negotiations position. State considered that the handling of operational questions in such a manner would leave the broader issues for discussion directly with Marcos. These issues included the MDT commitment and the U.S. position in changes to the MBA itself, including compensation. It was believed that issues of that nature were best discussed with Marcos by a special emissary or emissaries or by the Charge/Ambassador as determined by the State Department.²

(S) The Charge acknowledged the State Department message and requested permission to proceed promptly to explore the ground rules with Ingles, schedule an early meeting of the Council of Minister representatives (with, of course, CINCPACREP Phil representative participation) for broad discussions, and seek expeditious referral of approved topics to the MDB for examination and implementation. Stull requested that State authorize such an approach. Authority was granted by the State Department on 23 July.³

(S) CINCPAC acknowledged that the State Department guidance to Charge Stull was an excellent approach to negotiating the various issues with the Filipinos. His only point of concern was that the Filipinos might construe the discussion with Ingles as requiring approval by the Filipino representatives of the Council of Ministers before any issue could be introduced into the MDB. This was contrary to past practice where the U.S. co-chairman (or his representative) had introduced matters into the MDB, after coordination as appropriate with the Embassy, without the necessity for any prior notification or approval to do so

1. JCS/J5 7983/060001Z Jul 77 (BOM); SECSTATE 168840/200053Z Jul 77 (EX).
2. Ibid.
3. SECSTATE 169076/201656Z Jul 77 (EX), which transmitted AMEMB Manila 11149 of 20 Jul 77; SECSTATE 171128/230110Z Jul 77 (EX).

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by the Philippine side and vice versa. Therefore, he recommended that Undersecretary Ingles simply be advised that the U.S. side would be introducing the base security and watershed subjects to the MDB in the near future. He advised the Embassy that background material would be provided by CINCPACREP Phil concerning the presentation which would be made to the MDB. Based on proposals and options submitted by the Air Force and Navy commanders in the Philippines, CINCPAC authorized CINCPACREP Phil to present the following proposals to the MDB:¹

- At Subic Bay, the integration of the AFP into the base security plan which would have as its objectives the creation of a buffer zone between the local civilian population and the U.S. security forces and to provide additional forces to patrol uninhabited portions of the base. This integration into the naval base security systems would be accomplished on a time-phased basis with continued U.S. control of all security forces.
- At Clark Air Base, an expansion of the procedures and agreements with the Philippine Constabulary (PC), which had been used in the past to supplement the U.S. security program. The proposal was to expand that agreement (dated 19 July 1973) which provided for PC performance of selected security functions both within and without Clark Air Base.
- At Clark Air Base, a test program for a limited number of PC observers to accompany U.S. Air Force security dog patrols. The test would be conducted under the provisions of the existing agreement with the PC.

(S) Preliminary discussions between Charge Stull and Undersecretary Ingles were tentatively scheduled for 25 July. Stull requested that he not be bound by CINCPAC's suggestion to simply advise Ingles that the United States would introduce the security proposals to the MDB in the near future. He reminded the State Department that the meeting with Ingles was seen (at least on the Philippines side) as responsive to Marcos' suggestion that prompt discussions begin on the lesser issues concerning the U.S. bases in the Philippines and that a "task force" be set up with Ingles in charge. Stull considered that the burden of the Embassy effort with Ingles would be to move the issues through the general discussion as expeditiously as possible and into the MDB for detailed consideration. In any event, he stated his assumption that the submission

1. CINCPAC 230305Z Jul 77 and 232207Z Jul 77: CINCPACAF 210400Z Jul 77; CINCPACREP Phil 110500Z Jul 77.

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of proposals to the MDB as authorized by CINCPAC would be coordinated with the Embassy, and that, conversely, CINCPACREP Phil and 13th Air Force would be authorized to participate in the meetings with Ingles. When the Charge met with Ingles on 24 July, Ingles withheld comment on the proposed U.S. remedies, including the U.S. desire for detailed discussions of the issues by the MDB. He promised to report the U.S. proposals to Secretary Romulo and to provide a response after the ASEAN summit meeting in Malaysia. On 7 August CINCPAC requested CINCPACREP Phil to introduce the security proposals to the MDB, in accordance with his previous instructions, at the scheduled 25 August 1977 meeting, keeping the U.S. Embassy informed. CINCPAC also authorized CINCPACREP Phil and the 13th Air Force Commander to participate in discussions between the representatives of the Council of Ministers, as Stull had assumed in his previous message.¹

(S) After CINCPAC reiterated his instructions to CINCPACREP Phil to present the base security proposals to the MDB, CINCPACREP Phil and the 13th Air Force Commander called on Charge Stull to discuss the presentation. CINCPACREP Phil informed Stull that the proposals would be submitted to the MDB by 25 August. Stull stated that he anticipated another meeting with Ingles by 19 August, at which time the security discussions would be continued, and CINCPACREP Phil informed CINCPAC that it was obvious that Stull did not want the submission to the MDB if Ingles opposed it. However, he did not address the matter further since he was hopeful that Ingles would accept. Furthermore, if he did not, General Espino, as the Philippines co-chairman of the MDB, would have to reject it. CINCPACREP Phil advised Stull that it was preferred to have the rejection come from Espino. During a second meeting of the same principals, Stull advised CINCPACREP Phil that, because of Ingles' involvement in ASEAN matters, he probably would not be able to meet with him before the MDB. In that event, he requested that the proposal not be presented at the 25 August MDB meeting. He acknowledged the precedent that either co-chairman of the MDB had the right to introduce subjects directly into the meeting, but he and his staff were concerned that, in this instance, since the subject had already been broached with Ingles, some damage to U.S.-GOP relationships could result by such direct action. CINCPACREP Phil suggested an accommodation whereby the initiatives would be discussed at the MDB in such a way that the Philippines military representatives would understand that they would receive the details of the proposals after the representative of President Marcos had had the opportunity to hear the general concept of the proposals. After this meeting, Stull reviewed his rationale in a direct message to CINCPAC and requested that an essentially non-

1. J51 HistSum Jul 77; SECSTATE 173560/252035Z Jul 77 (EX), which transmitted AMEMB Manila 11369 of 25 Jul 77; SECSTATE 175418/270826Z Jul 77 (EX), which transmitted AMEMB Manila 11407 of 25 Jul 77; CINCPAC 070130Z Aug 77.

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substantive presentation be made during the MDB meeting.¹

(C) In the event, and since Ingles was not available before the August MDB meeting, the proposals for improving base security were not introduced until the MDB meeting on 22 September.²

The Joint Task Force

(S) The ad hoc efforts of Charge Stull were overtaken by events when, on 22-23 September 1977, the GOP Secretary of Foreign Affairs and Assistant Secretary of State Holbrooke conferred in Manila over a wide range of issues of common interest. As a result of an agreement reached between them, the Joint Task Force (JTF) was formed to discuss measures within the context of existing mechanisms in order to resolve "irritants" arising from the use by the United States of Philippines military bases. It was also agreed that the outcome of the deliberations of the JTF would be without prejudice to the military bases negotiations. The membership of the JTF consisted of Undersecretary of Foreign Affairs Ingles, Undersecretary of Defense Castro and Undersecretary of Justice Macaraig for the Philippines and Charge Stull, Rear Admiral Kilcline (CINCPAC-REP Phil) and Major General Poston (Commander 13th Air Force) for the United States.³

(S) The first meeting of the JTF was held on 28 September, during which the roles of the JTF were agreed. These included joint action to identify irritants, develop programs to eliminate irritants, supervise and monitor implementation, and report the progress of the JTF to the Secretaries of Foreign Affairs and President Marcos. The MDB was identified as a source of technical expertise to do most of the development and implementation. The JTF agreed that, until momentum was attained, they would hold weekly meetings. Undersecretary Ingles suggested during this meeting that the long-pending draft Presidential decree on trespass be removed from MDB jurisdiction and assigned to the JTF for submission to Marcos for signature. It was further agreed that the MDB should undertake promptly the technical development of a perimeter security program and that an ad hoc committee be designated during the September MDB meeting. Terms of reference for the U.S. members of the ad hoc committee of the MDB had been developed by the United States, but the actual formation of the committee would depend upon the naming of Filipino participants and the provision by the Philippines of terms of reference.⁴

1. CINCPACREP Phil 100900Z Aug 77 and 170700Z Aug 77; AMEMB Manila 12929/180804Z Aug 77.
2. ADMIN CINCPAC 090856Z Nov 77 (EX); J51 HistSum Nov 77.
3. CINCPAC 020327Z Nov 77.
4. CINCPACREP Phil 290300Z Sep 77; AMEMB Manila 15525/290924Z Sep 77.

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(S) The second JTF meeting on 5 October was held at the U.S. Embassy. It was noted that the draft Presidential decree on trespass was ready for Marcos' signature, and Philippine proposals on customs control, taxation and immigration were presented. Also discussed were the subjects of watershed management and the Aero Club operational restriction. After the third meeting CINCPACREP Phil informed Admiral Weisner that General Espino had expressed concern about his lack of representation on the JTF and desired to have Philippine MDB officers on the working committees. In the CINCPACREP Phil evaluation of the JTF to that point, he expressed frustration over the proliferation of requests from the Philippine bureaucracy and the bringing forward of all of the old issues.

(S) Two days before the scheduled fourth JTF meeting on 19 October, CINCPACREP Phil called on Secretary Enrile and relayed the concern of Admiral Weisner that General Espino's staff was not represented on the JTF. During the fourth JTF meeting, Brigadier General Manipula, Chief of the AFP's special study group on military bases was introduced as a permanent member of the Philippine panel. As reported by CINCPACREP Phil and the U.S. Embassy, nothing of substance occurred during the fourth meeting.²

(S) After the fifth JTF meeting on 26 October, the U.S. Embassy reported the mood of the participants as positive and businesslike despite some "tough issues" on the agenda. In a separate assessment, the Embassy stated that the JTF had contributed to an improved psychological climate and showed promise for easing the irritants to the mutual benefit of all. Charge Stull noted that there were many GOP proposals on the table and stated his belief that a careful, cooperative approach could pay dividends without risk to the basic operational requirements. He expected the JTF to maintain a good pace over the next few months, and noted that, with the arrival of Ambassador Newsom, the JTF could act as the surrogate for the expediting and implementing of policy projects discussed at higher political levels.³

(S) In contrast to the somewhat sanguine assessment of the Charge after the fifth meeting, CINCPACREP Phil advised CINCPAC that he had lost some of his enthusiasm for the possible results of the JTF and hope for eventual MDB participation. The ad hoc committee of the MDB which was to consider physical security still had not received approved GOP terms of reference. Another MDB committee which was to have been reconstituted during the 27 October MDB meeting

1. AMEMB Manila 15941/061055Z Oct 77 and 16329/131033Z Oct 77; CINCPACREP Phil 130430Z Oct 77.
2. CINCPACREP Phil 170800Z Oct 77 and 190630Z Oct 77; AMEMB Manila 16712/190939Z Oct 77.
3. AMEMB Manila 17003/260903Z Oct 77 and 17016/261055Z Oct 77; CINCPACREP Phil 270130Z Oct 77.

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was not reconstituted because Ingles informed Espino that the JTF was working on the subject. The recommendation of the Legal Affairs Committee of the MDB to allow the Aero Clubs to commence interim operations was to have been presented to the MDB meeting, but instead, General Espino presented it to the GOP panel of the JTF. CINCPACREP Phil stated that, at every turn, the AFP was deferring to the Department of Foreign Affairs and to others at the Secretariat level. In spite of the pessimistic assessment of the CINCPACREP, on 27 October President Marcos signed the decree making it a legal offense for Filipinos to trespass on military bases and ordered the Department of Justice "to enforce strictly the aforequoted law by prosecuting henceforth all cases of illegal intrusions and trespass into military bases within your jurisdiction".¹

(S) During the sixth (and last) session of the JTF, for which the U.S. panel provided the agenda, briefings and principal discussions, the subjects of perimeter security, customs, labor, Aero Clubs, travel tax, immigration and quarantine, and the terms of reference of the Philippine Military Liaison Officer were discussed. A JTF progress report was also approved during this 2 November meeting. Some of the many subjects in the report, discussion summaries of which were provided, were within the original JTF purview, but many were not.²

(S) Ambassador Newsom's arrival in Manila resulted in a shift of emphasis in negotiations from so-called operational matters to a restricted number of "policy" matters. In his last substantial communication regarding the JTF, CINCPAC advised the JCS that the JTF had accomplished some of the purposes for which it was established and had made progress in some areas. However, he was concerned about the clear indications that the GOP Department of Foreign Affairs had been inserted between the United States military and the AFP at almost every opportunity, and that the GOP members of the JTF had ignored the use of the MDB in addressing issues clearly within MDB purview. In any case, CINCPAC noted that, since Ambassador Newsom had arrived, he expected a moratorium on JTF activities until Newsom reached some initial understanding with President Marcos. The issues before the JTF after its final meeting, portions of which seemed to be appropriate for consideration, were summarized in a CINCPAC staff paper:³

- Customs: GOP wants 1969 agreement on cargo importation fully implemented. USG asserts it has been, however

1. CINCPACREP Phil 270900Z Oct 77; AMEMB Manila 18395/210858Z Nov 77.
2. AMEMB Manila 17318/020919Z Nov 77 and 17317/020919Z Nov 77 (note identical DTG); CINCPACREP Phil 021342Z Nov 77.
3. ADMIN CINCPAC 060850Z Nov 77 (EX); J51 Point Paper, 28 November 77, Subj: Joint Task Force on Base Irritants.

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examining some possibilities for improvement. Important that MDB should work out final details of any revisions, rather than a JTF working group.

- Perimeter security: Proposals integrating some AFP into base security role introduced at MDB 22 September. Discussions awaiting TOR approval for MDB ad hoc committee.
- Watershed management: GOP wants memorandum of agreement (MOA) which involves them in some aspects of the watershed at Subic. Although came up during 1976 negotiations, U.S. is looking at proposal.
- Trespassing: Presidential decree, drafted in MDB sent to Department of Justice. In 1947 MBA GOP agreed to enact trespass legislation. Decree language similar in concept to U.S. statutes on base trespass.
- Care of sanitary landfill scavengers: GOP examining U.S. irritant proposing GOP assistance with dislocated Negritos.
- Immigration: GOP wants to station immigration officials on bases with inspection authority over U.S. vessels/ aircraft. Borderline case since was GOP position in 1976 negotiations and potential for impact in other areas.
- Plant and animal quarantine: GOP proposes to assign quarantine officers to bases. Stems from allegations that Clark being used for unauthorized entry of plants/animals. Subject was before MDB committee. MDB should work out details of any revisions.
- Aero Clubs: U.S. irritant introduced to gain interim authority to resume operations which were suspended by GOP June 77.
- Restricted/Unrestricted Visas: U.S. irritant which should be introduced. Would permit GOP consulates to issue unrestricted visas, allowing some categories of traveller space available travel to/through Philippines without violating GOP clearance laws.

Issues before JTF which clearly are not appropriate for consideration:

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● Labor: Majority of twelve items proposed as "base irritants" by GOP (i.e., medicare, income tax withholding, equal pay for equal work, etc.) are identical to those in 1976 negotiations, and require revisions to existing agreements. In addition, some cannot be resolved in the U.S.-R.P. joint labor committee, since the authorities are held outside of the Philippines.

● Customs: GOP customs officials to board and inspect all commercial aircraft and vessels calling at U.S. military bases, and shall be empowered to grant entrance and departure clearances.

● GOP wants controls on some BX purchases made by military forces and dependents.

● GOP wants customs officials to inspect all parcels brought in through mails at military post offices.

● Watershed: GOP wants U.S. to pay taxes and fees for timber harvested in managing watershed.

● Immigration: GOP proposes to have Philippine immigration officials inspect all aircraft and vessels arriving/departing the bases.

● GOP wants U.S. to pay compensation to Philippine officials.

● GOP asks agreement for U.S. to notify in writing of all arrivals/departures.

● Taxation: GOP wants Philippine internal revenue service officials stationed on bases to enforce Philippine IRS laws, and wants U.S. to withhold income taxes involuntarily from wages of Philippine employees.

Designation of Senior Military Advisor

(S) During his CINCPAC visit, Ambassador Newsom stated that he welcomed the assignment of RADM W. R. McClendon as Senior Military Advisor (SMA)/principal deputy for the base negotiations. He requested McClendon's presence in Manila for his initial discussions with CINCPACREP Phil and the Commander of 13th Air Force and with President Marcos. Admiral McClendon had retired from the CINCPAC Staff as Director for Plans and, based on a CINCPAC recommendation to the JCS, negotiations were begun in September to acquire McClendon as SMA.

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The JCS advised that McClendon's nomination had been forwarded to the Secretary of Defense and that, because of Navy flag officer quotas, it was planned to hire him in a civilian status and not recall him to active duty. On 5 October McClendon's assignment as SMA was approved by the Assistant Secretary of Defense for International Security Affairs. In early November, in response to Ambassador Newsom's request, McClendon proceeded to Manila. The terms of reference for the SMA and principal deputy for Philippine base negotiations were:¹

* * * *

A. The SMA and principal deputy is designated as the representative of DOD in the military facilities negotiations, and as such will represent the JCS on all matters relating to the negotiations.

B. The SMA will ensure primary JCS interests and policy are reflected in all negotiating considerations.

C. The SMA will report to the JCS through the J5, OJCS. The SMA will support and assist the J5, OJCS, in such JCS policy actions as may be required.

D. The SMA will advise the U.S. negotiator during day-to-day negotiations and on modifications to the facilities agreement of direct interest to the JCS.

E. The SMA is to keep CINCPAC informed on the negotiations. In addition, the SMA may communicate with CINCPAC when necessary to obtain information pertinent to the negotiations.

Military Base Agreement (MBA) Discussions

(S) On 23 April Ambassador Sullivan left the Philippines, having been reassigned as U.S. Ambassador to Iran. In early May a delegation from the U.S. National War College visited the Philippines. During the visit, the delegation was told by Philippine Undersecretary of Defense Crisol that there would be a hiatus in negotiations pending the naming of a new U.S. Ambassador to the Philippines.²

1. JCS 3190/092255Z Sep 77 (EX), which cited CINCPAC 030125Z Sep 77; JCS 1065/161500Z Sep 77, 4571/112008Z Oct 77, and 2888/032046Z Nov 77.
2. AMEMB Manila 6816/050756Z May 77.

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(S) The discussions regarding base security were initiated by Charge Stull in late May and occupied the attention of U.S. civilian and military authorities for approximately four months beginning in mid-May. However, the first official initiative to reopen the Philippine base negotiations was taken by the GOP on 17 August in Washington. The Philippine Ambassador to the United States visited the U.S. State Department on 17 August under instructions from Manila to convey two messages. The first was a diplomatic note stating that the Philippines "would like to resume negotiations on the economic agreement as soon as possible and desires to be informed when U.S.G. would be prepared to undertake the same". The second note announced a "request for immediate negotiations for a new military bases agreement", and requested the United States to name a date for reopening the negotiations. The Philippine Ambassador was advised that there was a need to clarify various issues before resuming negotiations. He was informed that a scheduled trip to the Philippines in mid-September by Assistant Secretary Holbrooke could provide an opportunity to exchange views with President Marcos on the resumption of base negotiations.¹

(S) On 17 September the JCS transmitted to CINCPAC the final draft of the State paper to be used by Holbrooke during his meetings with Marcos. The paper explored the goals and constraints of both parties, including the human rights issue in the Philippines and the significant changes in the U.S. domestic environment, particularly in Congressional attitudes. Regarding the negotiating approach, Holbrooke was to explore Marcos' reference to informal discussions, his views on the types and magnitude of compensation, the manifestation of Philippines sovereignty which Marcos would deem necessary, and express the hope that Marcos' announced intention gradually to lift martial law restrictions, hold local elections, and improve the handling of prisoners would be demonstrated through concrete and tangible action.²

(S) On 23-24 September Assistant Secretary Holbrooke met with President Marcos in Manila. Many subjects were discussed, including sovereignty, criminal jurisdiction, compensation, high-level security consultations, joint defense planning, military equipment requirements and matters related to base operations. During the meeting, it was agreed that a Joint Task Force would be formed to discuss measures which could be undertaken through existing mechanisms to resolve outstanding base "irritants".³

(S) Passing through Hawaii on his return from the Holbrooke discussions

1. SECSTATE 198986/201141Z Aug 77 and 197398/190131Z Aug 77.

2. JCS 1606/170003Z Sep 77.

3. J51 Point Paper, 28 Oct 77, Subj: Status of U.S.-Philippine Base Negotiations; SECSTATE 230521/241617Z Sep 77 (EX), which transmitted AMEMB Manila 15117 of 23 Sep 77.

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with Marcos, one of the State Department delegates participated in a round table discussion with members of the CINCPAC staff. He stated that the Filipinos had been surprised and delighted with the format pursued by Holbrooke during his discussions--the avoidance of confrontation and emphasis on finding points of agreement. The compensation package was not discussed in detail, but good progress was made on separating the issue of sovereignty from that of criminal jurisdiction. Marcos agreed that sovereignty was no longer an issue, and Holbrooke suggested a possible new approach to the criminal jurisdiction question, perhaps in the form of a joint commission/senior officer review process. Marcos asked about the possibility of AFP use of U.S. war reserve material (WRM) stocks in the Philippines. Marcos also expressed interest in establishing a high-level defense consultation mechanism, such as the SCM in Korea. He named six areas of defense support which he needed: radars for south and southwest Philippines; reconnaissance aircraft; all-weather jet aircraft; joint defense planning; assistance in communications, transportation, and armaments; and, "immediate U.S. reaction to danger", which was interpreted by the U.S. participants to refer to strip alert aircraft.¹

(S) In an 8 October message to the JCS, CINCPAC provided interim comments regarding Marcos' suggestions during his discussions with Holbrooke. Regarding jurisdiction, CINCPAC considered that the initiative taken by Holbrooke to separate the sovereignty issue from issues related to the exercise of criminal jurisdiction should be pursued. CINCPAC noted that most of the difficulties regarding criminal jurisdiction resulted not from inadequacies in the MBA language, which was similar to that used in other country agreements, but stemmed from the propensity for Filipino officials at all levels to treat these two matters as one. Regarding Marcos' WRM proposal, CINCPAC cautioned that there were legal and Congressional ramifications which should be conveyed to the GOP. CINCPAC believed that the United States should respond positively to Marcos' request for increased security consultations. A consultative mechanism such as the Korean SCM could be a good vehicle to promote top level defense policy discussions and could ease a long-standing Filipino feeling of inferior treatment in that regard. Regarding military equipment requirements, CINCPAC agreed that a review was in order and that future requests from the GOP should be reviewed carefully. In response to Marcos' specific request for air defense radars, this was an opportunity to be forthcoming and demonstrate interest in the defense of the Philippines, even though the United States perceived a minimal air threat to the southern Philippines.²

(S) Consultations between top U.S. and Philippine officials, not only in Manila but in the later New York meetings in early October, differed markedly

1. ADMIN CINCPAC 270246Z Sep 77.
2. J51 HistSum Oct 77; CINCPAC 080315Z Oct 77 (EX).

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in tone and substance from the base negotiations in suspense since December 1976. Both sides sought an agreement for the bases to stay, and President Marcos was personally involved and approaching the United States with considerably more flexibility. The State Department speculated that the equally positive U.S. approach could lead to an agreement on the major issues in the defense relationship by early 1978 if the positive approach could be translated into specific understandings on the critical issues. In addition to the Secretary-level meetings in New York, President Marcos sent Mrs. Marcos as his personal emissary to meet President Carter, to explain the Marcos philosophy, and to ensure that his foreign and defense secretaries continued the positive approach he had begun.

(S) As summarized by the State Department, the understandings reached in New York and Manila on the key issues in the relationship included sovereignty, in which the United States expressed willingness to allow the flying of the Philippine flag over the bases and to install Philippine Base Commanders (PBCs). On the MDT, reservations by Enrile on the "automaticity" of a U.S. response were largely overcome by a legal briefing regarding the President's authority as Commander in Chief in fulfillment of the MDT. The Filipino officials expressed the need for greater defense planning and coordination under the MDT and for U.S. assistance in meeting AFP equipment requirements. Though vague on the specifics, they emphasized the need for a common integrated defense plan. The U.S. officials stated readiness to discuss greater common planning but asked for specifics, advising that Ambassador Newsom and CINCPAC would coordinate the U.S. efforts in this regard. Specific military equipment items cited by the Filipinos as needed on an urgent basis were accepted for review by the United States, and the GOP undertook to prepare and submit to the United States a new list of equipment needs in priority order.²

(S) The compensation issue, for the United States, remained the toughest. The extent of GOP expectations and U.S. ability to respond were still very much in doubt. The Philippines had dropped the request for rent but requested the United States to provide an unspecified amount of equipment. During the discussions, the U.S. side emphasized the need for realism and consistently pointed out that limitations imposed by Congressional realities had grown more stringent since the U.S. offer in 1976. The GOP officials did not dispute that viewpoint but instead concentrated on defense requirements and possible U.S. support for a zone of economic development in the two cities adjacent to the bases. The criminal jurisdiction topic had apparently been separated from the question of sovereignty and, by the end of the New York discussions, none of the GOP delegation continued to link them. Nevertheless, the Philippines con-

1. J51 HistSum Oct 77; SECSTATE 248525/160352Z Oct 77 (EX).

2. Ibid.

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tinued to stress that the ultimate determination of official duty status should be a GOP prerogative. This was unacceptable to the United States, which emphasized in all discussions the inability to go beyond the limits of NATO comparability and U.S. law. During the talks in New York, the U.S. delegation pledged that the new ambassador to the Philippines would have new U.S. proposals when he arrived in Manila. State advised the U.S. Embassy in Manila that both the Defense Department and the State Department would work on alternative official duty formulations.¹

(S) During the week of 17 October, Ambassador-designate David Newsom had a series of meetings with the State Department, the JCS, and Service representatives. The JCS advised CINCPAC of Newsom's reaction to the various briefings and specifically, Newsom's remark that his initial task was to avoid "negotiations" as they had previously been conducted. Shortly thereafter, round-table discussions were held with Ambassador Newsom at CINCPAC. Newsom stated his intention to sound out Marcos' current thinking and to avoid formal negotiations until basic understandings had been achieved. He intended initially to explore four areas, the first of which was the manifestation of GOP sovereignty at the bases, such as the flag and the commander. His instructions were clear that there would be a PBC, with terms of reference worked out so that the United States retained full control of U.S. forces, property, and operations. He also intended to discuss procedures on joint planning, and to indicate U.S. readiness to examine the military equipment priorities put forward by the Philippines. The fourth subject was criminal jurisdiction. His intention was to present an article (not disclosed at CINCPAC) pertaining to official duty certificate procedures. He also intended to seek Marcos' agreement that other remaining issues needed expeditious resolution, and to point out the importance of the MDB as an existing mechanism.²

(S) The Ambassador asked for and received detailed discussions with Admirals Shelton and McClendon (incoming and outgoing Directors for Plans, respectively) on the JTF proceedings. He agreed that while there had been progress, the scope of subject matter had expanded beyond that originally intended. He indicated that Department of State guidance was forthcoming for the JTF to prepare a wrap-up report for the Ambassador, and that he intended to declare a moratorium on the JTF until he had thoroughly reviewed its work to date and had received clear views from President Marcos. Newsom felt that the planned force reductions in the Philippines would not gain much for the United States, but explained that State/Embassy felt considerable pressure, particularly from Congress, and there was a need to show that an "austere posture" had been attained prior to the pre-

1. Ibid.
2. J51 HistSum Oct 77; JCS 1432/262252Z Oct 77 (EX); CINCPAC 050140Z Nov 77 (EX).

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sentation of any package on the Philippines to the Congress. CINCPAC noted the relationship of force reductions in the Philippines to U.S. policy statements following the announcement of the Korean withdrawal to the effect that there would be no further reductions of forces in the Western Pacific.¹

(S) On 3 November the State Department issued guidance to Ambassador Newsom suggesting that, as soon as possible after his arrival in Manila, he seek a private meeting with President Marcos in order to maintain the momentum of the discussions on the issues relating to U.S. military bases in the Philippines. The goals stipulated by State were to determine the broad issues to be resolved, to establish basic agreement on the issues, to seek agreement on appropriate mechanisms for subsequent discussions, and to address immediate GOP concerns only in the context of the overall agreement. Referring to the text of a letter from President Carter to President Marcos carried by Newsom, State suggested that it be emphasized that Carter's letter welcomed Marcos' desire for close cooperation and full accord with the United States and hoped that the two governments could move toward a full understanding on outstanding issues. As indicated in the letter, the United States desired to reach agreement with the GOP in full recognition of Philippines sovereignty. On the basis of mutual respect and mutual benefit concerning the manifestation of that sovereignty, agreement was needed on more acceptable procedures for official duty determinations in the exercise of criminal jurisdiction, assistance in mutual defense and special economic efforts, cooperation in planning for mutual defense, and resolution of the other issues related to base operations. In the discussion, it was to be stipulated that U.S. forces would remain under U.S. command and decisions regarding U.S. service personnel on duty would remain with U.S. commanders. Similarly, U.S. operations at bases would be under U.S. control. Any commitments of U.S. resources involving the appropriation of funds were subject to the approval of the U.S. Congress.²

(S) After reviewing the letter from President Carter to President Marcos, Newsom was to express the desire of the United States that agreement be reached between him and Marcos on previously identified key issues as a basis for any further detailed discussion and instructions to subordinate groups. To that end, Newsom was authorized, either orally or in writing, to present a suggested framework for such agreements which addressed the issues already discussed, except for one addition. Newsom was authorized to state that the United States was prepared to offer a proposal relating to the determination as to whether alleged criminal offenses arose out of the performance of official duty which would include the maximum role possible for the GOP while still conforming to U.S. law and current worldwide practices. State then referred to a specific

1. Ibid.

2. J51 HistSum Nov 77; SECSTATE 263594/031959Z Nov 77 (EX).

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proposal being forwarded under separate cover for presentation to President Marcos.¹

(S) Just before Newsom's arrival at CINCPAC, Mrs. Marcos arrived and met for two hours with Admiral Weisner. She reviewed her New York visit in some detail, stating that there definitely was a greatly improved atmosphere in her meetings with the top people in New York and that she was convinced that a welcome new leaf had been turned. She stated that the GOP was not convinced of U.S. sincerity regarding the importance to the United States of the bases in the Philippines. She devoted considerable comment to the Philippines' place in the worldwide security network and to the necessity for recognition by the United States of that mutual defense role. In discussing the Muslim problem in the South, she repeatedly referred to the Soviet Union as a contributor to that problem. She discussed the GOP request for assistance, not in dollars, but in equipment and the positioning on bases in the Philippines of munitions and conventional arms from which the Philippines could draw. She did not dwell at length on human rights, but considered that, given Marcos' record as an anti-communist, the human rights situation in the Philippines deserved more understanding in the United States and the foreign media than it had heretofore received. Admiral Weisner did not respond directly on issues such as military equipment, and her departing comments to him were in the vein of requesting his personal assistance in providing the equipment needed by the Philippines. She encouraged Admiral Weisner to visit President Marcos frequently during the coming period of negotiations.²

(S) Ambassador Newsom met with President Marcos privately for one hour shortly after presenting his credentials on 11 November. He conveyed to Marcos President Carter's deep interest in resolving the outstanding issues between the United States and the Philippines and advised that he had been directed to continue personally the discussion which President Marcos had had with Assistant Secretary Holbrooke and which Mrs. Marcos had with the President and others in New York. The purpose of such a direct review stemmed from the feeling of the United States that it was important to reach certain agreements on basic issues before resuming any formal negotiations. The United States had identified the four areas in which it seemed desirable to have President Marcos' views and understanding before proceeding to lower level discussions. These included arrangements for the manifestation of GOP sovereignty, criminal jurisdiction, mutual defense assessment, and security consultations. Newsom also conveyed President Carter's deep concern on human rights, and, on the basis of consultations in Washington, including discussions with members of Congress, Newsom

1. Ibid.
2. J51 HistSum Nov 77; CINCPAC 050150Z Nov 77 (EX); JCS 4428/121910Z Nov 77 (EX).

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expressed his desire to review with President Marcos issues relating to human rights in the Philippines.¹

(S) He then presented President Carter's letter, which proposed that a team from the U.S. Department of Defense visit the Philippines early in 1978 to make an assessment of defense requirements. Marcos pointed out that both the assessment of defense needs and the subject of security consultation were "longer-ranged issues", and he preferred immediately to turn to arrangements for the manifestation of GOP sovereignty at the bases. He pointed out that this subject was also related to the question of criminal jurisdiction. Marcos also linked the issues of a PBC with the delimitation of areas in the bases for U.S. operations and with proposals put forward by the United States in JTF meetings for the incorporation of elements of the AFP in base perimeter security. Marcos stated that the AFP could not be asked to assume responsibilities where their own authority over an area was uncertain. He hoped to move quickly to establish PBCs, after which the participation of the AFP in the perimeters would follow. Newsom however, reiterated the necessity for clear understandings on all points before PBCs were named.²

(S) After his meeting with President Marcos on 11 November, Ambassador Newsom convened a meeting of U.S. officials in the Philippines to discuss preparations for his next meeting with President Marcos. He requested a brief presentation covering base areas (maps) and security problems, including practical aspects of the security programs. The SMA informed CINCPAC that the Commander, 13th Air Force and CINCPACREP Phil would develop a coordinated military input to the Embassy staff and then all would assist in developing a final presentation. During the meeting, the military participants (SMA, 13th Air Force Commander, and CINCPACREP Phil) expressed the view that discussions on the PBC issue should not move too rapidly. It was also pointed out, in that connection, that there had been a lack of agreement during 1976 on the geographic extent of the U.S. facilities. There were other related issues in command and control, security, and access and movement which impacted on the question of a Philippine Base Commander.³

(S) CINCPAC was assured by the SMA that he, the 13th Air Force Commander, and CINCPACREP Phil had ready access to the Ambassador and had conveyed the positions and pitfalls on the PBC issue. The Ambassador intended to include the SMA in meetings with President Marcos, and all three had been consulted by the Ambassador in the drafting of his reports to the State Department.⁴

1. J51 HistSum Nov 77; SECSTATE 271663/120906Z Nov 77 (EX), which transmitted AMEMB Manila 17954 of 12 Nov 77.

2. Ibid.

3. CINCPACREP Phil 120726Z Nov 77.

4. ADMIN CINCPAC 122125Z Nov 77.

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(S) Shortly after Ambassador Newsom's first meeting with Marcos, CINCPAC advised the JCS that he agreed with the advice from the SMA not to move too rapidly on the PBC issue. He referred to current intelligence which indicated that the Philippines intended to approach the base issue discussions with the same initial/draft position tabled during the discussions in 1976. CINCPAC noted that none of the base commander arrangements presented by the Philippine side during the 1976 negotiations, nor the United States counter-proposals, had been agreed upon, nor had the specific areas on the bases to which U.S. operations would be restricted.¹

(S) On the day that Newsom's second meeting with Marcos was scheduled (16 November), but before the meeting took place, the State Department advised the Ambassador of the Joint State/Defense position that he should avoid situations where the GOP merely reiterated its 1976 positions and to avoid any implication that agreement on particular topics requiring changes to or departures from the 1947 MBA would lead to individual or separate implementation. State emphasized the importance of obtaining a clearer statement of GOP positions and of an opportunity for U.S. Government analysis of those positions before moving beyond instructions already provided to the Ambassador. Reviewing the various issues, State questioned whether Marcos desired to delay the perimeter security question until arrangements had been made for PBCs. State noted that the role of the base commander could not be separated from the definition and delimitation of Philippine bases and U.S. facilities, nor from the compensation issue. State repeated the thoughts conveyed by CINCPAC to the JCS that no proposals regarding the delimitation of operational areas tabled during 1976 should be regarded as starting points for future discussions.²

(S) In his report on the second meeting with Marcos on 16 November, Newsom advised the State Department that the overall instructions provided in the foregoing paragraph had been received 15 minutes after the meeting had adjourned. During the meeting, he had presented proposed guidelines for activities of the PBC in accordance with the U.S. positions in the 1976 negotiations. The U.S. side also gave an oral description of the general areas at Clark and Subic required for U.S. operations and agreed to provide, by an early date, maps delineating those areas. It was recommended that security consultations should begin in an expanded December meeting of the MDB. The GOP side announced that, during the next scheduled meeting with Marcos (25 November) the AFP would present a briefing on the Philippine security situation and its defense needs, accompanied by a list of military equipment required in connection therewith. It was agreed that most of the primary objectives of the JTF had been accomplished. The participants in the meeting on the GOP side, in addition to President Marcos, in-

1. CINCPAC 151012Z Nov 77.
2. SECSTATE 274303/160147Z Nov 77 (EX).

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cluded Defense Secretary Enrile, Philippine Ambassador to the United States Romualdez (recalled from the U.S.), Justice Secretary Abad Santos, Acting Foreign Secretary Ingles, General Espino, former Vice President Pelaez, Solicitor General Mendoza, Customs Commissioner Farolan, Immigration Commissioner Reyes, two AFP brigadier generals and a Consul General from the Department of Foreign Affairs. When the Ambassador discovered such a large group of Filipinos attending the meeting, he summoned the 13th Air Force Commander, CINCPACREP Phil, a representative of JUSMAG, and three legal representatives to join him, Minister Stull, RADM McClendon, the Embassy political counselor and the Embassy legal representative.¹

(S) It was during this meeting that a consensus was reached to terminate the JTF, Marcos agreed to draft a travel tax exemption for U.S. personnel, the Aero Club "dispensation" previously discussed was ordered, and Marcos asked for maps delineating areas required for U.S. operations in time to study them before the scheduled 25 November meeting. The proposed guidelines pertaining to the PBC, as presented to President Marcos on 16 November, were:²

- Delimitation of Areas: the areas assigned to the Philippine base commander shall be sufficient to meet his functional responsibilities but shall be designated so as not to impair the conduct and support of U.S. operations. The U.S. facilities shall include watersheds which support the bases, portions of Subic Bay, and the Crow Valley Range.
- Joint Security Program: the Joint Security Program for the bases shall provide that the Philippine base commander be responsible for perimeter security. It shall also provide for joint exit and entry control at the base gates, for AFP personnel participation in security activities within designated U.S. facilities, and for special activities such as shore patrol (Subic) and town patrol (Clark).
- Command and Control: Activities of the Armed Forces of the Philippines within U.S. facilities shall be subject to prior agreement between the Philippine and U.S. commanders; directives applicable to all personnel on the base shall be jointly approved and promulgated by the Philippine and U.S. commanders.

1. SECSTATE 275466/171145Z Nov 77 (EX), which transmitted AMEMB Manila 18181 of 17 November 77.
2. Ibid; AMEMB Manila 18115/160913Z Nov 77.

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• Administration: the Philippine commander shall be the central point of contact between Philippine government agencies and the U.S. commanders, and the number and type of representatives of such agencies located within U.S. facilities shall be subject to prior agreement between the Philippine and U.S. commanders.

• Water Resources: the U.S. commanders, in coordination with the Philippine commanders, shall be authorized to maintain a program for the control and management of water resources within the U.S. facilities, to include construction of wells, water catchment areas or dams, selective timber harvesting as required to protect the watersheds with attendant reforestation and other conservation programs.

(S) In a review of what he considered to have been achieved to that point, the Ambassador noted the continuing personal participation of President Marcos, who had promised to attend the meeting scheduled for 25 November, at which time a proposed security equipment list would be presented. The Ambassador considered that any resumption of the highly structured, formal negotiating panel employed in 1976 had been forestalled. During the forthcoming meeting on 25 November, the Ambassador expected to receive comments on the proposed PBC guidelines, criminal jurisdiction, and perimeters of U.S. facilities at Clark and Subic, assuming that the delineated maps were available. The Ambassador concluded by noting that an agreement on the PBC and perimeter security was something Marcos apparently desired. He suggested that, if it were considered sufficiently advantageous, the United States might wish to consider early implementation of any such arrangements.

(S) In his report on the second meeting, CINCPACREP Phil advised CINCPAC that, during the discussion on the charts delineating the areas of the bases required for U.S. operations, the intent to provide such charts was implicit. However, all of the U.S. participants in the meeting with Marcos agreed that approval of such boundaries required a great deal of study and consideration at all levels of the chain of command, and that the promised 25 November date for provision to Marcos was probably an unrealistic goal. Nevertheless, the Ambassador considered that the United States was committed to provide such maps as soon as possible and should move to complete the task quickly. In a parallel report, the SMA advised the JCS of the map requirement. He also noted that it became obvious during the meeting with Marcos that neither Marcos nor Secretary of Defense Enrile were aware of any bilateral plan for the defense of the

1. SECSTATE 275511/171321Z Nov 77 (EX), which transmitted AMEMB Manila 18202 of 17 November 77.

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Philippines and had never heard of MDB Operation Plan 1-70.¹

(S) After receiving the Ambassador's report of the second meeting with the Filipino officials, State posed a series of questions regarding the delimitation of U.S. facilities. State noted that the April 1976 U.S. negotiating position had not relinquished any areas at Clark or Subic to the Philippines other than one area at Clark Air Base. State also noted the emergence of geographic areas in connection with the responsibilities of the PBC, and reiterated the U.S. position that a PBC would be appointed with duties relating to the overall complex which was a Philippine base and to Philippine components at the base. This position reflected the PBC role as functional rather than geographical. State reminded the Ambassador that any proposals which would delimit areas for U.S. facilities would be subject to review before they were presented to the Philippines. State noted that thus far (19 November) none had been received.²

(S) CINCPAC also expressed concern to the JCS regarding what appeared to be a departure from the game plan. He noted the apparent early reconstitution on the Philippine side of a negotiating team, which raised the possibility that Marcos' participation could end before suitable agreements, understandings or points of departure had really been reached on the four "hard issues" of a security consultative mechanism, criminal jurisdiction, a PBC, and a military assistance quid pro quo. He noted the apparent tabling of end-point positions, beyond which it was difficult to concede, before understandings had been reached on the "hard issues". CINCPAC voiced concern about the delineation of facilities areas in which the "bottom line" boundaries were drawn, and what the U.S. response could then be if such boundaries were rejected by the Philippines. Regarding the Ambassador's brief reference in his second report to labor arrangements, the CINCPAC position on labor was that the Bases Labor Agreement stood as a basic document governing labor relations in the Philippines. This position did not endorse including a labor annex in the MBA. CINCPAC also noted that neither the long-term consultative arrangement the Ambassador had in mind, the level of suggested civilian membership, nor the type of consultative body envisioned was clear. CINCPAC recalled that Secretary of Defense Enrile had promised to provide his ideas on a joint planning mechanism and had not yet done so. CINCPAC also recalled that, during previous in-house discussions regarding a possible consultative mechanism, he had gone on record as supporting a high-level consultative arrangement along the lines of the Korean SCM.³

1. CINCPACREP Phil 170630Z Nov 77; AMEMB Manila 18209/180046Z Nov 77. Note: Some SMA reports to the JCS were transmitted via U.S. Embassy Communication Channels.
2. SECSTATE 278215/192220Z Nov 77 (EX).
3. CINCPAC 200539Z Nov 77.

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(S) A copy of the message expressing CINCPAC's concern had been received by the SMA, who addressed certain of the CINCPAC concerns in a subsequent message to the JCS. He agreed that the game plan to "draw out Marcos" had not unfolded as expected. The problem, Admiral McClendon stated, was that Marcos had his own game plan to which the Ambassador had to respond. The SMA acknowledged the possibility that Marcos could bow out before suitable agreements had been reached with him, but believed he could be brought back into the picture by the Ambassador or, if necessary, by a Washington emissary. Regarding the MDB, discussions about civilian membership on the MDB or the membership of any other type of consultative body had been only to respond to President Marcos' desire to have civilian policy makers attend. The SMA himself, however, did not believe that the GOP officials had yet determined (or possibly even yet considered) the kind of consultative body they desired. In any case, Article III of the MDT provided a basis for the GOP Foreign Minister to claim the pre-eminent position in any consultative body which might be established for the purpose of carrying out defense responsibilities.

(S) The JCS informed the SMA that the geographic role for the PBC envisioned in foregoing correspondence was a shift from the previous U.S. negotiating position that the PBC role would be functional. The JCS noted some of the difficulties envisioned if a geographic role were assumed by the PBC. Delimitation of areas within the current base boundaries for U.S. operations, and particularly the creation of buffer zones, unduly complicated the situation and made an unnecessary distinction between "our" "their", and "joint" land. The previous relinquishment of land by the United States had never been tied to command arrangements. Once operational areas had been delineated, the GOP was likely to keep pressing for additional areas and, while an agreement without provisions for free access to and egress from the areas designated for U.S. use would not be accepted, such provisions would be subject to GOP interpretations which could hamper U.S. movements, particularly if the U.S. forces were in enclaves. The JCS informed the SMA that it would be more desirable to both sides if a PBC had certain agreed functional responsibilities, as in other countries, rather than "limited" geographic areas. The JCS requested the SMA views on whether anything had occurred during the current discussions to cause a shift of the U.S. position on the PBC role. Particularly, the JCS queried the SMA on whether the geographic role would be in addition to or in lieu of the functional role, why the functional approach had not been adhered to, and what the advantages were of the geographic role.²

(S) In reply, the SMA informed the JCS and CINCPAC that the fundamental premises which had guided the U.S. approach included U.S. agreement that the

1. CINCPACREP Phil 210715Z Nov 77 (EX).
2. JCS 6332/240025Z Nov 77.

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bases were Philippines bases and that a PBC would be appointed with duties relating to the overall complex. However, President Marcos had stated during discussions regarding perimeter security, that the AFP could not be asked to assume responsibilities where their own authority over an area was uncertain. The significant new element in the discussions, contrasted with those of previous years, was that President Marcos personally was involved in the base discussions and had asked the very hard and logical question: "Over what area does the Philippine base commander exercise authority so that he can carry out a security responsibility?" The SMA noted that, whether or not the United States had tied the relinquishment of land to command arrangements, it was quite clear that President Marcos had. Regarding areas of delimitation, the SMA conveyed the belief of the U.S. negotiators that the chance of resisting GOP pressure for ever-more land was greatly improved if geographical areas, AFP control of which did not impair U.S. operational use of the facilities, were designated. The SMA stated that the functional responsibilities of the PBC had previously been determined to be coordination with the U.S. facilities commander in joint endeavors, but without directive or command authority over U.S. personnel, activities, or operations.¹

(S) One notable exception, to which the United States had agreed in 1976, stated the SMA, was that the concurrence of the PBC was required before any major new construction or improvements within the facilities could be undertaken. He also stated that the United States had agreed in 1976 that the PBC would be responsible for port security and would control access and egress to Subic Bay. He went on to state that the purely functional approach resulted in coterminous Philippine bases and U.S. facilities, which left the PBC no authority over an area. On the other hand, the SMA cited advantages of a geographic role, such as the provision of a concrete manifestation of GOP sovereignty, allowing the PBC to fulfill his perimeter security responsibility, relieving the U.S. security force from the burden of providing security for all areas, and reducing opportunities for U.S. confrontation with Philippine nationals. Noting that Ambassador Newsom had reviewed his message, the SMA acknowledged that the geographic approach was a forward move in an attempt to avoid the stalemate at the beginning which was likely if the 1976 endpoint were simply reiterated. It represented a U.S. willingness to maintain momentum, to strive for mutual benefit, and did not impair U.S. operational effectiveness within the facilities.²

(S) The JCS acknowledged the response of the SMA, but cautioned against concessions with the geographic approach which would hamper operational flexibility, access or security. The JCS also noted their preference that details and specificity not be included in the main body of an MBA or the annexes there-

1. CINCPACREP Phil 260707Z Nov 77.

2. Ibid.

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to. In other country agreements, such detail was contained in exchanged lists, the amendment of which did not require government agreement.¹

(S) Before the plenary session with Marcos was convened on 25 November, Ambassador Newsom met with President Marcos privately. He informed Marcos that maps and details of specific proposals on PBCs, base perimeters, and the designation of U.S. facilities were not yet available. Marcos informed Newsom that the GOP was not yet ready to present a list of specific defense requirements. He said the list had not yet reached his desk for personal review and that it had been sent back to an original committee to separate short-term and long-term requirements. Newsom informed Marcos that personnel were not available for U.S. civilian participation in the upcoming MDB, but that a more thorough discussion of the situation, including security consultations, could take place during a programmed visit in early January 1978 by Assistant Secretary Holbrooke and Deputy Assistant Secretary of Defense Abramowitz. Marcos agreed with that proposal and also agreed to receive the Ambassador and Admiral Weisner on the day following the MDB meeting.²

(S) A preliminary report on the 25 November meeting was provided to CINCPAC by the SMA. President Marcos opened the meeting by discussing GOP security perceptions. He stated that in seven years Vietnam would be capable of building its economy and would have to decide how to employ the extensive armed forces then being used for economic efforts. The assessment of Southeast Asian leaders was that Vietnam would become a predator by 1982, and the problem would become compounded if Thailand or Malaysia fell. He feared U.S. normalization of relations with Vietnam and the PRC, and stated that Japan might rearm during that period with attendant adverse psychological perceptions for the Philippines. He styled rebellion and secession as the immediate GOP problem, but stated that the Philippines would not require assistance unless external support became massive. General Espino presented a slide briefing on security including the MNLF secessionist movement, the PNA Communist Party movement, and military requirements and AFP modernization objectives. The Ambassador announced, during the plenary session, that it was not possible to have civil participation in the MDB, but that two senior U.S. representatives would visit the Philippines in January to discuss security consultative matters. The subjects of criminal jurisdiction and official duty certificates were not discussed nor even mentioned.³

(S) The Ambassador's report of the meeting covered essentially the same ground as had the SMA, noting that the meeting had opened with a full staff on

1. JCS 1785/262142Z Nov 77.
2. SECSTATE 283144/261121Z Nov 77 (EX).
3. CINCPACREP Phil 250900Z Nov 77.

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both sides. After describing the proceedings, the Ambassador stated that, to ensure that the discussion process with Marcos continued in a fashion designed to hold his interest and participation, a top priority for the United States should be to provide the delineated maps of the bases with accompanying comments on the role of the PBC in perimeter security. He noted that the list of prioritized equipment required by the AFP had not yet been received from Enrile; nevertheless, he suggested that the Defense Department begin to review the feasibility of providing items expected to be high on the list such as air defense radar, missiles for the F-8, missiles for patrol boats, surface to air missiles, transport aircraft, helicopters, patrol boats and communications equipment.¹

~~(S)~~ Meanwhile, the U.S. military commanders in the Philippines submitted, through service channels, the charts delineating areas necessary for the conduct and support of U.S. military operations. On 18 November the Commander of U.S. Naval Forces, Philippines (also CINCPACREP Phil) stated that the charts from Subic Bay were based on the following assumption:²

- Need for consistency with the U.S. positions taken during the 1976 negotiations (in some instances such as the main gate, they represent a change in our favor).
- The Philippine base commander (PBC) will have the responsibility for perimeter security, including the security of the bay--excluding the port and other water areas as charted.
- Any areas not included within the U.S. designated areas will continue to remain within the military reservation.
- There shall be free, i.e. unimpeded access to, egress from and movement between the areas designated for U.S. commanders.
- Agreement will provide for joint security plans and policies which are to be agreed between the Phil and U.S. commanders.

~~(S)~~ The annotated map of Clark Air Base was forwarded by PACAF to the Air Staff on 29 November and approved on 2 December for release to the U.S. Embassy

1. SECSTATE 283150/261553Z Nov 77 (EX), which transmitted AMEMB Manila 18682 of 26 November 77.
2. COMUSNAVPHIL 180700Z Nov 77.

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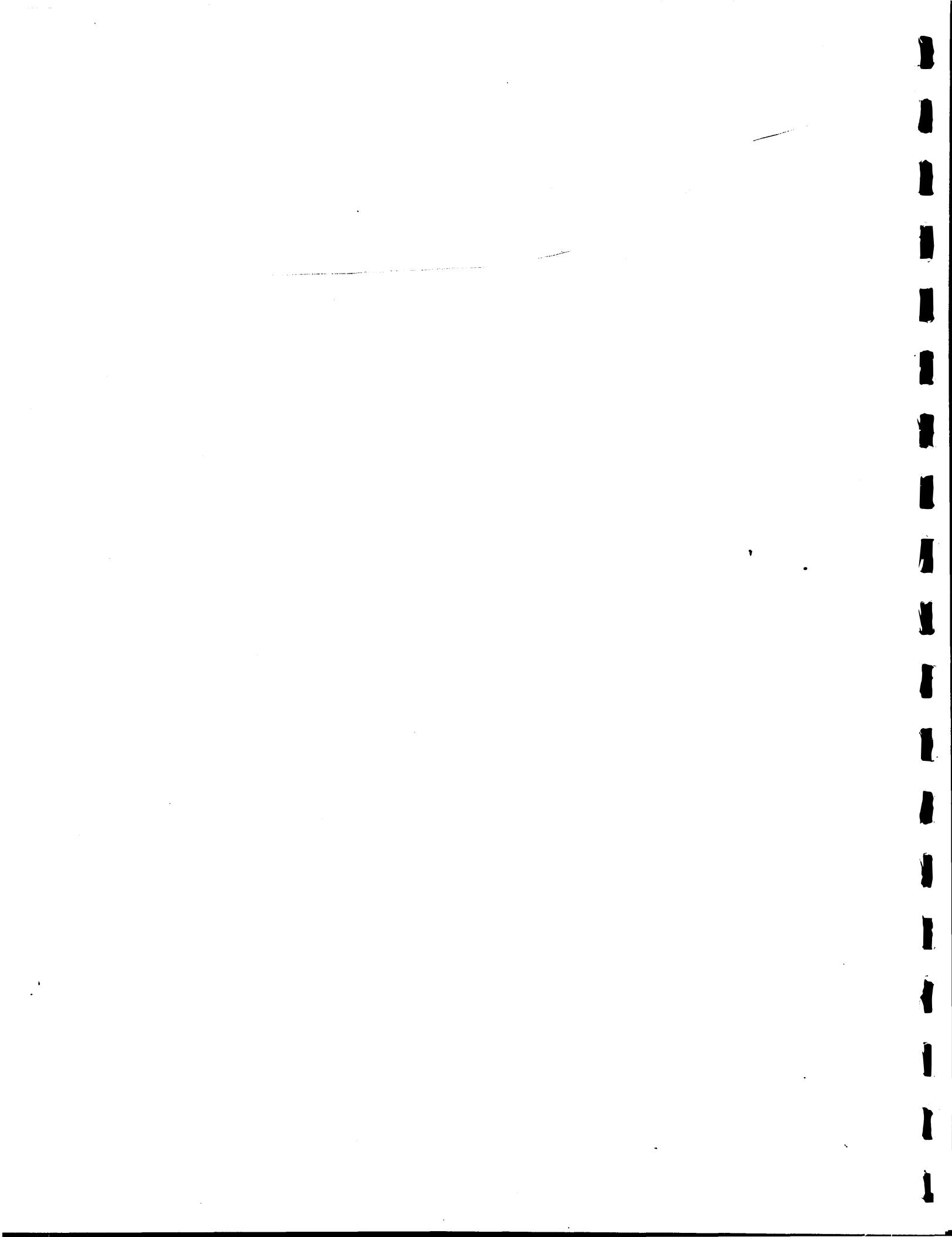
for the Ambassador's use in making his presentation to the GOP. The Subic Bay charts, as annotated by CINCPACFLT, were approved by the Chief of Naval Operations (CNO) on the same day. The CNO approval was accompanied by the caveat that, on bases where the PBC was responsible for perimeter security, a narrow security zone within the U.S. facilities would be designated to become the responsibility of the PBC to permit his fulfilling perimeter security function. On the other hand, the U.S. Air Force took the position that there should be no delineation of perimeter security areas at that time. The Air Force had concurred in principle in the perimeter security area concept, but believed that a specific definition of the areas should be accomplished during the development of the Joint Security Plan. Further, where the perimeter security areas would lie within the U.S. facilities, the PBC would exercise primary, but not exclusive, security responsibility. These inner perimeter areas would remain part of the U.S. facilities and the security role of the U.S. Facilities Commander (USFC) would apply throughout the facilities. Any division of security responsibilities should be detailed in the Joint Security Plan.

(S) Simultaneously, on 3 December the State Department advised the Embassy of its agreement with the presentation of maps delimiting U.S. facilities important to operational objectives, which could exclude specific areas at Clark and Subic. Where perimeters of U.S. facilities and the bases were delineated on the maps as coterminous, a narrow security zone, within the U.S. facility, would become the responsibility of the PBC to permit fulfilling his proposed perimeter security function. Where U.S. facilities and AFP base perimeters were not coterminous, the security responsibility of PBC would be exercised outside of U.S. facilities, in the AFP base area. State agreed that these principles should be applied to all other bases in the Philippines. State declared that Washington agencies welcomed the initiative shown by all concerned in Manila and agreed with the rationale for adopting a balanced geographic and functional approach to the PBC issue. State acknowledged Manila's position that the geographic and functional approach was forthcoming, but emphasized that the Philippines should not be left in doubt that there was minimum negotiating room.²

(S) The foregoing stipulations from the Service's headquarters prompted the U.S. Embassy to query the State Department regarding their precise intent and meaning with respect to the responsibility and authority of the PBC within the narrow security zone to be established where base and facilities perimeters were coterminous. As understood by the Embassy, there was a U.S. agreement that under the coterminous situation, a narrow security zone would be established (except at access points and possibly a few places where physical features might preclude this). There was also agreement, according to the Embassy, that the

1. CNO 020034Z Dec 77; Headquarters, USAF 022215Z Dec 77.
2. SECSTATE 288527/022338Z Dec 77 (EX).

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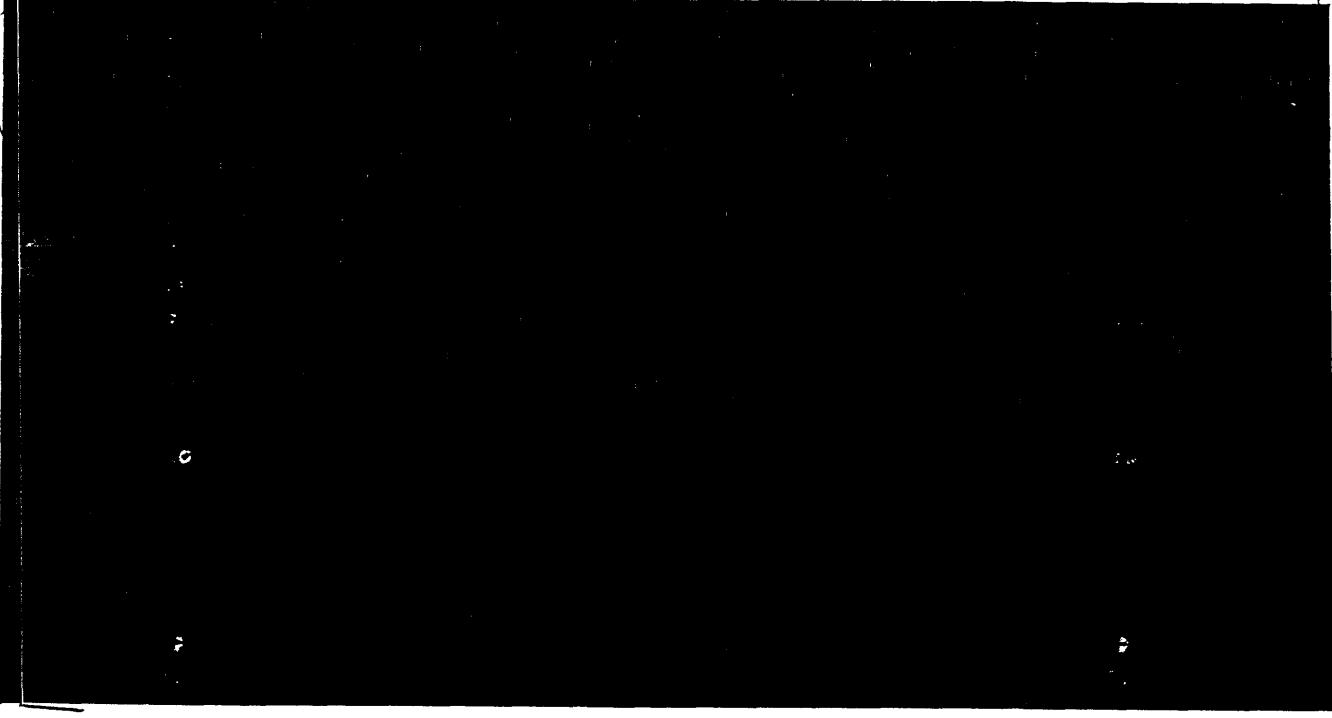
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SECTION V--AFRICA AND THE INDIAN OCEAN

(U) A variety of developments within the last decade--including increased Western dependence on Persian Gulf oil, the growth of Soviet regional influence and military presence, continued instability and conflict in Africa, and growing pressure from the littoral states for some form of limitation on U.S. and Soviet forces in the region--had shaped the U.S. perception of its interests in the Indian Ocean. In addition to maintaining access to the energy resources of the Persian Gulf area, the United States had a general interest in preserving the principle of free movement of military and commercial ships and aircraft, on, under, and over these international waters.¹

The ANZUS Relationship

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~~TX~~ In May the Chief of the New Zealand Defense Staff advised the Chief of the Australian Defense Staff and CINCPAC that an ANZUS Council meeting would be held in New Zealand at Wellington on 27-28 July 1977. He suggested that a meeting of the Military Representatives (MILREPS) on the following day might be appropriate. Both CINCPAC and the Australian representatives accepted the invitation.

1. Asia-Pacific Defense Forum, Vol. III, No. 1, "Asia-Pacific: U.S. Military Posture", by General George S. Brown.
2. Briefing memorandum, Department of State, circa July 77, Subj: ANZUS Council Meeting, Wellington, 27-28 July 77.

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tation from the New Zealand MILREP.¹

(Q) The 26th ANZUS Council meeting was held as scheduled in Wellington on 27-28 July and the ANZUS MILREP meeting was held on 29 July. The official U.S. delegation to the Council meeting was headed by Deputy Secretary of State Christopher. Other members of the delegation included the U.S. Ambassadors to Australia and New Zealand and CINCPAC. The JCS and the Department of Defense each had one member on the delegation also.²

(Q) During the August 1976 ANZUS MILREP meeting in Canberra, they had agreed that existing maritime surveillance arrangements among the three countries should be improved. During the November 1976 ANZUS staff level meeting, CINCPACFLT presented a draft ANZUS maritime surveillance operations order (MARSOP). The Australian delegation believed that the MARSOP placed too much stress on defense surveillance and insufficient emphasis on civil (economic) surveillance. It was agreed that working parties from each nation would be formed to complete an acceptable agreement. These working parties met at CINCPACFLT on 25-26 April 1977 to complete the surveillance arrangements. A draft paper was developed which optimized the use of surveillance efforts, provided for timely exchange of intelligence, avoided duplication of efforts, and established procedures for coordination between surveillance forces. The draft arrangement was endorsed by the delegates to the ANZUS staff level meeting on 13 July, but the delegates recognized that some adjoining national operational control area boundaries overlapped and required modification. This draft arrangement was presented by Australia to the ANZUS MILREP meeting on 29 July, and it was approved conditional to some modifications to the existing overlapping control boundaries.³

(U) Also approved during the July 1977 MILREP meeting was an ANZUS planning manual which provided a guide for ANZUS exercises and contingency planning. It was a reference document which provided a list of pertinent documents/guidelines used by ANZUS military planners, indicated areas where doctrine or procedures had been developed, and highlighted major areas of doctrinal divergency. The MILREP's endorsed the manual as a draft reference document for use by ANZUS planners pending refinement and final editing to be accomplished during ANZUS Seminar Number 3.⁴

1. NZDEF Wellington 172243Z May 77 and 310503Z May 77; DEFENSE CANBERRA 200058Z May 77.
2. J51 Point Paper, 23 Nov 77, Subj: ANZUS Treaty; SECSTATE 150671/282305Z Jun 77.
3. J51 Point Paper, 23 Nov 77, Subj: Australia, New Zealand, and U.S. Cooperative Maritime Surveillance (C).
4. J51 Point Paper, 23 Nov 77, Subj: ANZUS Seminars.

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(U) As had been the case in 1976, one of the primary subjects for discussion during the ANZUS Council meeting in 1977 was the possible effort by the Soviet Union and the PRC to dominate the islands in the South Pacific. Overtures to Western Samoa by the PRC and to Tonga by the Soviet Union were discussed in the overall context of communist expansion into the South Pacific. Also discussed during the 27th meeting were the talks on the Indian Ocean arms limitation between the United States and the Soviet Union.¹

Indian Ocean Arms Limitation Talks

(P) During a 9 March press conference, speaking in the context of overall strategic arms limitations, President Carter stated that the United States had proposed that the Indian Ocean be completely demilitarized. During a speech to the United Nations on 17 March, President Carter said that we will "seek to establish Soviet willingness to reach agreement with us on mutual military restraint in the Indian Ocean". On 23 March the State Department provided background information to all diplomatic posts which stated that it had been the long-standing position of the United States Government to avoid a competitive arms race in the Indian Ocean. President Carter had expressed the interest of the United States to move forward on a variety of arms control measures including progress toward the demilitarization of the Indian Ocean as a long-term objective. The diplomatic posts were also informed that Secretary of State Vance would raise the issue during his trip to Moscow at the end of March.²

(P) Prime Minister Muldoon of New Zealand, during a press conference on 16 March, was queried about President Carter's proposal for the complete demilitarization of the Indian Ocean. As explained by the U.S. Embassy in New Zealand, Muldoon's reply was typically direct and meant to convey, in a not too subtle fashion, his concern for not having yet been informed or consulted about a matter which he felt directly involved New Zealand:³

* * * *

Well, I haven't yet got to grips with Mr. Carter and I don't believe that Mr. Fraser has either. We both want to go over and meet him. I mean he is the President of the most powerful country in the world; he is also a peanut farmer from Georgia. Now we would hope that in due time he would absorb the realities of America's role in the world, and Americans cannot retreat from their global responsibilities. I don't

1. CINCPAC 291816Z Jul 77.
2. SECSTATE 64374/231850Z Mar 77.
3. AMEMB Wellington 981/170446Z Mar 77.

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know what he said last week--it hasn't reached me yet--but I'm bound to say that all of the advice that he'll be getting is that if you leave a blank spot in your global strategy there's someone over there in the Kremlin who's going to be only too happy to fill it in.

~~(S)~~ In April the JCS requested CINCPAC to comment on the subject of arms control in the Indian Ocean area. CINCPAC replied that the limited U.S. forces and base structure in the Indian Ocean constrained negotiating strategy. Moreover, there were legitimate political and military reasons for the U.S. presence in the Indian Ocean area and none of that presence should be forfeited without positive gain. CINCPAC stated that U.S. interests would best be served by maintaining the U.S. military presence at its current level. The strategic importance of the Indian Ocean area had increased because of the essential lines of communications (LOC) to the Persian Gulf oil resources through the Suez Canal, around Africa and through the Indonesian Straits. The major U.S. military objectives in the Indian Ocean area were to secure the LOC, both sea and air, to maintain a presence, and to deny Soviet hegemony. The Soviet Union had moved steadily along several fronts to achieve increased influence in the area; e.g., friendship treaties with India and Mozambique and base agreements with Somalia, Iraq and South Yemen. The major Soviet objective appeared to be to maintain sufficient military presence to achieve real political influence in time of peace and military effect in time of war. The developing countries in the Indian Ocean area considered military power to be the key element in major power strength. The Soviets were clearly aware of that perception and considered the Indian Ocean as a significant LOC between Western and Eastern Russia. The Soviet position was stated by Admiral Gorshkov in Sri Lanka when he stated that the Soviet Union would not withdraw from the Indian Ocean regardless of what the United States might do. After a detailed review of the resources of both countries in the Indian Ocean area, CINCPAC recommended that the composition of the U.S. negotiating team include military representation similar to that of the Law of the Sea negotiating team.¹

~~(S)~~ CINCPAC's response to the JCS request for input to the President's study group examining the options to be considered in negotiations over the demilitarization of the Indian Ocean were supported by CINCPACFLT. Since, however, the basic position that the status quo was the best opening position for the United States left the President with no options, CINCPACFLT suggested a possible alternative in which an initiative would be provided. It was CINCPACFLT's view that the benefits gained by the Mideast Force were minimal. Consequently, if an alternative to the status quo were required, a palatable option would be to propose the termination of the continuous presence of U.S. and

1. CINCPAC 130752Z Apr 77 (BOM), personal to VADM Hannifin from RADM McClendon.

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Russian naval forces in the Indian Ocean. The Soviet Union would thus be required to give up substantial force presence, whereas the United States would terminate the continuous presence of only three combatants in a relatively non-productive role. If, on the other hand, the Soviet Union disagreed, they became the villain in the piece. CINCPACFLT also believed that any limitation of the number of ship days in the Indian Ocean should be avoided, because contingencies would occur as in the past for which the United States should not be constrained in the effective use of naval forces by any prior agreement.¹

(S) In late May the JCS advised of the conclusions drawn from the inter-agency group meeting on arms control in the Indian Ocean. It was agreed that the concept of demilitarization needed to be defined more exactly, and that the working group would conduct a more systematic evaluation of the three options (demilitarization, limitation, freeze), including the political and military risks and benefits of each. With regard to the tactics to be adopted in the first meeting with the Soviets, it was agreed that the initial talks should be exploratory in nature. A working group was formed, under the chairmanship of the Director of the Political-Military Bureau at the State Department, to examine the risks and benefits of each of the major negotiating objectives in a meeting subsequent to the talks with Russia in Moscow in June. Left unresolved were such issues as whether the negotiating objective was to be complete demilitarization or some truncated form thereof, or whether an objective should be a freeze on deployments or some form of limitations short of demilitarization.²

(S) About one week before the talks were scheduled to begin, the U.S. Embassy in Moscow advised the State Department that the Soviet approach to the initial talks would be to listen to the ideas of the United States and to repeat their known position. They considered the proposal for a working group on the subject to be the idea of the United States and they were unlikely to take any specific initiatives. They would be skeptical of U.S. intentions, especially in regard to Diego Garcia. They were expected to insist that Diego Garcia was the central issue and that it was impossible to discuss arms limitation in the Indian Ocean without agreement to dismantle that base and to foreswear any other base construction. They would insist that Russia had no bases in the area and that neither the Berbera facilities in Somalia nor any other facility was a military base under the terms of discussion.³

(S) The first U.S.-Soviet bilateral discussion on the Indian Ocean arms limitations took place in Moscow on 22-27 June 1977. The U.S. delegation was headed by Arms Control and Disarmament Agency Director Paul Warnke. Despite

1. CINCPACFLT 170245Z Apr 77.
2. JCS/J5 6211/262111Z May 77 (BOM).
3. AMEMB Moscow 8710/171315Z Jun 77.

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agreement on some issues, major differences on others made it likely that negotiations would be lengthy. The Soviets differentiated between deployments for strategic purposes, on which they took a very hard line, and deployment for regional purposes, the legitimacy of which they did not question and on which they were fairly flexible. They also argued that allied forces in the region and adjacent to U.S. forces must be taken into account in any limitations. The Soviets linked the development of Diego Garcia and the U.S. use of allied facilities to a U.S. intention to build an infrastructure that would support the deployment of strategic forces to the Indian Ocean. They initially pressed for the dismantling of Diego Garcia and the banning of nuclear ballistic missile submarines (SSBNs), B-52's, and aircraft carriers. The United States countered that both sides made use of facilities in the region to support military activities and that the United States could consider limitations on the use of Diego Garcia only as part of mutual restrictions on the use of such facilities. The Soviets admitted that they maintained a communications station in Berbera but continued to maintain that other facilities there were under Somali, not Soviet, control. The Soviets did not question the United States' interests in preserving the security of sea lanes for commercial and oil traffic. As to the definition of the area under consideration, both sides agreed that waters emptying into the Indian Ocean, and thus including the Persian Gulf and the Red Sea, should be included. The difference on area concerned Australia, where the United States fixed the boundary at the Western coast of Australia while the Soviets wanted to include an area extending to Tasmania in the South and to Timor in the North. Both sides agreed that ship presence might be measured by some combination of ship days and ton days but differed over the types of ships which could be counted in a limitation agreement. The Soviets argued strongly for taking into account the presence of ANZUS and Central Treaty Organization allies in the region, as well as the surge capability they contended was derived from the presence of U.S. forces in adjacent areas. These contentions were rejected by the United States on the grounds that bilateral talks should not concern the military activities of others and that adjacent areas could not be included in any discussions.¹

(S) During the initial talks on the Indian Ocean arms limitation, the United States and Soviet Union agreed that allies of each would be kept informed and that the United Nations ad hoc committee on the Indian Ocean would also be briefed on the progress of the negotiations. The United States consulted extensively with Australia and New Zealand before the talks and had briefed them fully on the results. The Australians had cautiously supported an effort to limit U.S. and Soviet military competition in the Indian Ocean. However, they opposed actual demilitarization as a final goal. They had stressed that any

1. SECSTATE 142360/080610Z Jun 77; AMEMB Moscow 8997/221715Z Jun 77 and 9055/231740Z Jun 77; USDAO Moscow 872/230730Z Jun 77 (EX); JCS 3026/240014Z Jun 77 (EX); U.S. Mission NATO 4555/301737Z Jun 77 (EX).

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agreement should not affect their own military forces nor impinge on ANZUS's commitments by, for example, limiting U.S. use of Australian facilities or restricting U.S. ability to deploy forces in protection of Australian interests. They were concerned that U.S. interests in Indian Ocean arms control not signify, nor be perceived by other littoral states as signifying, reduced U.S. interest in the region. New Zealand had endorsed the U.S. goal of avoiding the competitive buildup of U.S. and Soviet naval forces in the Indian Ocean. However, it desired that a capability be retained by the United States to balance the Soviet naval presence. New Zealand was dubious that demilitarization would be in the interest of ANZUS.¹

(D) On 26 August the Department of State informed the U.S. Embassy in Moscow that the Soviet Union had agreed to meet in Washington for a second session of Indian Ocean arms control talks beginning on 26 September. Although the State Department had characterized the first session as serious, positive, and non-polemical, during the interval before the resumption of talks familiar Soviet charges regarding U.S. policy in the Indian Ocean began to appear in Russian publications. One writer entitled his article "The Shadow of Polarises over the Indian Ocean" and identified Diego Garcia as an installation which supported strategic bombers and SSBNs. This author repeated Soviet criticism of other U.S. actions including regular deployments of U.S. aircraft carriers from the Seventh Fleet to the Indian Ocean, reports of a Presidential directive to prepare contingency plans for U.S. military intervention in the Persian Gulf, alleged American efforts to militarize ASEAN, and U.S. attempts to create a new "prb-imperialist grouping" in the Middle East. The author contrasted these "hostile" U.S. actions with Soviet submission of a memorandum to the United States calling for the liquidation of foreign bases in the Indian Ocean and the initiation of discussions "with other powers" to seek a reduction of military activities in the area.²

(S) After the second session of talks began, and because of the dearth of reporting, the CINCPAC Staff asked the JCS for an update by telephone. In reply, the JCS advised that Warnke's opening statement called for mutual restraint, with no significant alteration in levels or pattern of force deployments. The Soviets responded that this was "food for thought", but then repeated the previous call for the inclusion of bases outside the Indian Ocean area, the inclusion of allied naval forces in the area, and the prohibition of nuclear ballistic submarines and aircraft carriers. In an update on 30 September, the JCS advised that the talks continued, but with little success. There were indi-

1. Briefing paper, Department of State, circa July 77, Subj: Indian Ocean Arms Limitations; SECSTATE 168019/210405Z Jul 77, 170463/211758Z July 77 and 172537/230153Z Jul 77.
2. SECSTATE 204858/262136Z Aug 77; AMEMB Moscow 13335/140440Z Sep 77.

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cations that the Soviets might agree to the declaration of mutual restraint, but details were still to be negotiated and the Soviets already were referring to the next round of talks.¹

(8) By the last day of the talks (30 September) the Soviets had agreed in principle to the declaration of mutual restraint, but desired more specific terms (ships/ton days) while the United States maintained that a general narrative description was sufficient to define military presence. The Russian position under a stabilization agreement was that not more than ten ships would be continually present in the area, six of which would be combatants. In addition, there would be visits of ships or groups of ships (including a cruiser plus escorts) once or twice a year and various single or group ship transits of the ocean. They maintained that they had no military bases in the Indian Ocean, no property or facilities of their own in the littoral states, and no ammunition storage which could reprovision ships. They would continue their current pattern of port usage but wanted no "freeze" on the use of Indian Ocean ports. Their aircraft presence would be limited to small numbers of patrol aircraft, and they did not deploy missile carrying submarines to the Indian Ocean. They agreed that no support facilities should be deployed to support missile submarines and undertook not to alter their general pattern of general purpose submarine presence. The United States highlighted the benefits of a generally worded stabilization agreement and restated its intention to finish construction at Diego Garcia. The United States also suggested that further attempts to resolve differences on the definition of the Indian Ocean area be deferred to the next round of talks.²

(8) In the JCS summation of round two of the Indian Ocean arms control talks, it was noted that the United States had proposed a phase one stabilization of levels of military activity and a phase two subsequent discussion on possible mutual reductions. There were many substantive issues remaining to be resolved and the Soviets held different views in these areas among others:³

- Definition of the area: Soviets want a detailed definition, to include extensive areas of the seas north and south of Australia.
- SSBN's: Soviets want an explicit commitment from the U.S. that SSBN's will not deploy to the Indian Ocean.

1. CINCPAC ALFA 39/280250Z Sep 77 and 70/300045Z Sep 77.
2. CINCPAC ALFA 92/010536Z Oct 77; CNO 011430Z Oct 77 and 032349Z Oct 77.
3. JCS/J5 12098/061355Z Oct 77 (BOM).

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- Carriers: Soviets want CV's identified as strategic systems and their operation restricted from the Indian Ocean.
- Diego Garcia: Soviets want U.S. to halt construction program.
- Communications: Soviets want U.S. commitment that there will be no new facilities built for control of strategic forces (specifically ballistic submarines).
- Facilities: Soviets want explicit understanding allowing their unrestricted use of facilities elsewhere if they lose access to Berbera.

(S) In the State Department summation of the second round of the talks, an additional U.S. proposal was stated. As part of the agreement to avoid increases in military activity, State declared that the United States had undertaken not to initiate the deployment of strategic aircraft to the area and not to alter significantly the current pattern of submarine deployments. Regarding aircraft carriers, the Soviets had retreated from their previous position that all aircraft carriers be restricted from the region, but they had asked for a limit on "strike" aircraft carriers. They were told that the United States did not recognize such a distinction.¹

(S) In November CINCPAC expressed his concern to the JCS over two of the issues in the negotiating strategy of the United States on Indian Ocean arms control. His primary area of concern was the definition of the Indian Ocean area. It was understood by CINCPAC that, although agreement had not been reached with the Soviets on the eastern limits of the Indian Ocean, it had been implied to them that under the current U.S. definition, port visits to Western Australian ports would count as Indian Ocean presence. CINCPAC was also concerned that, according to U.S. definitions of the area, exercises such as KANGAROO, conducted in adjacent west coast waters, would also come under the constraints of an Indian Ocean agreement. Such a concession, CINCPAC stated, would limit flexibility and mobility and would require withdrawal from the prospective Indian Ocean agreement under the supreme interests clause if the United States had to deploy forces into the area to live up to the ANZUS commitment. Such a position would place the United States in the dilemma of having to violate an understanding with the Soviet Union in order to live up to the one with ANZUS partners. CINCPAC's second concern was that, in some circles, a feeling could exist that if the Soviets lost access to Somalia, we would not object to their acquisition of similar facilities elsewhere in the Indian Ocean

1. SECSTATE 241546/171632Z Oct 77.

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area. CINCPAC noted that although the United States could not prevent the Soviets from acquiring a new base on the Indian Ocean littoral, he believed that nothing should be done to give them any impression of tacit approval. CINCPAC also suggested that, in view of increasing Soviet difficulties in the Horn of Africa, the United States proceed with caution when discussing facilities in the forthcoming third round of discussions. He noted that Russia had made a conscious decision to promote closer relations with Ethiopia at the expense of their relations with Somalia. Thus, they already had their "trade off" in their greatly increased presence in Ethiopia. On other issues, CINCPAC expressed his strong support of the JCS positions that no ban be placed on SSBNs and aircraft carriers, that allies' forces in adjacent areas not be matters for bilateral discussions, that communications facilities be exempt, and that sea bed facilities not be discussed.¹

~~(S)~~ At about the same time that CINCPAC expressed his concern regarding certain aspects of the negotiations to date, Australia expressed concern through diplomatic channels over the definition of the area subject to military limitations in any eventual U.S.-Soviet Union agreement. The Australian Department of Foreign Affairs conveyed Australia's concern about the domestic political implications of any agreement which might affect, or could be perceived to affect, U.S. freedom to act under the ANZUS relationship with respect to Western Australia. Western Australians were extremely sensitive on that question because of their isolated position from the rest of the country. If the Western Australians perceived that the ANZUS relationship had been diluted in any fashion by a U.S.-Russian Indian Ocean agreement, it would cause great political difficulties for any Australian government. Australia conceded that its previous suggestion that the Indian Ocean area be delimited as 200 miles off the Western Australian coast was not practical, since Russia could make similar demands off the coast of Africa. However, Australia, as the only nation in the area in a special security alliance with the United States, needed assurances that any agreement would not derogate from nor qualify the U.S. commitment to Australia or U.S. freedom to act under the ANZUS treaty.²

~~(S)~~ Just prior to the third round of talks, scheduled to be held on 1-10 December 1977 in Bern, Switzerland, the JCS provided an advanced resume of the U.S. position in the coming talks. The United States would hold to its position that stabilization of forces and activities of both sides at levels of the recent past should precede later discussions on possible mutual reductions. The United States would also propose that the joint declaration of mutual restraint be supplemented with one or more documents containing descriptions of each side's recent military presence and activity. The United States also intended to strive

1. J51 HistSum, Oct 77; CINCPAC 170542Z Nov 77 (BOM).
2. AMEMB Canberra 8051/180444Z Nov 77 (EX).

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for some restrictions on Soviet flexibility in establishing access to other ports; however, it was expected that the Soviet Union would be intractable in its position of wanting complete freedom to seek such facilities anywhere. The United States intended to agree, on a reciprocal basis, not to construct or introduce into the area facilities which had the primary function or were dedicated to the support of forward deployed submarines. Thus far, the Soviets had only agreed to ban facilities which supported ballistic missile submarines. The United States intended to hold the line on the completion of Diego Garcia and the definition of the Indian Ocean area. The U.S. positions on other issues, as forwarded by the JCS, were:¹

- SSBN's: U.S. will not specifically ban SSBN's from the area.
- Allied and adjacent areas: Not matters for further discussion. We will not take these factors into account.
- U.S. aircraft carriers: No ban on CV's and no restriction on capabilities of CV's (i.e. strike aircraft or nuclear weapons).
- Communications facilities: All telecommunications facilities are exempt from agreement.
- Seabed facilities: Not a subject for discussion. We will not confirm or deny to the Soviets the passive systems we do or do not have on the Indian Ocean floor.
- Soviet air capable ships: deployment permissible within overall limits imposed by agreement.
- Force Majeure: Exceptions to overall presence/activity limits or transit definition will be allowed for humanitarian reasons or to evacuate U.S. citizens.
- Duration of the agreement: Five years going in. Fall back of four years if pressed. Reductions agreement would supersede.
- Consultative mechanism: Exchange of information as required to resolve questions of compliance. Negotiating teams (the current delegations) serve as the exchange medium.

1. JCS/J5 14064/251858Z Nov 77 (BOM).

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- Definition of transit: Transits are unlimited in numbers, but transit should be direct and port calls should be limited in number and length to that essential for replenishment.
- Data exchange: U.S. will not exchange data on round three.
- Aircraft: Patrol, transport and reconnaissance aircraft are exempt from limitations under agreement for stabilization.

(S) On 3 December, in reference to the previously discussed Australian concern regarding the on-going negotiations, State Department advised the U.S. Embassy in Canberra that some key policy decisions remained to be made, particularly with regard to defining the eastern boundary of the area and the extent of joint operations with Australia in the Indian Ocean. State verified the infeasibility of acceding to a 200-mile boundary off the West Coast of Australia, noting the Law of the Sea implications, but, at the same time, the United States would not accept the Soviet definition which extended to the Torres Strait in the North and the Bass Strait in the South. Since, during the first round of negotiations, the Soviet position had defined Timor as one of the boundaries, the designation of the Torres Strait between Australia and New Guinea was a considerable extension eastward of the previously defined Soviet position. With regard to joint operations, State recommended that the Government of Australia supply some specific proposals for exercises which would be more helpful in making the U.S. case than debating a theoretical situation.¹

(S) The third round of talks began on 6 December in Bern. The Soviets tabled a draft agreement following somewhat the same format as the draft previously tabled by the United States during round two. As interpreted by the State Department, the Soviets appeared to have modified some positions and had shown some flexibility on many of the issues. The Soviets no longer demanded limits on aircraft carriers, and both sides agreed that strategic bombers would not be introduced. The subject of facilities, according to the State Department, continued to be a complex issue. Both sides agreed to prohibit any new construction of facilities, but disagreed on whether the United States would be permitted to continue construction at Diego Garcia. The Soviets wanted freedom to move their auxiliary support ships to any Indian Ocean port. On the other hand, the United States opposed the establishment of any new Soviet facilities in the Indian Ocean area. In the Soviet draft text, a force increase would be permitted if the allies of the other side increased their forces.

1. SECSTATE 288650/030136Z Dec 77 (EX).

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Neither side would take action in adjacent areas that would substantially alter the situation there. Both of these formulations were rejected by the United States; however, the United States agreed to consider the desirability of a non-circumvention clause which might be helpful in meeting Soviet objections to the U.S. definition of the area. The United States stated its preference for a clause permitting the immediate withdrawal from the agreement if either party felt its supreme interests were threatened. The Soviets, on the other hand, wanted a pre-notification period (perhaps three months) and claimed that the United States could rapidly deploy forces into the region and upset the balance if there were no pre-notification period.¹

(S) As the year ended, the Soviets had requested the next round of talks to begin on 7 February 1978 in Bern. Meanwhile, in response to a CINCPAC request for comment, PACAF noted that the Unified Command Plan assigned responsibility to CINCPAC for the Indian Ocean area. In order to be responsive to time-critical contingencies, such as a possible "Mayaguez incident" in the West Indian Ocean, it was essential that a location such as Diego Garcia be immediately available without diplomatic restriction. Without Diego Garcia (or a similar U.S. installation), it would be difficult for the United States to mount a timely response to any Mid-east/Indian Ocean contingency, especially if naval vessels were not in the vicinity. As a minimum, PACAF recommended the retention by the U.S. negotiators of the following levels/types of activity:²

* * * * *

Retention of Diego Garcia as a forward operating location for contingency use, including completion of current construction, which should be finished by Spring 1979. Recommend any limitations be worded to apply only to "new construction" (not yet funded or initiated).

Sea surveillance of the Indian Ocean area by air, surface, and undersea means. This would require future use of Diego Garcia as a staging base by reconnaissance platforms. Rationale is that continued surveillance is essential to insure parties abide by the agreement.

Unabridged ability of limited U.S. forces to respond to unforeseen contingencies, such as a "Mayaguez incident". This should be worded to include acts of piracy (air or sea) and

1. AMEMB Bern 5726/061500Z Dec 77 and 5731/061730Z Dec 77; SECSTATE 301375/170229Z Dec 77.
2. CINCPAC ALFA 204/100436Z Jan 78; CINCPACAF 310315Z Dec 77.

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Nemvac. Headquarters 13th Air Force CONPLAN 360 provides for non-stop deployment of tactical fighters for air superiority, armed escort, and/or limited conventional strike roles to a forward location up to 5000 miles distant from Clark Air Base. This concept provides PACAF's primary ability to project air power consistent with the UCP division of responsibility. It also requires use of KC-135 tanker aircraft in a tactical refueling role to move the fighters. Further, use of C-5/C-141 aircraft is necessary for initial support teams and logistics packages to support the deployment. These aircraft should not be considered as offensive strategic systems when used in support of a limited contingency response.

Possible use of B-52/FB-111/SR-71 aircraft in the surveillance/reconnaissance role should be considered, and periodic or sustained operation from Diego Garcia may be necessary. When used in these roles, such aircraft should not be considered an offensive strategic system any more than Bear or Badger Recce variants.

Major Claimancy of Diego Garcia

(C) In June 1977, as a result of a planning conference of U.S. naval organizations, the CNO was requested to approve the change of major claimancy of Diego Garcia from the Commander of the Navy Telecommunications Command to CINCPACFLT as of 1 October 1977. The CNO concurred and, effective on that date, CINCPACFLT assumed major claimancy of Diego Garcia.¹

The Horn of Africa

(S/NOFORN) In March 1977 the JCS advised CINCPAC that an interagency review of U.S. policy toward the Horn of Africa and the Northwest Indian Ocean had begun. Among the specific issues to be addressed during the review was whether to continue, reduce or suspend U.S. military assistance programs in Ethiopia; the implications of an independent French Territory of the Afars and Issas and steps which might be taken to avert a Somali-Ethiopian clash; the prospects for a loosening of the ties of Somalia with the Soviet Union; the consequences of an increased Soviet, East European and Cuban assistance for the Ethiopian Provisional Military Government (EPMG); prospects for the Horn of Africa in a post-Kenyatta Kenya, particularly in U.S.-Kenya bilateral relations; the relationships of those questions to the problem of keeping the Red Sea route open and to U.S. interests in the Indian Ocean; the best strategies for dealing with

1. CNO 021840Z Sep 77.

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Russia in the region; and what outside forces should be encouraged by the United States to play a positive role in the area. CINCPAC replied that the basic U.S. military interest in the Horn of Africa was to maintain the freedom of transit for Persian Gulf oil to the United States and its allies. CINCPAC noted that, although the options appeared to be limited because of an apparent foreign policy of non-involvement, a strategy was suggested of attempting to influence third party involvement sympathetic to U.S. objectives. In the short term, this suggested the retention of a post-independence French military presence in Djibouti. Over the longer term, CINCPAC suggested that diplomatic, economic and military channels should be kept open to African countries while emphasizing third party involvement.¹

(S) In April the State Department informed diplomatic posts of the results of the Policy Review Committee meeting on the Horn of Africa. It was agreed that the United States would not pull out of Ethiopia entirely, in order to be in a position to reassert its presence there if a friendly and more humane government came to power. An attempt would be made to maintain U.S. Agency for International Development (AID) and U.S. Information Service programs, and non-lethal military equipment currently in the pipeline would be delivered and military training of Ethiopians in the United States would continue. All other military aid would be subject to delaying actions, without however, so stating to the EPMG. Regarding Somalia, it was agreed that the United States should proceed with caution. There should be no pressure on the Somalia Government to grant clearance for a U.S. naval ship visit to Mogadiscio. However, the U.S. Ambassador had been instructed to have a frank talk with President Siad to explore the possibilities for future relationships and for the reestablishment of the United States assistance program to Somalia. The United States intended to offer increased economic aid to the Somali-inhabited Northeast province of Kenya and to broach the possibility of further military assistance. There would be an attempt to move closer to Sudan by providing six C-130s already requested by that government and to be responsive to other Sudanese needs for military equipment. The U.S. Ambassador to Saudi Arabia was also authorized to inform that government that the United States military relationship with Ethiopia was on a downward trend and that Kagnew Station would shortly be closed. In conclusion, the State Department cautioned that it was not advisable to inform host governments of these policy decisions at that time.²

(S) After press reports and apparent official alarm in some regional countries to American news reports of the Presidential directive on U.S. global defense posture (PRM 10), State noted the need for reticence regarding the

1. J51 HistSum, Mar 77; JCS/J5 3173/221820Z Mar 77 (BOM); CINCPAC 250441Z Mar 77 (BOM).
2. SECSTATE 85332/152112Z Apr 77 (EX).

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alleged decision relating to the Persian Gulf region. The State Department did not wish to encourage further speculation on that subject and Persian Gulf littoral ambassadors were instructed not to raise the subject with host country officials. If raised by them, however, they were authorized to state that the purpose of the study in question was to examine the potential needs for U.S. force planning based on an analysis of possible developments in various parts of the world. The Persian Gulf was one of the areas mentioned in that connection, given its obvious importance. The Presidential decision on the study in question neither contained nor implied any new unilateral U.S. Government security commitment or undertaking with regard to any region of the world. More specifically, the Presidential directive and the U.S. objectives of reducing the possibilities of great power conflict in the Indian Ocean region were mutually consistent. Although State preferred not to react to further press coverage or local articles, the ambassadors were authorized, at their discretion, to respond to press queries with the statement that the recent study and the Presidential directives neither contained nor implied any unilateral extension of U.S. Government defense commitments in any area.¹

U.S. Facilities Closed in Ethiopia

(U) Very shortly after the State Department mention of Kagnew Station discussed above, Ethiopia ordered more than 300 Americans expelled and five U.S. Government facilities closed down within four days. On 24 April a State Department spokesman said the United States had protested the short deadline, but declined to speculate on the motives of the EMPG. Ethiopia had not cited any reason in its request and a radio broadcast, earlier in the day, alleged U.S. imperialism and claimed the United States had supported opponents of the government there. The spokesman said the U.S. Charge d'Affaires had been informed by Ethiopian authorities that five U.S. Government facilities were to cease operation and the personnel be repatriated to the United States. These facilities were the Naval Medical Research Center, the U.S. Information Service, the Military Advisory Group, the U.S. Consulate General, and the Kagnew Station Communications Facility. When the State Department spokesman was asked whether this move was related to a reported arms agreement between Ethiopia and the Soviet Union, he replied that there were strong indications that such an agreement had been signed. In connection with the closure order, one reporter stated that the closure of the five American organizations and the ouster of all resident Western correspondents were only the first moves in a carefully orchestrated campaign aimed at ending Ethiopia's close association with the West and realigning it with the socialist East.²

1. SECSTATE 233842/282342Z Sep 77 (EX).
2. Honolulu Star Bulletin and Advertiser, 24 Apr 77, "300 Americans Expelled, Facilities Shut in Ethiopia," dateline Washington (UPI).

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(U) Another reporter noted that, under the 25-year old Mutual Defense and Assistance Agreement signed between the United States and Ethiopian Governments in 1953, Washington probably had the legal rights to continue operating the Kagnew Station until at least May of 1978. Now, however, the entire American-Ethiopian relationship, until recently the backbone of Ethiopia's foreign policy, would have to be recast in the light of the pro-Moscow orientation of the EPMG. This reporter speculated that Ethiopia's continuing dependence on American arms--at least until Soviet arms could replace them--could explain the change in attitude toward the departing Americans after the first announcement. At first, the ruling Provisional Military Council allowed just four days to close the five organizations down, and refused to allow American diplomats or other personnel to enter the Cultural Center or the Kagnew Station. American doctors working with the Medical Research Unit were confined inside their compounds, and at the Kagnew Station American military and civilian employees operating the security-sensitive radio relay facility were only able to destroy some electrical circuits and computers before Ethiopian troops occupied the premises. After two days of head-on confrontation, the Ethiopian government allowed the Embassy until 1 May to complete the evacuation. Access to all five places was assured, and the U.S. military was able to remove the radio equipment from the Kagnew Station and any other materials desired from the other four affected organizations. At least twenty U.S. Air Force planes were allowed to land either in Asmara or in Addis Ababa to assist in the evacuation of American personnel, household goods, and unused supplies of the military advisory team.

~~(C/NF/NF)~~ In a further development, a note from the Ethiopian Government was delivered on 28 May to the U.S. Embassy in Addis Ababa ordering that, within seven days, the Office of the U.S. Defense Attaché (DAO) be closed and all USDAO personnel sent home. Two-thirds of the U.S. Marine Corps security guards were ordered to leave Ethiopia and, with the exception of U.S. AID personnel, half of all other U.S. diplomatic personnel were to be expelled. At the same time, the DAOs of Egypt and the United Kingdom were similarly ordered to close. The DIA noted that the Ethiopian demands were not unexpected in view of the increasingly leftist nature of the Mengistu government in Ethiopia. The U.S. diplomatic presence had been shrinking steadily for months, and numbered less than 100 personnel at that time. It was expected that approximately 50-60 personnel would be affected by the new order.²

Russians Ousted from Somalia

~~(S)~~ Some seven months after the U.S. personnel were ordered from Ethiopia,

1. Honolulu Star Bulletin and Advertiser, 1 May 77, "Ethiopia Takes Painful Road to East", dateline Addis Ababa, Ethiopia (Washington Post Service).
2. DIA 4998/282201Z May 77.

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Somalia announced, on 13 November 1977, the severing of military ties with the Soviet Union and the breaking of relations with Cuba. The Somali-Soviet friendship treaty was abrogated, all Soviet military and civilian personnel (exclusive of diplomats) were to leave Somalia within one week, the diplomatic staff of the Soviet Embassy was to be reduced to correspond with the size of the Somalia Embassy in Moscow, and Somalia's diplomatic relations with Cuba were broken. The foreign press was told that the decision to oust the Soviets was reached at a meeting of the Central Committee of the Somalia Revolutionary Socialist Party, and the U.S. Embassy in Mogadiscio commented that many Somalis considered the partial rupture with the Soviets long overdue.¹

(U) Press reports of the announcement were somewhat less restrained than that of the U.S. Embassy. One report stated that Somalia, angry at the Soviet Union's tilt toward rival Ethiopia, was expelling the Soviet Navy from its chief bases on the Horn of Africa and ordering thousands of Soviet advisors out of Somalia. The Soviet military and technical experts in Somalia, believed to number between 3,000 and 4,000, had been given seven days to leave the country, and the Cuban Embassy had been ordered to close within 48 hours. Another press report speculated that Saudi Arabia could be expected to renew its pressure on the United States to become Somalia's major arms supplier following Somalia's break with Moscow. For years, according to this report, the Saudis had dangled the prospect of large-scale aid before President Siad if he would move from the Soviet orbit. However, the President stuck with the Kremlin until Russia began pouring arms into Ethiopia while denying them to Somalia. Saudi Arabia, Egypt, Iraq, and Iran had been reported to have delivered light arms to Somalia to help the Ogaden rebels fight the Ethiopian regime. Now, according to diplomatic sources, Saudi Arabia was expected to renew its campaign to persuade Washington to supply Somalia with heavy arms which oil money would pay for. The U.S. State Department, according to this report, praised Somalia's anti-Soviet action but stated that the United States still would not sell arms to the country.²

(U) One nationally known periodical called Russia a "three-time loser in Africa", and stated that the Soviet Union had stumbled badly in its gamble to gain control of the strategic Horn of Africa. According to this article, the failure of Moscow's strategy on the Horn was its third setback on the African continent in just 20 months. In March 1976 Egypt, which had ousted Soviet military advisors in 1972, renounced its friendship treaty with Russia. Two months later, the Sudan, another once-close friend, expelled Soviet military

1. AMEMB Mogadiscio 1916/132020Z Nov 77.
2. Honolulu Star Bulletin, 14 Nov 77, "Somalia Puts Russians, Cubans Out", dateline Nairobi, Kenya (AP) and 15 Nov 77, "Saudi Arabia May Press U.S. to Supply Somalia", dateline Cairo (AP).

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advisors and halved the size of the Soviet Embassy staff in Khartoum. This, along with Somalia's renunciation, left the Soviet Union with alliance-like treaties with only four nations in the Third World--India, Iraq, Angola and Mozambique.

~~TS~~ The U.S. Embassy in Moscow commented that there was little likelihood that the Somalia move would dramatically affect the course of the Indian Ocean arms control negotiations. The Soviets had probably already discounted the Berbera facility in making calculations on an acceptable outcome for the Indian Ocean talks. An indication of this was their attempt in the second round of the talks in September to substitute for the U.S. proposal a "basket approach" by which each side would be free to make use of any port facilities in the Indian Ocean so long as the total use did not exceed the current level of port usage. The Embassy did speculate, however, that the fact that the Soviets had consistently denied that they had a base at Berbera or any substantial military advantage from that facility would tend to undercut any attempt to delay the negotiations. It was possible, however, that the Soviets would be even more adamant in their insistence that there would be no continuation of U.S. construction on Diego Garcia following a stabilization agreement, and even more insistent that the ultimate aim of the negotiations was the reduction and elimination of U.S. bases, especially Diego Garcia, in the Indian Ocean. In response to a query from a U.S. Embassy official about the possible effects on the Indian Ocean talks of the Somalian renunciation, a Soviet official replied that "obviously" the action would have an effect on the Soviet's use of Somalia. He stated that "no longer" would there be "port visits by Soviet ships" to Somalia. When the Embassy officer inquired "military ships?", the official replied "any ships". He also mentioned another negative effect which was the loss of "shore-based military personnel".²

~~TS~~ Shortly after the Soviet expulsion from the Somalia base of Berbera, the U.S. Embassy in Addis Ababa informed the State Department that Russia appeared to have begun negotiations with the People's Democratic Republic of Yemen (PDRY) for naval facilities in Aden to replace the Berbera assets. A diplomatic source had stated that the French in Aden had evidence that the Soviets had nearly concluded an agreement with the PDRY for base rights in exchange for increased military and economic assistance. It was speculated that the agreement could provide for improvement of the Aden port to accommodate military vessels, including submarines.³

1. U.S. News and World Report, 28 Nov 77, "Russia: Now a Three-Time Loser in Africa", dateline Mogadiscio and Washington.
2. AMEMB Moscow 16622/160744Z Nov 77 and 16765/171619Z Nov 77.
3. AMEMB Addis Ababa 6492/181308Z Nov 77.

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(S) This unconfirmed report was addressed by the U.S. Embassy in London, which suggested to the State Department that concerted action be proposed to the United Kingdom, which had a mission in Aden, as well as with the Saudi Arabians. The Embassy also suggested that the intelligence community assign a higher priority to Soviet naval and air activity in Aden. It was suggested that, through United Kingdom and/or Saudi diplomatic channels, it should be made clear to the PDRY that, if arrangements were completed to provide a base for the Soviets in Aden, international reaction in the West would be unfavorable. Again coordinating with the United Kingdom and the Saudis, make it clear that current attempts on the part of the United States, United Kingdom, and Saudi Arabia to improve relations with the PDRY would be set back if that country gave the Soviets the base in Aden. Conversely, the Embassy suggested that it be made clear to the PDRY that, if it did not give the Soviets a base, its diplomatic and economic relations with the United States, the United Kingdom, and Saudi Arabia would improve. Lastly, the U.S. Embassy in London recommended that, on a contingency basis, a concerted publicity campaign be prepared to portray the PDRY as the only Arab country to give the Soviets a base on Arab territory, thus shaming the PDRY before its Arab neighbors. In this campaign, such phrases should be included as "new Soviet military colony" and photographs of Soviet naval vessels in the Aden harbor should be used the same way that the United States disclosed the photographs of the Soviet base in Berbera to Congressional committees.¹

(S) This suggestion was apparently accepted in part by the State Department which, on 23 November, instructed the U.S. Embassy in Saudi Arabia to discuss recent intelligence reports regarding Russia's efforts to persuade the PDRY to grant naval base facilities at Aden. The Ambassador was to state his instructions to call this subject to the attention of the Saudi Arabian Government in view of common interests in preventing new Soviet inroads in strategically crucial regions of the Arabian Peninsula/Gulf of Aden/Red Sea. The Ambassador was to express the concern of the United States if Soviet personnel were based in Aden or permanent facilities were established there, but to express the conviction of the United States that Saudi Arabian influence could still be brought to bear usefully in the current situation. The U.S. Embassy in London was instructed to solicit British views on additional steps that could help to prevent the Soviets from gaining special access for naval forces at Aden.²

(S) In late November President Carter received a request for advice from President Siad of Somalia regarding the difficult situation faced by Somalia. President Carter replied that he shared Siad's deep concern about the large scale of foreign military support for Ethiopia and the resultant implications

1. AMEMB London 18980/181644Z Nov 77 (EX).
2. SECSTATE 280115/230140Z Nov 77 (EX).

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for Somalia. President Siad was informed of the U.S. position that, while the conflict in the Ogaden persisted, the United States could not supply arms to either Somalia or Ethiopia. President Carter reaffirmed that policy, and also reaffirmed the willingness of the United States, in cooperation with other countries, to discuss the sale of defensive weapons to Somalia when the conflict in the Ogaden had been resolved.¹

Djibouti Independence

(U) The Republic of Djibouti, a Massachusetts-size patch of salt and sand at the southern end of the Red Sea, became Africa's 49th independent state on 27 June 1977. The new nation's future was threatened by its rival Marxist-ruled neighbors, Somalia and Ethiopia, and lacked natural resources except for salt and its strategic location. Djibouti was coveted by Ethiopia because its capital was Ethiopia's chief port and the terminus of the Addis Ababa-Djibouti railroad. Somalia was determined eventually to annex Djibouti because more than half of Djibouti's 300,000 people were ethnic Somali and it was part of the "greater Somalia" which the Somalia Government had pledged to unite. During the near term, Djibouti's existence seemed assured by the retention of about 4,000 French troops tasked with safeguarding the new nation's territorial integrity. However, Western Europe, the United States, the Soviet Union, Israel and the Arabs were concerned about the control of Djibouti because it was situated on the south side of the Bab el Mandeb Strait which connected the Suez Canal and the Red Sea with the Gulf of Aden and the Indian Ocean. About 70 vessels a day--oil tankers and war ships of many nations--passed through the strait.²

(U) Formerly known as French Somaliland, Djibouti was renamed the French Territory of Afars and Issas, for its two major tribes, in 1967. The Afars had ties with Ethiopia, but the more numerous Issas, who provided President Gouled's major political support, were ethnic Somali. Gouled stated that the new republic would pursue a neutral foreign policy. He said it would join the Arab League but would allow Israeli ships to use the strait.³

(C/NF/NF/NR) After the expulsion of the Soviets from Somalia, and assuming a lukewarm reception by the PDRY concerning the Soviet quest for base facilities at Aden, the situation in Djibouti had become of increasing concern to CINCPAC. As the year ended, PACOM had requested the State Department to provide assessments of the security situation in Djibouti. Of interest was an assessment of Djibouti and French forces, French intentions regarding the maintaining of

1. SECSTATE 281947/241928Z Nov 77 (EX).
2. Honolulu Star Bulletin, 27 Jun 77, "New Nation in Africa", dateline Djibouti (AP).
3. Ibid.

~~SECRET~~

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forces in the area, and the possible effect of terrorist pressures on those intentions.¹

Sri Lanka Elections

(U) The opposition United National Party scored a stunning election landslide on 22 July 1977 to oust Prime Minister Sirimavo Bandaranaike, the world's only woman chief of government. On 23 July the United National Party leader, Junius R. Jayewardene, was sworn in as Sri Lanka's new Prime Minister. He also served as Minister of Defense and Minister of Planning, Economic Affairs and Planned Implementation in the newly designated 24-member cabinet. Bandaranaike was the third leader in the region to be displaced in office in 1977. India's Prime Minister Indira Gandhi lost national elections in March 1977, and Pakistani President Zulfikar Ali Bhutto was removed by the Army earlier in July.²

Coup d'Etat in the Seychelles

(C) On 5 June 1977 a radio broadcast in the Seychelles Islands reported that President James Mancham had been overthrown in a successful coup and that a total curfew had been imposed except for essential hospital services³ and airport services. According to the communique, Mancham was overthrown because he had decided to become a dictator by postponing for five years the parliamentary elections due in June 1979. However, the U.S. Embassy had received reports that Mancham and Prime Minister Rene had agreed privately to postpone the elections in order to consolidate the coalition government. The Embassy also reported that the U.S. Air Force tracking station in the Seychelles, staffed by approximately 150 Americans, continued to function normally with a night crew.³

(C) The Embassy subsequently reported a radio broadcast stating that organizers of the coup had invited Prime Minister Rene to form a new government. He had reportedly agreed provided that all ministers and members of the national assembly and their families were given full protection, that all agreements previously entered into by the Seychelles Government with foreign powers be respected. In response to Embassy query, an official at the Central Police headquarters affirmed that no American citizens had been detained and that none would be.⁴

1. CINCPAC 230229Z Dec 77.
2. DIA 3436/232350Z Jul 77; Honolulu Star Bulletin, 22 Jul 77, "Sri Lanka's Chief Ousted", dateline Colombo (AP) and 25 Jul 77, "Sri Lanka's Election Results", dateline Colombo (N.Y. Times Service).
3. AMEMB Victoria 295/050215Z Jun 77.
4. AMEMB Victoria 297/050720Z Jun 77.

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(D) Within eight hours of the reported coup, Prime Minister Rene had telephoned the U.S. Ambassador to assure him that the tracking station would be protected and would be allowed to continue to operate. The Prime Minister assured the Ambassador that law and order would be scrupulously maintained.¹

(S) In response to a suggestion by the American Consul in Hong Kong that the Soviet Union had been involved in the Seychelles coup, the State Department replied that France Albert Rene, the former Seychelles Prime Minister and the country's new leader, had long been considered to have a general leftist orientation and possible pro-Soviet views. During a previous absence from the country by former President Mancham, Rene had invited a Soviet delegation to visit the Seychelles. Immediately thereafter, an announcement had been made of the imminent establishment of a Soviet Embassy in the Seychelles.²

(S) One week after the coup, the U.S. Ambassador informed Rene of his instructions from the State Department authorizing him to resume normal relations and the full range of contacts with the Seychelles government. When the Ambassador was asked if that statement constituted recognition by the United States, the Ambassador repeated that the United States resumed normal relations. In response to a question from the Ambassador, Rene said that, to date, neither the Soviet Union nor the PRC had yet recognized the new Seychelles government. Rene expressed the hope that the close relationship which had characterized U.S.-Seychelles relations in the past would continue. He invited the Ambassador to approach him directly and to "feel free" to be "frank and critical" with him in all future meetings.³

1. AMEMB Victoria 300/051006Z Jun 77.
2. SECSTATE 135396/110018Z Jun 77.
3. SECSTATE 140769/170138Z Jun 77, which transmitted AMEMB Victoria 332 of 13 June 77.

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GLOSSARY

A

AAFES	Army and Air Force Exchange Service
ABCC	Airborne Command Center
ABM	Antiballistic Missile
ABNCP	Airborne Command Post
ABS	Automatic Buoy Station
ADIZ	Air Defense Identification Zone
ADP	Automatic Data Processing
AFCMC	Air Force Contract Management Center
AFKTTL	Air Forces Korea Tactical Target List
AFLC	Air Force Logistics Command
AFP	Armed Forces of the Philippines
AID	Agency for International Development
AIF	Automated Installation Intelligence File
ALCOP	Alternate Command Post
ALFA	Advanced Liaison Forward Area
AMEMB	American Embassy
ANZUS	Australia, New Zealand, United States
APC	Armored Personnel Carrier; Army Petroleum Center
ARG	Amphibious Ready Group; Airborne Ranger Group
ARPA	Advanced Research Projects Agency
ASC	AUTODIN Switching Center
ASD(ISA)	Assistant Secretary of Defense (International Security Affairs)
ASD(M&RA)	Assistant Secretary of Defense (Manpower and Reserve Affairs)
ASD(PA)	Assistant Secretary of Defense (Public Affairs)
ASEAN	Association of Southeast Asian Nations
ASW	Antisubmarine Warfare
AUTODIN	Automatic Digital Network

B

BEQ	Bachelor Enlisted Quarters
BOM	By Other Means
BOQ	Bachelor Officer Quarters

C

C	Confidential
CAT	Civil Action Team; Crisis Action Team

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CENTO	Central Treaty Organization
CFC	Combined Forces Command
CIA	Central Intelligence Agency
CIL	Central Identification Laboratory
CINC	Commander in Chief
CINCEUR	Commander in Chief Europe
CINCLANT	Commander in Chief Atlantic
CINCPAC	Commander in Chief Pacific
CINCPACAF	Commander in Chief Pacific Air Forces
CINCPACFLT	Commander in Chief U.S. Pacific Fleet
CINCPACINST	Commander in Chief Pacific Instruction
CINCPACREP	Commander in Chief Pacific Representative
CINCPACREPPHIL	CINCPAC Representative, Philippines
CINCUNC	Commander in Chief, United Nations Command
CINDIS	CINCPAC Information Processing and Display System and Operations/Intelligence Interface
CJCS	Chairman, Joint Chiefs of Staff
CMC	Commandant U.S. Marine Corps
CNO	Chief of Naval Operations
COINS	Community On-line Intelligence Network Systems
COMIDEASTFOR	Commander, Middle East Force
COMJTF	Commander, Joint Task Force
COMKADS	Commander, Korean Air Defense Sector
COMSEC	Communications Security
COMUS Japan	Commander, U.S. Forces, Japan
COMUS Korea	Commander, U.S. Forces, Korea
COMUSTDC	Commander, U.S. Taiwan Defense Command
CONPLAN	Concept Plan
CONUS	Continental United States
CPA	Closest Point of Approach
CPD	Congressional Presentation Document (Foreign Aid)
CULT	Common User Land Transportation

D

DAO	Defense Attaché Office
DAS	Defense Analysis System
DFAA	Defense Facilities Administration Agency (Japan)
DIA	Defense Intelligence Agency
DIAOLS	Defense Intelligence Agency On-Line System
DLSC	Defense Logistics Services Center
DMZ	Demilitarized Zone
DOD	Department of Defense
DOMSAT	Domestic Satellite Communication System

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DRIS Defense Retail Interservice Support
DSA Defense Supply Agency
DSAA Defense Security Assistance Agency
DSCS Defense Satellite Communications System

E

EASTPAC Eastern Pacific
ECM Electronic Countermeasures
EPMG Ethiopian Provisional Military Government
EUSA Eighth U.S. Army
EW Electronic Warfare; Early Warning
EX Exclusive (for)

F

FAA Federal Aviation Administration; Foreign Assistance Appropriations; Foreign Assistance Act
FCJ Foreign Criminal Jurisdiction
FIP Force Improvement Plan
FMFPAC Fleet Marine Force Pacific
FMS Foreign Military Sales; Field Maintenance Squadron
FRAM Fleet Rehabilitation and Modernization
FRD Formerly Restricted Data
FY Fiscal Year

G

GAO General Accounting Office
GAPSAT GAPFILLER Satellite
GFE Government Furnished Equipment; Gross Feasibility Estimator
GOA Government of Australia
GOI Government of India; Government of Indonesia
GOJ Government of Japan
GOP Government of the Philippines
GOS Government of Singapore
GROC Government of the Republic of China
GSA General Services Administration
GSP General Strategic Priority
GUB Government of the Union of Burma

H

HISTSUM Historical Summary

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HUMINT Human Resources Intelligence

I

ICBM Intercontinental Ballistic Missile
IDHS Intelligence Data Handling System
IEC Intelligence Exchange Conference
IG Inspector General
IMETP International Military Education and Training Program
INDICOM Indications and Warning Communications Network
INTELSAT International Telecommunications Satellite
IOCTL Indian Ocean Conventional Target List
IPAC Intelligence Center Pacific
IRCM Infrared Countermeasures
ISA International Security Affairs; Interservice Support
Agreement
I&W Indications & Warning

J

JASDF Japan Air Self-Defense Force
JCRC Joint Casualty Resolution Center
JCS Joint Chiefs of Staff
JDA Japan Defense Agency
JFAP Japan Facilities Adjustment Program
JFY Japan Fiscal Year
JOPS Joint Operation Planning System
JSCP Joint Strategic Capabilities Plan
JSDF Japan Self-Defense Force
JSO Joint Staff Office (Japan)
JSOP Joint Strategic Objectives Plan
JTF Joint Task Force
JUSMAG Joint U.S. Military Advisory Group
JUSMAGTHAI Joint U.S. Military Advisory Group, Thailand

K

KAA Korean Armistice Agreement
KCIA Korean Central Intelligence Agency

L

LANTCOM Atlantic Command
LN Local National; Liaison

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LOA Letter of Officer/Acceptance
LOC Line(s) of Communication
LORAN Long Range Navigation
LOS Law of the Sea

M

MAAG Military Assistance Advisory Group
MAB Marine Amphibious Brigade
MAC Military Airlift Command; Military Armistice Commission
MAP Military Assistance Program
MAU Marine Amphibious Unit
MBA Military Bases Agreement
MDAO Mutual Defense Assistance Office
MDB Mutual Defense Board
MDT Mutual Defense Treaty
MIA Missing in Action
MIDPAC Mid-Pacific
MIJI Meaconing, Interference, Jamming and Intrusion
MILCON Military Construction
MILREP Military Representative
MIMEX Major Item Excess Program
MLSF Mobile Logistic Support Force
MME Military Message Experiment
MNLF Moro National Liberation Front
MOA Military Assistance Program Order Amendment; Memorandum of Agreement
MODLOC Modified Location
MOS Military Occupational Specialty
MSC Military Sealift Command
MTMC Military Traffic Management Command

N

NAMRU Naval Medical Research Unit
NATO North Atlantic Treaty Organization
NAVCOMMSTA Naval Communication Station
NEA Northeast Asia
NEMVAC Noncombatant Emergency and Evacuation
NK North Korea
NKA North Korean Army
NKAF North Korean Air Force
NKN North Korean Navy
NKTTL North Korean Tactical Target List

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UNCLASSIFIED

NOFORN Not Releasable to Foreign Nationals
NPA New People's Army
NPW Nuclear-powered warship
NSA National Security Agency

O

OASD(ISA) Office Assistant Secretary of Defense (International Security Affairs)
OJCS Organization of the Joint Chiefs of Staff
OPCON Operational Control
OPLAN Operation Plan
OPSEC Operations Security
OSD Office of the Secretary of Defense

P

PACAF Pacific Air Forces
PACFLT U.S. Pacific Fleet
PACOM Pacific Command
PAF Philippine Air Force; Pakistan Air Force
PAL Permissive Action Link; Parcel Airlift; Price and Availability List
PARPRO Peacetime Aerial Reconnaissance Program
PASOLS Pacific Area Senior Officer Logistics Seminar
PASSEX Passing Exercise
PBC Philippine Base Commander
PBD Program Budget Decision
PDM Programmed Depot Maintenance
PDSC PACOM Data Systems Center
PEG Performance Evaluation Group
PHOTINT Photographic Intelligence
PIB PACOM Intelligence Board
POL Petroleum, Oil, and Lubricants
PRC People's Republic of China; Policy Review Committee
PRM Presidential Review Memorandum
PS&S Pacific Stars & Stripes
PWRMS Prepositioned War Reserve Material Stocks

R

RAAF Royal Australian Air Force
RCA Riot Control Agent
R&D Research and Development

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RIF	Reduction in Force
ROC	Republic of China (Taiwan); Required Operational Capability
ROE	Rules of Engagement
ROK	Republic of Korea
ROKA	Republic of Korea Army
ROKAF	Republic of Korea Air Force
R&R	Rest and Recuperation
RTA	Royal Thai Army
RTARF	Royal Thai Armed Forces
RTG	Royal Thai Government; Reconnaissance Technical Group

S

S	Secret
SAAM	Special Assignment Airlift Mission
SAC	Strategic Air Command
SALT	Strategic Arms Limitation Talks
SAM	Surface-to-air missile; Space Available Mail; Special Air Mission
SAS	Sealed Authenticator System; Shared Administrative Support; Special Ammunition Storage
SCC	Security Consultative Committee (Japan); Space Computational Center
SCM	Security Consultative Meeting (Korea)
SDC	Subcommittee for Defense Cooperation (Japan)
SEATO	Southeast Asia Treaty Organization
SECDEF	Secretary of Defense
SECSTATE	Secretary of State
SIGINT	Signal Intelligence
SIOP	Single Integrated Operation Plan
SJA	Staff Judge Advocate
SKCATL	South Korean Conventional Air Target List
SLBM	Submarine Launched Ballistic Missile
SM	Memorandum prepared by the Secretary, JCS
SMA	Senior Military Advisor
SOFA	Status of Forces Agreement
SRV	Socialist Republic of Vietnam
SSBN	Fleet Ballistic Missile Submarine (nuclear propulsion)
SSC	Security Consultative Committee Subcommittee (Japan)

T

TACAMO	Nickname for Airborne Very Low Frequency Radio Broadcasting
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TACE Technical Analysis and Cost Estimate
TACS Tactical Air Control System
TAG Target Action Group
TANGO A message released by CINCPAC while away from the Headquarters
TCN Third Country National
TPFDD Time-Phased Force Deployment Data
TS Top Secret
TTPI Trust Territory of the Pacific Islands

U

U Unclassified
UN United Nations
UNC United Nations Command
UPI United Press International
USA United States of America; United States Army
USACC-T U.S. Army Communications Command - Taiwan
USACSG U.S. Army CINCPAC Support Group
USAF United States Air Force
USARJ U.S. Army, Japan
USCINCEUR U.S. Commander in Chief Europe
USCINCRED U.S. CINC Readiness Command
USCINCSOUTH Commander in Chief, U.S. Southern Command
USCS U.S. Customs Service
USDAO U.S. Defense Attache Office
USDLG U.S. Defense Liaison Group (Indonesia)
USG U.S. Government
USIA U.S. Information Agency
USMC U.S. Marine Corps
USN U.S. Navy
USS U.S. Ship
USSR Union of Soviet Socialist Republics
USTDC U.S. Taiwan Defense Command
UW Unconventional Warfare

V

VP Patrol Squadron

W

WESTPAC Western Pacific
WICS Worldwide Intelligence Communications Systems

UNCLASSIFIED

UNCLASSIFIED

WRM
WRSA
WWMCCS

War Reserve Materiel
War Reserve Stocks for Allies
Worldwide Military Command and Control System

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(U) Volumes I-III are integrated in this index. Annexes to the CINCPAC History are not included as each contains its own index. The volumes are paged consecutively. Volume I contains Chapters I-IV, pages 1-232. Volume II contains Chapters V-X, pages 233-482. Volume III contains Chapter XI, pages 483-715 and the glossary.

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