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SEVENTH SENIOR SEMINAR IN FOREIGN POLICY
Foreign Policy Study

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A Review of U.S. Security Arrangements in the Far East

by

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June 11, 1965

THIS STUDY DOES NOT CONSTITUTE A STATEMENT OF DEPARTMENTAL POLICY

Foreign Service Institute
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This paper represents only the essential elements of a longer paper now in preparation which will be more fully annotated and which will elaborate on many of the issues described so briefly herein. The collection of the material in this report involved travel by the author in April-May 1965 to Honolulu, Tokyo, Taipei, Hong Kong, Bangkok and New Delhi. His collaborator in the project who generally shares the conclusions of this report but who has prepared a separate unclassified submission under the same title and in different format visited Manila, Kuala Lumpur, Singapore, Paris and London in lieu of several of the above stops.

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I PREFACE

The passage of time and the many changes in international relationships in the Far East area that have occurred since the formalization of our principal security agreements make a critical analysis of our security arrangements in that area very timely, particularly in the light of the Chinese Communist nuclear explosions. The time frame for this inquiry will be 1965-1970.

The purpose of this study is to examine briefly the efficacy of the security arrangements upon which much of our forward strategy in the area rests and to come to conclusions where possible about the potential for meaningful modification of these arrangements or the creation of new ones. Prior to the field trip which took me and a Seminar colleague to Hawaai, Tokyo, Taipei, Hong Kong, Manila, Kuala Lumpur, Singapore, Bangkok, New Delhi, Paris and London, where we interviewed key U.S. and foreign officials and observers, we held discussions with responsible U.S. officials in Washington and benefitted from access to excellent material, both classified and unclassified, pertinent to the subject.

This review is based on one major assumption - i.e., that general war will be avoided and that the Free World-Communist struggle, short of general war, will continue. Articulated somewhat, the latter implies that the U.S. and its allies will remain a credible deterrent to major hostilities, that the U.S.-Soviet-China cold war triangle will not alter radically and that the latter will not engage each other in major hostilities during the five year period under consideration. Further corollary assumptions flowing out of the above are:

- a. that the U.S. will either succeed in its search for a satisfactory

settlement of the Vietnamese problem, or will continue to provide assistance at levels necessary to preclude Communist domination of major population centers in South Vietnam and Laos;

b. that the U.S. will be able to continue its close collaboration with South Korea and Taiwan to the extent necessary to deter large scale Communist aggression, or political upheavals resulting in susceptibility to Communist takeovers;

c. that Japan will continue to prosper and to evidence, over time, greater willingness and ability to promote, on its own, stability in Asia through technical and financial assistance and at least a limited mutual security involvement outside her own borders, and that growing Japanese nationalism will enhance these possibilities;

d. that the major dispute between India and Pakistan will persist but despite this, India will intensify its efforts to achieve an effective defense against China;

e. that Indonesia, while remaining hostile to Malaysia and the West, will not mount significant attacks against Malaysia due to the presence of Commonwealth forces and the possibility of U.S. involvement;

f. that the Sino-Soviet schism will raise at least some doubts in the minds of China's leaders about the willingness of the Soviets to assist them in the event of a serious confrontation with the U.S.

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II - SUMMARY

An examination of U.S. bilateral and regional security arrangements in the light of the CCNE and changing relations between the U.S. and her security partners has required a series of rather loose generalizations. We have found that to generalize on possibilities for new or revitalized security arrangements to buttress or supercede the incumbent ones has been difficult, even in the presence of the rather definitive assumptions outlined above. We found in our swing through the capitals of the area little enthusiasm for current regional arrangements, specifically SEATO, and even less for a beefed up or otherwise modified SEATO. We noted in our Embassies an inclination to want to stick to current formal bilateral arrangements, and in those few countries where we do not have formal security treaties, to rely on informal ones. Thailand is the best example of the latter situation where, side by side SEATO institutions, practically all significant U.S. collaboration with Thailand is handled essentially on a bilateral basis, but in the "framework of SEATO". We concluded that although the CCNE is an important and topical factor bearing in future U.S. policy formulation it may well not be the deciding one in shaping U.S. policies in the next five years or until such time as her nuclear capability reaches real military significance. Therefore equal, if not greater weight of commentary, despite our original intentions, has been devoted to the changing conditions in each of the countries under scrutiny, most evolutionary, some revolutionary, which will influence our ability to serve basic U.S. security needs, rather than to an elaboration on China and the bomb. We also found local national preoccupation with parochial concerns, with relatively little concern in the elite for broader regional problems;

so much so that we were left with the feeling that in the absence of the physical threat of Communist aggression, as it was understood in the early 50's there seemed to be less of a community of interest than 15 years ago, despite the implication of the situation in South Vietnam. One final impression, in summary, concerns the prospects for any new or radical departure in security arrangements. Little was in evidence in any of the countries visited which would support enthusiasm for security pacts differing markedly from those currently in effect. Our recommendations, described in Section V of this study tend therefore to take the form of refinements of current policies rather than departures from them.

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III - SOME GENERAL OBSERVATIONS

Before treating each of the countries visited and examining those in-country factors which will significantly influence our security arrangements, it would be profitable, first, to catalogue a series of impressions about them.

1. There was, we found, a disturbing lack of consensus from country to country as to the nature of the threat to the integrity of those nations threatened but not yet under Communist domination and, consequently, little consensus about what to do to cope with it.

2. Many sophisticated Asians are honestly confused when they contrast the high degree of Western unity in the face of the Soviet threat to Berlin as opposed to the apparent lack of Western unity before the Chinese threat in Asia.

3. It is our feeling that India and Japan ultimately will represent the only potential counterweights in the area to Chinese expansionism; yet at the same time, neither is willing or able to participate in any regional security pacts designed to contain Chinese power; nor is either able to contribute significantly even to the defense of immediately adjacent areas critical to their own security.

4. Japan poses a dilemma of classic proportions, much of it of our own making. It has a clearly recognized potential to become a first class Asian power (which in economic terms it already is) but shows few signs of assuming a political or military role in keeping with this potential.

5. The degree to which the two CCNE's impacted on basic attitudes in this regard is that they stimulated a great deal of national pride among the overseas Chinese, considerable uneasiness among the Taiwan

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elite, a mixture of grudging admiration and revulsion in Japan and a general uneasiness in South East Asia. Chinese community leaders in Thailand and Malaysia, for example, are not yet willing to adopt openly a pro-Peking stand and remain largely preoccupied with business and a protection of a profitable status quo. It is our feeling, which is no better than an educated guess, that once the Chinese acquire and deploy operational missiles of medium range, overseas Chinese attitudes no doubt will change, with results inimical to our interests, even if the Chinese weapons are of greater psychological than military significance.

6. To generalize for a moment on the formal security arrangements that we have established in the Far East, it would appear on the face of things that they are less than satisfactory in several important respects:

a. They are not structured to deal effectively with the main threat posed to several key states, i.e. the Communist threats contained in political warfare, subversion and insurgency. This proposition is especially true of SEATO, as it applies to Thailand, and the protocol states since SEATO's founders were mindful of a Korean style aggression and not wars of "national liberation".

b. SEATO itself still contains members who either directly opposed or are not willing to make significant contributions to a collective effort in behalf of countries under Communist pressure, i.e. Pakistan and France.

c. U.S. bilaterals with South Korea, Nationalist China and the Philippines have served their purposes well and are still invaluable since they provide the legal basis for a projection of military power and for other assistance designed to create economic and political stability. Each

one of these states is vulnerable to internal political upheaval, despite our best efforts and in the future, will, certainly be subjected to implicit if not explicit nuclear blackmail once the Chinese Communists acquire even a modest delivery capability. Whether the latter will drive them toward a greater reliance on the U.S. deterrent or toward accommodation with the Chinese is difficult to say.

d. The present bilateral with Japan although quite satisfactory in some respects suffers from the major defect of not having elicited from the Japanese an adequate defense effort.

e. Perhaps the greatest inherent weakness of our security alignments is their failure to present a united front composed of capable forces determined to resist. Japan, for example, is not yet committed to the defense of South Korea or to any other country. Burma and India have no more than a discreet dialogue, if that, on the problem of mutual defense against Chinese expansion. Even Thailand is reluctant to become identifiably involved in the defense of South Vietnam.

f. These apparent and unfortunately difficult to correct inconsistencies and weakness yield a picture of disunity and disorganization to Asian observers. As SEATO does not, ANZUS does appear, albeit in a more limited context, to offer assurances more responsive to the security requirements of its beneficiaries, and is highly valued by them. France could but does not play a significant role in support of collective security in Asia since it unlikely to alter its present "independent" line regardless of De Gaulle. Her critical attitude toward U.S.-U.K. policies in the area are an accretion of frustration, supreme egoism and a political philosophy which rationalizes French national interest

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vis-a-vis the Chinese in a manner markedly at variance with our own.

g. The U.K. shows a qualified sympathy and support for our active resistance to Communist pressures although constantly, but discreetly, counsels a peaceful settlement. This is undoubtedly so because of restiveness and growing concern over the prospects of added burdens in supporting her Malaysian commitment. Likewise, the Australians show a disposition to make common cause with us (perhaps uncomfortably so) and strongly support ANZUS pact.

h. On the issue of nuclear proliferation Japan and India have a reasonable near future capability to acquire nuclear weapons but in neither is there a clearly identifiable movement to do so.

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IV - GENERALIZED COMMENTARY

The following commentary contains background facts and data on a country-by-country basis and supports the foregoing observations in Section III and relates to the recommendations in Section V:

India and Japan-Counterweight Potential

In the long term, India and Japan acting in concert offer the only real promise for an effective counterweight to China in the area.¹ This is only an academic consideration at this point as neither is able or willing to join much less lead any regional mutual security grouping. Each is preoccupied with its own national problems. India, in the international sphere values too highly its leadership of the Afro-Asian bloc to risk a formal alignment with any pact, especially one associated with or otherwise encouraged by the U.S. I got the distinct feeling during my visit to New Delhi that India, despite its highly emotional dispute with Pakistan, considers China the more dangerous of the two enemies. Despite this and timely U.S. material assistance at the request of India in 1962, India still clings to a kind of non-alignment. Even greater ambivalence can be found in Japan where the Japanese fully recognize that the U.S. provides a nuclear umbrella but at the same time feels compelled to register disapproval of U.S. policies in Vietnam. My visit to Tokyo early in my itinerary and New Delhi at the end left me with the strong impression that each is too much preoccupied with itself to be expected to respond to any U.S. suggestions except those that are informal and low in political cost. The U.S. although it should remain alert to opportunities for a new formula in which non-Communist countries

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in Asia might be more effectively aligned would do well to relegate to another time and circumstance any specific proposals in this regard that involve India and Japan. Certainly, until Japan and India can act out of mutual agreement and from a basis of national consensus, little can be expected from them as a counterbalance.

Japan - the Dilemma

In all important ways the Japanese - U.S. relationship since World War II has been a success story. This is not so unusual when viewed in the light of the unique complimentation of interest that grew up after World War II, wise statesmanship on both sides and the revival of a sympathetic historical relationship. As her trading position improved and her political process stabilized, it was only natural that Japanese demands for a larger voice in treaty negotiations leading to the 1960 Mutual Security Treaty were heard in the late 50's. These negotiations were characterized by the fact that the parties were for the first time solidly co-equal. The U.S. came out of them with a reduced physical relationship.

It is clear that control over Japanese foreign policy rests with the Liberal Democrat Party and that this situation will probably not change until late 60's or after.² Continuous and overwhelming control of the Diet, almost complete lack of communication with the principal opposition and the introversive pull of a constant factional power struggle involving all major policy questions all work to make the foreign policy formulation process virtually identical with intra-party decision making. The fragmented structure of the LDP together with a consensual conception

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of authority makes compromise essential to all decisions and thus militates against strong leadership or rapid policy changes. This pattern of decision making causes internal party consultations to be a crucial factor in major foreign policy issues and points up the passive part that Japan has played in international politics.

The Socialists who control 31% of the Diet seats have been in perpetual opposition and have foreign policy preferences close to the much weaker Japanese Communist Party.

The Democrat Socialist Party until recently the only other party of any significance in Japan is a splinter of the JSP and has attempted without much success to act in the role of a "third force". Both the LDP and the JSP are making strenuous efforts to develop grass roots support and to develop a new political image. Both are concerned about the recent emergence of another party, the Sokka Gakkai, a Buddhist affiliated, fundamentalist -not precisely political - party which has had great success at the polls and is now the number three political party in Japan. It may only be a political novelty attracting the floating protest vote disenchanted with both the LDP and the JSP but it's authoritarian structure and vote getting efficiency have posed a new threat to them. Its importance stems from the fact that it now holds the balance of power between the LDP and the Left on issues requiring two thirds majorities in the Diet - e.g. Constitutional revision. Its leadership is on record as opposed to amendment of the "no war" clause of the Constitution, i.e. Article Nine which is the principal legal stumbling block to expanding Japanese military forces or their deployment outside the Home Islands.

One can conclude from the above, with the risks attendant upon gen-

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eralization, that although the creation of a favorable climate of opinion on specific issues might allow Japanese decision makers, i.e. the faction leaders in the LDP, to enact specific limited policy changes, it is not likely that Japan's China policy, for example, will necessarily be influenced even by a broadly based mass movement. The reason for this is that for mass opinion to have a direct effect on a particular decision, it must be clear, sustained and intense. If, to take the point further, mass opinion is to effect a change in the China policy it surely would have to be conjoined with a broader political threat from the Left to the Conservative Government itself - a challenge which certainly would involve considerations well above and beyond the single issue of Japan-China relations. Consequently, barring an unexpected shift in political power, the effective influence pro and con regarding rapprochement with China from within Japan will come from the Conservative politicians, bureaucrats and businessmen who now dominate the foreign policy formulation process in the LDP and will probably continue to do so.

Nationalism is slowly but surely growing in Japan. A concomitant development is the appearance of a feeling of superiority over other Asians, which inclines many Japanese to support the regime that has won international prestige for Japan. A modernizing and reforming LDP will probably be able therefore to maintain a majority in the Diet through 1969-70 but may well have to begin to share some power with the Socialists after that if their political fortunes show a decline.

Several major points of contention, which to the present have not caused serious embarrassment, will remain with us in our security relationship with Japanese which only time and continued efforts to persuade will

influence. They are the reluctance if not the inability of the LDP to create a political atmosphere and consensus within the Party in which it might be able to gain the intense mass support that is needed to change Article Nine of the Constitution. This circumstance has made it difficult for the U.S. and for those Japanese similarly disposed, i.e. the Japanese senior military establishment, to induce the Japanese Government and Electorate to expand its expenditures on the military budget. Some progress has been made in this regard, but it will be a slow process. Only 1.1% of the GNP is now devoted to defense and it is unlikely to do more than keep pace with the expanding GNP of the country. Japanese military catastrophe in World War II, strong reservations about the usefulness of large forces, and Japanese reluctance to sacrifice economic development to underwrite military programs are all important factors. The other principal concern with Japan involves her ambivalent attitude toward Communist China, specifically the matter of trade at the present time. We must, first off, admit that there will be, despite our best efforts, continuing differences on our respective China policies. To date, Japan has adhered to COCOM, although pushing at the same time for increased trade with China, if for no other reason than to keep pace with the trade promotion efforts of our own Western allies. Official Japanese trade policy toward China has been based on the separation of political and economic affairs, a distinction made meaningful in terms of Japan's desire to trade without granting diplomatic recognition. The Chinese have made it clear, however, that this distinction will be accepted at Chinese convenience. Despite sharp increases in the volume of trade between them in the past two and a half years, the total comes to only 5% of Japanese

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foreign transactions and is unlikely to become a political lever for the Chinese. The evolution of economic ties between the two has created considerable pressure within the business dominated LDP, however, it has fortunately to a degree, been recently blunted by Chinese tactics and has given rise to some disillusionment. It is my view that it is improbable that there will be a direct Tokyo-Peking political settlement. The possible short term advantages of such a move hold little value for the Japanese in light of the risks of disrupting the special economic and military relationships with the U.S. which have brought it prosperity and international prestige.⁵ Just as it is improbable that Japan will directly address the China problem, its contacts with China will increase and broaden. Thus, at a time when the Japanese Government has moved to strengthen ties with Taiwan, defacto relations with China have burgeoned. Japan's policy toward China are at best ambivalent and at worst schizophrenic. The will or ability to resolve her dual policy lacking, Japan can be expected to follow the shifting tides of politics in the region as a whole in her China relationship. It is likely that her growing contacts with China caused in part by the Chinese policy shift against the Soviets may eventually result in de facto normalization, in which Japanese policy makers would probably acquiesce.³

To particularize for a moment, it is my feeling that underlying Japanese uneasiness regarding U.S. policies in the Far East, especially in Vietnam, is her fear that somehow she will be drawn into a war against her will and certainly against all her instincts. With regard to our China policy, which they officially endorse because their overall relationship with us requires it, it is evident that many of Japan's leaders

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take a far less hostile view of Chinese society, regarding it as more Chinese than Communist than most American officials. It is evident, particularly from Prime Minister Sato's remarks in his discussions with the President during his recent visit to this country, that Japanese consider themselves much better qualified than we to assess Chinese behavior and intentions. Intimately bound up, at least for the moment, in Japanese apprehensions about her China policy of course is her fear, indicated above, that U.S. pressures against Hanoi will only make the North Vietnamese dependent to a even greater extent on Peking. Although not fully articulated, but reflected fairly clearly in the recent Japanese response to Mr. Rosrow's theses supporting the U.S. policy in South Vietnam, is the Japanese feeling that almost any kind of settlement in Vietnam is preferable to the risks of a wider and more direct confrontation with the Chinese. Perhaps they hope for a Titoist South Vietnam which might somehow impede Chinese expansion for the time being. It is my view that sophisticated Japanese political observers are less than completely rational about their reaction to U.S. policies there and have assumed an ambivalent position rather than face up to the political realities.

Our short visit to Japan left us with the general impression of a Japan still groping for its place in the post World War II world, showing some tendencies toward reversion to a classical nationalism but still most reluctant to take serious initiatives on its own. There are emerging, however, some signs of willingness to exert influence in the region and thus it is not too soon for us to give renewed and vigorous thought to the important problem of what kind of relationship best suits us both, i.e. one that best suits our long range interests and is hopefully at the same

time consonant with Japanese capacities and basic interests in Asia.

Korea [dot-matrix graphic]

Although schedule difficulties prevented a stop in Korea, it was possible to obtain some useful insights through discussions with U.S. Embassy officials in Tokyo as well as with Japanese Foreign Office officials. The Mutual Defense Treaty of 1954 written as an aftermath of the Korean War and the Economic Assistance Agreement of 1961 still stand as the technical basis for a continuing close U.S.-Korean collaboration - a relationship which on the one hand has been the deciding factor in the economic and political progress of the ROK since 1953 and on the other hand has engendered a degree of dependence on the U.S. which has created very real problems. The basic assumptions under which the U.S. Government operates in its relationships with Korea are essentially the same as those cited earlier for the entire region, i.e. that there will be no major hostilities, that basic cold war relationships will persist and that local popular attitudes in Korea will not so change as to reduce U.S. influence.

U.S. interests in Korea are, briefly, to preserve a vast investment in human and other resources, to maintain a Western defense position on the Asian mainland; to prove that non-Communist nation building can pay off; and to demonstrate to other Asian countries the dependability of a U.S. alliance and support. The primary South Korean security alliance is the Mutual Defense Treaty of 1954 with the U.S. The latter pact provides inter alia for: action in accordance with its "constitutional processes" by either signatory in the event of armed attack in the Pacific area on

[dot-matrix graphic]

either of the parties in territories under their respective administrative control; it specifies the right of the U.S. to dispose its forces in Korean territory by mutual agreement. The preamble of the treaty, interestingly enough, refers to the desire of the two countries "further to strengthen their efforts for collective defense-- pending the development of a more comprehensive and effective system of mutual security in the Pacific area". Of course, nothing of this description has ever evolved, nor is it likely to in the near future. Our comments on the Chiang Kai-Shek proposal for a NEATO in this context will extend the latter view in a later section. Until just a year or two ago it was still a question of whether or not the ROK would become a viable political and economic entity. Now, to be somewhat optimistic, it is no longer a question of whether but how long it will take to become a developed country. Obstacles to the latter are still considerable and will require continued U.S. interest, involvement, and forbearance. Although Korea has not become, indeed could not have become, a showcase operation like Japan or to a lesser degree Taiwan, it has made some progress toward economic and political maturity. Of supreme importance to the Korean economy are the need to normalize its relations with Japan, and a high degree of statesmanship following the signatures on the pending formal agreement. Koreans still resent earlier Japanese domination and will be suspicious of any substantial Japanese investment in Korea despite the fact that capital investment is badly needed. The importance of continued military and economic assistance to Korea is psychological as well as strategic and really cannot be overstated. The ROK cannot be expected to cope with aggression from the Chinese mainland, although it is to be hoped that the ROK would acquit itself

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well in an engagement with the North Koreans. It is important therefore that we continue to render assurances of our commitments to them since uncertainties in this regard continue to plague both the Korean Government and the Korean people. General Park's official visit to Washington in May 1965 was just the most recent manifestation of this gnawing concern. The President's personal reassurances, a new tranche of economic assistance and reiterated U.S. determination to remain at the side of South Korea were once again in order.

The Republic of China

Our basic defense commitment to the ROC is spelled out in the Defense Treaty of 1954 which was concluded in the atmosphere and as an aftermath of the Korean War. It was a time when Korean type aggression was the problem of the hour. Article 5 of the Treaty states that we recognize that an armed attack against the ROC would be dangerous to our peace and safety and declares we would act to meet this danger " in accordance with our constitutional process". Article Six defined the territory covered by the commitment as Taiwan, the Pescadores and others by mutual consent. Public Law 4, a joint congressional resolution of January 1955 further defined Presidential authority in the matter of interpreting the treaty. A joint communique after the Dulles-Chiang meeting of October 1958 delimited our commitments even more explicitly. The Mutual Defense Assistance Agreement of February 1951 committed the U.S. to supply certain types of military equipment and still provides the legal basis for the on-going MAP program, which continues despite a decision to terminate the AID program. The basic agreement covering our economic assistance program

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was the "Economic Cooperation with China" Program of July 1948. The last developmental loan under this program has been completed. The ROC success, although not unqualified in the economic development sphere represents a case of economic accommodation in the presence of political inflexibility of an extraordinary type. It is remarkable and largely to U.S. credit that the burden of an abnormally large defense establishment was not allowed to erode the progress of economic development. Our principal concern of the mid 50's, i.e. the possibility of a ROC invasion of the mainland, or a mainland attack on Taiwan seems to have receded with the years but has not lessened the continuing dilemma for the China regime of the "mainland philosophy". This we will have with us until the death of Chiang-Kai-Shek. It is our feeling that whoever assumes the mantle of power on the death of Chiang, whether it be Chiang Ching Kuo or another, that a decidedly pragmatic political philosophy with regard to the mainland issue will evolve. In the meantime, Chiang has once again proposed the formation of a new military alliance (NEATO) to include the ROC, ROK, South Vietnam and possibly the U.S. This proposal, last floated in March 1964, was not well received in the U.S. at that time nor does such an organization now appear to us to be feasible for several very good reasons. First the Japanese would have to be included in such an arrangement for it to have any meaning; and the Japanese are not ready politically to enter formally into such an agreement. Until relations between South Korea and Japan are normalized, any organization including both would not be workable. Needless to say the process of normalization between Japan and Korea has barely begun and at best is a fragile construction which will require time, mutual trust and wise diplomacy to strengthen. Lastly, it is ap-

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parent after visiting out major allies in the Far East, that there definitely is not yet a sufficient community of interest among Japan, Korea and Taiwan to make a NEATO arrangement meaningful in the broader context required. It is most unlikely prior to the death of Chiang that the ROC will publicly utter a new philosophy nor are there any indications that any significant ROC personality is inclined to do so at present. Continued reference is made in Taipei and Washington to the probability that Chiang Ching Kuo will inherit the Generalissimo's office. Even in the absence of the latter, one gets the feeling in Taipei that the return to the mainland theme will be quietly junked and a pragmatic approach will prevail which might well result in the establishment of a de facto Government of Taiwan regardless of the sticky implication for the U.S. of facing either a "two China" policy or a "one China-one Taiwan" policy.⁴

One fairly ominous note that was sounded informally in Taipei during our consultations there involved an observation that the Chinese mainland military officer corps had largely remained handless and thus rootless in a rapidly developing economy, in which Taiwanese interests have become dominate. The fact that they have not become assimilated by marriage or business interest into the Taiwanese community has given rise to the growing dissatisfaction in this corps. No one in Taipei predicted that this "out of the mainstream group" would eventually, in the face of failure of the mainland thesis, necessarily act out of desperation. The problem of what to do with a large, well knit but unrequited element will have to be dealt with sooner or later and may require urgent attention sooner than anticipated. Similar fears concerning the inevitable increase of Taiwanese representation in the Army and at the local and national poli-

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tical levels are also voiced by Chinese but without a note of urgency.

Although Chiang Kai-Shek was perhaps more than any other Asian leader of stature shaken by the COME, he appears to have rationalized his situation somewhat and was once again occupied with pushing the NEATO concept, thinking no doubt that escalation in Vietnam would make the U.S. more receptive to the notion. He has never, it appears, articulated fully what he really means by this concept except to imply that if the U.S. got out in front of the Asian countries involved and supplied the money and hardware, the ROC would strongly support the venture. Whenever the subject came up in the various Asian capitals that we visited, the matter of using Chinese troops in a manner similar to the use of ROK non-combatant elements in South Vietnam, any where in Asia, was greeted with the complete rebuff usually reserved for hoary chestnuts.

Finally, with the ending of American concessional AID programs in late 1964, the dichotomy between economic development and a hardened political commitment to a large military establishment dedicated to a return to the mainland will be increasingly difficult to sustain. Disengagement from the mainland philosophy is probably next to impossible under the present leadership which varies little from those who came to Taiwan 15 years ago. Delay in considering the pressing problems of population, education and of modernization in general will naturally increase risks to stability. Beginning the 16th year of their exile, the Nationalists are no closer to the Mainland and are seemingly yet unable to come to grips with the problems and pressures of a developing Taiwan. Although some aspects of the U.S. Assistance Program are being modified and others tossed out, it is to be expected that the basic treaty relationship

will not change and need not be changed.

Hong Kong The Listening Post

The government and people of Hong Kong remain preoccupied with increasing its role as a first class entrepot and tourist center. From the U.S. point of view, Hong Kong is still the best listening post for developments within Communist China although the amount and quality of information coming out from year to year seems to vary directly with the severity with which the Chicom regime treats its own people. Trading and financial arrangements in Hong Kong in all probability produce over a half of the hard currencies needed by the Chinese to sustain their nuclear energy program and it's unlikely therefore that the Chinese will in the near future act in any way that would jeopardize this critically important income. According to a well informed British official in Hong Kong, there has been a steady influx into Hong Kong in the last few years of many highly trained Chicom technicians, bank officials and businessmen who appear to be under instructions to establish themselves as competent professionals against the day ultimately, and in the longer term, when the the Chinese Government may wish to switch from an achieved de facto control of this Colony to a de jure one. The local Chinese community, particularly the wealthier element, is very happy with the status quo and desires above all else to avoid rocking the boat. There is, not surprisingly, a vocal admiration for the technological accomplishments of their mainland cousins at the time of the first CCNE, as was also the case in Taipei. Little significant local Chinese opinion otherwise resulted from the first explosion and little is likely to evolve from the second in the short

term. Their reaction tends to be characteristic of overseas Chinese reactions elsewhere in the region. It is likely therefore that for at least the foreseeable future that Western interests will continue their toe hold on the Asian mainland but perhaps increasingly on Communist terms.

The Philippines

Our bilateral security treaty with the Philippines permits our use of several important military installations crucially important to the physical projection of U.S. power into South East Asia and to the confidence of the Philippines in our willingness and ability to defend their soil. Despite a number of incidents involving the U.S. military, there is no sustained popular sentiment calling for the withdrawal of U.S. forces. Against a background of a continuing, fairly strong identification of national interests between our two countries and the apparent "stayability" of military bases there, there are, however, two disturbing trends which have a bearing on the will and the ability of the Philippines to play a positive role in any scheme of collective defense in the area. The more important of these is the general malaise which seems to have infected the political and psychological fabric of Philippine society since the death of President Magsaysay. One fairly alarming and measurable indication of this is the decline in real per capita income during the past few years. Also there has been a sharp rise in banditry in the countryside and unemployment and crime in the cities, accompanied by a deterioration in the effectiveness of the armed forces and the Constabulary. There are few indications that the Communists have gained important strength but many observers fear that the worsening domestic situation may lead to

to their revival. Growing public apathy has been accelerated by a general failure of reform and the elements of society that have devoted themselves to social progress within a democratic framework seem to have lost much of their elan. Although reportedly disenchanted with Indonesian policies and activities in their own country, there is reportedly a growing sentiment for closer identity with the Afro-Asian world and for looser ties with the U.S.

Although Philippino leaders continue to stress historic ties with the U.S. and concede that Philippino security depends on the U.S., and call on the U.S. for continued economic and military assistance, there are few indications that the Government is serious about reform measures needed to make our assistance meaningful. The Philippine military establishment is in particularly bad straits and spends most of its budget for personnel leaving dangerous shortfalls for critical maintenance, supply and training. As for national security policies, Philippino politicians are unsuccessfully trying to bridge the widening gap between those local groups that advocate on the one hand a continued reliance on the U.S. in light of the CCNE's and Indonesian aggressiveness and on the other hand the ultra-nationalists who wish to disassociate the Islands from their ties with a colonial master in order to gain favor with the Afro-Asian bloc which maintains that the Philippines are not really independent.

In sum, the Philippines present U.S. policy makers with a formidable array of baffling contradictions and potentially serious challenges to our vital national interests in this former colony. To cite but one example, the Philippines have the capability of adding significantly to the defense

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of freedom in southeast Asia by improving the quality of their own forces and contributing some of them plus technicians to South Vietnam. However, they are handicapped severely from making an effective contribution by serious institutional and political weaknesses at home which preclude the mobilization of the human talent and material resources required to support properly new programs, either at home or abroad. In fact, one gets the impression that we should be quite satisfied if they are able to slow the pace of deterioration within the Philippines let alone contribute to the battle against the Communists in Vietnam or Laos.

Consequently, if we are bold enough to attempt to strengthen the unity and purpose of Free Asian states through the creation of new and more meaningful organizations dedicated to mutual assistance, we should be prepared to provide the subsidies and incentives required to insure a positive Philippine contribution to such an effort. In the absence of strong incentives and reasonable prospects of success we can expect the Philippines to take a dim view of any new collective security arrangements calling for an extension of their obligations or attracting additional charges of subservience to Uncle Sam.

Thailand

In assessing Thailand as a member of SEATO or any new or more comprehensive organization of Asian states or in terms of her relations with the U.S. vis-a-vis the Communist powers in Asia, one would do well to keep in mind the history of Thai foreign policy - especially since 1940

Her experience during WW II, beginning with the political crisis of 1941, which resulted in Thailand casting her lot with Japan, provides

some excellent insights into why the Thais decided to join SEATO. The main objective of this move was, of course, to avoid being left once more at the mercy of an overpowering enemy, defenseless and minus strong allies.

Since 1954, Thailand's confidence in SEATO has been severely shaken on several occasions; the worst crisis occurred during late 1961-62 when the major Western powers opted to negotiate a Laotian settlement rather than widen the war or attempt to achieve an acceptable partition of the country through a military counter-offensive.

U.S. reassurances of willingness to stand firmly by our SEATO commitments, regardless of the position of others, contained in the Rusk-Thanat Communique of March 6, 1962, plus additional U.S. assistance and several impressive demonstrations of U.S. capability to deploy combat forces into forward areas near Laos on short notice, probably persuaded the Thais to drop any plans they may have had to seek refuge in a traditional Thai policy of neutrality, or by playing one major power off against another.

More recently, strong U.S. counter-actions in Vietnam and adjacent territories and waters have inspired new confidence in those Thais most dedicated to collaboration with the West as a means of protecting Thailand from Communist aggression, whatever its form.

Since 1963, Thailand has proved to be one of the main supporters of U.S. policies in southeast Asia, and contrary to the views of many experts following the death of Prime Minister Sarit, has managed to avoid serious political troubles and to gain economic strength. The government has also given priority attention to the dangerous situation which has been developing in the backward areas of the northeast and southern provinces.

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All in all, the situation in Thailand and our relations with her are far better than most students of the country would have dared to predict several years ago.

However, the Thais have not felt themselves capable of contributing significantly to the struggle in Vietnam - they feel that they are doing enough by assisting the non-Communist factions in Laos and by shoring up their own position in the dangerous border areas of Thailand - and they are a long way from securing certain critical areas in the south and north-east from potential Communist activities.

Few in authority in Bangkok, Americans or Thais, are willing to be quoted as to just how serious the situation is in these critical areas, and few are prepared to say that the civic action type programs now planned or underway will suffice to win the loyalty of the populace or counter effectively Communist action programs. Certainly, the efforts of the government to bring these areas more under control will not succeed until the national police are better trained and begin to inspire more confidence than fear among their constituents and until senior officers, both civil and military, of higher quality are willing to spend more time in the provinces.

Thailand's ability to contribute strength rather than new problems to its allies, whether it is within the framework of SEATO or in another pattern of states, is not only directly dependent upon the course of the struggle in Laos and Vietnam but upon the ability of the central government to mobilize its limited internal resources in such a manner as to inspire renewed confidence and hope among elite groups and those most exposed to Communist pressures and appeals.

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The struggle for Thailand is still mainly political in nature; new roads or wells may improve living conditions but will not necessarily cause their beneficiaries to cooperate with the government or resist Communist promises or pressures. Nor is newer or fancier military equipment the answer to the type of challenge which must be met if Thailand is to become a society less vulnerable to revolutionary Communist warfare or to the old garden variety form of political or social revolt.

There are some observers of the Thai scene who feel that there is a significant gap between Thai words and deeds when it comes to countering Communist moves in southeast Asia. This is based upon their belief that the Thai leaders lack a sense of urgency or are otherwise reluctant to mobilize sufficient of their own resources to thwart Communist efforts in Thailand and areas directly related to the defense of Thailand. One answer to this is that short of major institutional changes and the abandonment of traditional Thai attitudes towards family and country, we should not expect any appreciable increases in the quality or quantity of Thai efforts towards the building of a modern nation-state, more capable of defending against hostile or alien challenges or various types.

As for Thai attitudes towards new institutional approaches to the problem of collective security in the area, it is most difficult to reach any firm conclusions after only a few hours of discussions with several observers, no matter what their credentials may be. However, there seems to be general agreement on the fact that Thai attitudes would depend largely upon the effect they thought such a move would have upon the present U.S. commitment to their security.

In this regard, Thailand would probably be a constructive member of

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a more comprehensive alliance of Asian states, as long as she were convinced that membership in such an organization would not dilute the U.S. commitment to defend her in the event of Communist aggression.

A similar attitude prevails regarding possible modifications of SEATO. Several years ago the Thais were calling for radical reforms designed to strengthen SEATO, such as expelling those members unwilling to take strong measures in the face of Communist actions in Laos. Recently, however, the Thai position on this question has become less vocal, which probably reflects renewed confidence in U.S. assurances and a greater show of U.S. force in the area.

In any case, in contrast to Malaysia and the Philippines, the Thais are not uneasy about their close ties with and dependence upon former colonial powers such as the U.S. Nor are they actively searching for alternatives to present arrangements, although they would welcome a stronger U.S. commitment to the containment of Communist power in Asia, particularly in Laos and Thailand.

On the other hand, it has yet to be determined whether we will succeed in our efforts to assist Thailand toward achieving a greater degree of resistance to Communist warfare. Too much direct aid and attention would perhaps be more damaging than too little. An alternative, more potential than real, is to induce Thailand and other Free Asian states to unite more closely. But even if this were achieved, Thailand could not hope to survive too long without a strong U.S. commitment to the defense of the area or in the absence of greater strength and unity within the body politic of Thailand itself.

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Malaysia

This new entity has a double dose of serious trouble - communal strife and strong hostility from a much larger neighbor too close for comfort. Whether it can survive these twin challenges depends greatly upon the ability and determination of the Western powers to provide needed assistance.

In contrast to the Philippines, Malaysia is more tolerant of her former masters and much more eager to perpetuate the protection, economic assistance, and commercial presence of the British.

On the other hand there are some indications that some of the Malay leaders are having second thoughts about Malaysia as the answer to the Chinese problem posed by Singapore. The Borneo territories are proving more difficult to defend and assimilate than originally anticipated. Although it is now evident that Sukarno has failed to frighten the Malaysians into a compromise settlement favorable to Indonesia, and that he lacks the power to force a solution as long as Commonwealth forces remain in strength and U.S. intervention remains a possibility, some key Malay leaders are said to be increasingly attracted to the idea of some sort of union with their Malay brethren across the narrow straits of Malacca and in Borneo.

This sentiment is not only inspired by Malay apprehension regarding the growing power of the Chinese community in Malaysia, particularly the PAP in Singapore, headed by the able and ambitious Lee Kuan Yew; it is also stimulated by fears of eventual Chinese domination of the rest of south-east Asia.

The two successful Chinese nuclear tests have apparently not had

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significant effect upon the basic attitudes or loyalties among the overseas Chinese in Malaya, particularly the Straits Chinese, largely because they are too preoccupied with commercial interests and local affairs. Nonetheless, these tests have doubtless inspired a great deal of national pride and tend to contribute to the cause of those preaching accommodation with Communist China.

As for a possible place for Malaysia in a multilateral collective security organization, at first blush, it would appear to represent an ideal candidate for membership in either SEATO or a new, wider Asian mutual security alignment. She is already a member of the Commonwealth and plays host for some 50,000 Commonwealth troops, some of which are earmarked for possible SEATO use, plus some formidable military bases. Moreover, even the main leaders of the Chinese minority are opposed to Chicom hegemony in the area.

Yet there are several strong reasons against sponsoring Malaysia for membership in SEATO, ANZUS, or a new collective security organization of Asian states.

She suffers from a number of serious divisions among her several large religious and ethnic groups, mainly between the Chinese and Malay communities. Although most observers I was able to contact felt that both communities have too much at stake in Malaysia to resort to open warfare or re-partition of the country, it is difficult to envisage a durable political compromise as long as the Malay leaders remain dedicated to the proposition of restricting PAP strength to the State efforts in commercial pursuits, but the great disparity between the Chinese capabilities and those of most Malays is bound to cause serious strains in the present

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functional compromise along political-economic lines.

Short of a costly civil war and occupation of Singapore, Malay leaders will probably be forced eventually to accept Lee's basic thesis of a federal coalition of the leaders of the two major communities. Prolonged or militant resistance to the legitimate political aspirations of the Chinese minority would only weaken the nation and result in the eventual replacement of moderate and pro-Western leaders by leaders of the radical left and militant pro-Chicom elements.

There is no apparent discord over the major lines of Malaysian foreign policy, since the leaders of both major communities favor containment of Chinese power in Asia and continued close ties with the Commonwealth, although there are some Malay leaders less willing to resist Indonesian blandishments than the Tunku or his deputy Razak. Not even U.S. air raids against the DRV aroused more than sporadic and desultory sniping from the radical left in Singapore. Lee himself has publicly backed U.S. assistance to South Vietnam.

In any case, Malay leaders are even more resolute than the Philipinos to gain a respected position among the newly independent Afro-Asian states. They are consequently most reluctant to take any step which either highlights or expands their involvement with the Western powers, particularly the U.S.

This does not mean that they are disinterested in U.S. military assistance or willing to give the British an excuse for reducing or withdrawing their forces or assistance, at least not as long as there is a strong external threat.

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Although Malay leaders would not wish to be excluded from a general alliance of free Asian states, they would probably reject any tender to join SEATO or ANZUS because such a move would detract from their main purpose of gaining a respected place in the Afro-Asian world.

While it would probably be unwise for the U.S. to do any more than we have done to insure the success of Malaysia, it would surely not be in our best interests to see it torn by civil war or coerced into joining either the Indonesian or Chinese camps, which can be treated as one bloc from several standpoints. Thus, depending upon developments in Vietnam and Japan, principally, it might be prudent for us to prepare for the time when Malay leaders are given the opportunity to join in the formation of a regional system of collective security and economic cooperation. Such a grouping would certainly have much greater appeal than a Western dominated alliance, such as SEATO, or continued dependence upon the UK, a former colonial master.

SEATO and Broader Aspects of Collective Security in the Far East

Taken against a background of aggressive Chicom and Soviet policies during the late 40's and early 50's the establishment of SEATO in 1954 was of unusual significance because it represented the first U.S. commitment to a mainland Asian country. It proved useful as a bargaining lever for U.S. policy purposes in the Geneva Conference of 1954, and provided a technical basis for later collaboration with Thailand as well as a platform for a continuing and useful international dialogue on the status of the "Protocol" states of Cambodia, Laos and South Vietnam which were disallowed direct SEATO association by the Geneva Accords of 1954.

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The Laos crisis of 1962 was SEATO's first major test, which found it seriously wanting. The consequence of this affair was to undermine seriously Thailand's confidence in SEATO guarantees which fortunately were largely offset by the Thanat-Rusk agreement in 1962 in which Secretary Rusk and Foreign Minister Thanat of Thailand agreed that a single country (i.e. the U.S.) could act under its treaty obligation unilaterally and without depending on other SEATO participants. This interpretation was later endorsed by all parties except France. This thesis was put to the test in May 1962 in Laos when both Thailand and the U.S. put forces into Laos to prevent further Pathet-Lao aggression. Since that time there has been no further difficulty in Thailand with which we have in effect conducted a bilateral collaboration, without benefit of formal treaty, but within the spirit and framework of SEATO.

France has just about written itself out of SEATO, while Pakistan has become less and less identified with it. The Geneva Accord of 1962 required that Laos not be involved with SEATO -- in which SEATO has acquiesced, but options appear to remain open despite this.

Thus SEATO, despite its earlier failings and present organizational vicissitudes, has in fact been of some significance as a deterrent to aggression as a symbol of U.S. determination to use its power if need be. It has been a useful vehicle, if a modest one, for international and inter service military planning and has provided an inexpensive institutionalized platform for exchanges on common problems. It has provided a general rationale for our military assistance to Thailand and has parochially but importantly been useful as a U.S. White House instrument to obtain for bi-partisan support for the President during crises like the

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Tonkin Gulf episode.

Put another way, and perhaps unfairly, it would no doubt cause more problems than it would solve to withdraw from SEATO or to allow it to wither away. Despite what many critics contend, i.e. that SEATO has outlived the purposes for which it was originally established, i.e. as a regional alliance designed to discourage Korean Type aggression, and thus cannot hope to contend with problems like South Vietnam, or even with the pro-Communist utterances of Prince Sihanouk, it appears that SEATO has provided and can continue a framework of collaboration within which the U.S., acting increasingly in a bilateral context will continue to operate, particularly in the critical Thailand border areas. What are the prospects or even the feasibility of future collective security organizations in the Far East? First of all, any prospects for a revitalized SEATO as such are pretty dim. The departure of France and perhaps Pakistan in the near future will not materially change its prospects one way or another. The continued ambivalence of Laos and Cambodia, the fact that the U.S. involvement in South Vietnam has become almost exclusively a U.S. problem, the fact that the U.S.-Thai relationship constitutes a bilateral arrangement, and the willingness but inability of the Philippines to do any more than they already have done under SEATO tend to preclude any new or dramatic departures for SEATO or to bring into being a newer version of the same. Australia, although increasingly aware of its status as an Asian country, still clings to its association with the "White Man's Club" in South East Asia and values its association in ANZUS much more highly than with SEATO. The implication in this attitude is that Australia values less its security relationships with the UK despite the fact that the

U.K. Defense Agreement of 1957 with Malaysia has considerably eased the problem of Australian assistance to Malaysia in its confrontation with Indonesia. The Australians are very mindful of the opportunity to call on the U.S. for assistance in Malaysia under ANZUS commitments should the microcosm of war in the Malaysian border areas ever erupt into something serious. It is recognized on both sides that the Indonesian threat is not strictly speaking the type originally envisaged in the ANZUS pact by the U.S. in 1954. As for an enlargement of ANZUS, one of the principal factors militating against it is Australia's strong desire to keep it as a non-Asian alliance.

Generally, when viewing the prospects for an enlarged or beefed-up regional security alignment with our various embassies in the area, we discovered an almost unanimous inclination to discredit the possibility - either on the basis of disenchantment with SEATO or because of the feeling that there was simply not enough of an identified community of interest among the countries in the area. Strengthening this inclination in U.S. establishments is the success that the U.S. has had in its purely bilateral relationships and with satisfactory informal security arrangements, as for example in Thailand. On balance, we do not discount the possibility for a loose Far Eastern security arrangement but it would, under current circumstances, have to be cast in a distinctly informal mold. We may well be moving in this direction now in our efforts to encourage the establishment of a Foreign Minister of Asian Countries conference as a consultative body, out of which certain substantively limited but area wide executive agreements might hopefully emerge. Progress, however, can be expected to be slow and halting.

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V - CONCLUSIONS AND RECOMMENDATIONS

In light of the above considerations, the U.S. should intensify its efforts to encourage and strengthen those forces in the area which show a willingness to oppose Communist expansion. This can be done partially by forging a new and more durable set of relations with Japan particularly in the area of expanded trade with and economic assistance to less developed countries in Asia, and in welding mutual security arrangements in which the Japanese would play a positive role. Specifically, we should work to ensure that Japan is able to find markets in the Free World to support her own economic growth; encourage Japan to devote a larger share of its GNP to economic and technical assistance. When it is apparent that she is ready to do so, Japan should be offered a positive opportunity to be part of a partnership set up to defend the Western Pacific area including the Philippines. Such a relationship is predicated, unrealistically at the present time, on a much larger self generated Japanese defense effort in areas complementary to U.S. strategic forces. Part of the overall agreement that such arrangements would require, would include the disposition of the Ryuku Islands. These will inevitably revert to Japan and in recognition of this fact some viable phasing of their administration to the Japanese is an absolutely sine qua non to such an agreement. The next year or two would not be too soon to open discussions with Japanese to pave the way for fruitful discussions in the pre-1970 Mutual Security Treaty Negotiations. Obviously, such a treaty should not preclude U.S. use of such bases as are judged of critical importance to the U.S. in the Ryukus as well as in the Home Islands. Nothing short of a complete accord, with a major integration of bases and forces

in the Home Island area will either relieve the present onerous burden of defense now carried by the U.S. or, more importantly perhaps, insure positive Japanese reactions in time of great international crisis, such as renewed major hostilities with the Communist World. The alternatives to such as treaty are unpalatable a compromising withdrawal of U.S. power from Japanese waters or continued dependence on an uncertain ally.

If and when Japan indicates an ability and willingness to play a more positive and beneficial role in Asian affairs, the U.S. should encourage the formation of a regional association of Asian states committed to non-aggression, economic development and collective security to include Thailand, Australia, and New Zealand to provide a direct link to U.S. and U.K. security guarantees. The "if" of such a recommendation as well as doubts about the "when" of it make the whole proposition somewhat academic at this point but the notion deserves constant consideration in our forward planning for the area.

An alternative to the above concept would be a revised SEATO with France preferably on the sideline, with Pakistan out, and Malaysia and Japan in. Such a proposal seems hardly feasible at present and would hardly be worth the effort were Japan unwilling to participate. Another matter of great importance is the problem of gaining Congressional approval of a more definitive commitment backing up such a regional arrangement.

Underlying the difficulties of getting the various countries of the area to consider membership in a broader regional security grouping is the fact that intra-regional trade is of marginal importance as most of the economies of these countries are competitive; sharp differences in

national attitudes, traditions, religions and historical ties are all basic factors which work against an Asian Common Market organization much less a regional security pact.

Indonesia and its future portend a formidable set of problems for the U.S. As a counter to growing Chinese power, one can make an appealing but purely academic case of a greater Malaysia made up of Malaysia, The Philippines and Indonesia, but even this notion must await the abatement of Indonesian hostility to the West and to some of her neighbors. We have no alternative for the present, therefore, but to support those states threatened by her policies and to stand ready to assist Commonwealth guarantees when it is clear that our assistance is actually needed. Above all, Malaysia requires time to consolidate her political base and to integrate the disparate political forces that still threaten to split the country.

As for possible Malaysian membership in SEATO or ANZUS, it is evident at this juncture that such a move would not add strength to either alliance nor would it in any way increase the security of Malaysia, as long as Commonwealth guarantees of assistance exist. Moreover, Malaysian leaders do not wish to jeopardize their current efforts to gain a more respectable place in the Afro-Asian world by moving closer to any former colonial powers.

Some responsible observers in the area believe that we should avoid any formalized security arrangements above and beyond those we already have, but should, rather, rely on a less costly and more flexible series of informal agreements. The patent disadvantages of this suggestion are that such informal agreements would lack adequate psychological impact in

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in the countries involved and would fail to come through to the Communists as a commitment with credibility. However, statements like the Rusk-Thanas Communiqué of 1962 should not be underestimated as vehicles for clarifying commitments in times of crisis. Finally, until an effective regional security system is formed, until Japan and India can take their places in such an alignment, the U.S. should pursue its present "forward strategy" making it abundantly clear to all Communist powers in the area that the price of aggression will be too high to justify the conceivable gains. The critical key to getting this message across is the outcome of the conflict in Vietnam, and flowing from this, the future of Laos, Cambodia and Malaysia. We cannot hope to stimulate the formation of a strong non-Communist Asian bloc unless we buy the time needed to allow the Japanese and Indians to face up to their responsibilities and to prove through our resistance to Communist aggression that we do not intend to retreat to a sea and island defensive perimeter.

With regard to increasingly hostile French policies in the area, the U.S. should not hesitate to take issue with France particularly in those problems which are likely to be viewed by our Asian allies as inimical to their own basic interests. Silence, or any attempt to accommodate French views, will only serve to cast doubts on the U.S. commitment to curb Communist aggression.

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VI - GENERAL COMMENTARY

China and the Bomb

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Whereas, already indicated above, it is difficult to be precise when describing the reaction of nations on the Chinese periphery to the CCNE's and all that they imply. It is equally difficult for them and for us, to estimate to what extent the Chinese themselves feel that their detonation of nuclear devices makes possible more aggressive action, particularly since U.S. conventional and nuclear interventions at least theoretically more likely sequels to Chinese actions. I share the feeling expressed by Morton Halperin in his recent book on the subject that CCNE is related primarily to defensive objectives - to power status and subtle threats - rather than to specific plans to expand by the use of nuclear force.⁶ Chinese actions after the first CCNE suggest that Peking is not likely to resort to explicit threats or overt blackmail. Rather they will try, over time, and in the light of further nuclear development, to remind the countries of Asia of the presence of a major military power with whom they must come to terms. In this manner, they hope to reinforce their conventional military power, which historically has not been often directly committed outside its borders, by enabling her to make implicit threats of military action against her neighbors while depending on political moves to bring these nations into her orbit. Burma and Cambodia are leaning strongly in the direction of that orbit already. Likewise, I agree with Halperin's conclusion that for the foreseeable future, there seems to be no situation in which the employment of nuclear weapons would actually be contemplated or even useful in expanding Chinese influence. Halperin

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and I part company when he asserts that in light of the above, for the next few years, until China acquires a militarily useful nuclear capability, there will probably be a hiatus in major foreign policy ventures on her part, thus providing the U.S. with an opportunity to deal with the problems created by the CCNE's and those that will arise when Chinese nuclear weapons threaten her Asian neighbors. This is much too sweeping a judgment and begs the one important consideration of rationality on the Chinese side, in which I place much less faith than Halperin.

In forming multilateral alliances like SEATO or signing the various bilateral defense agreements in the Far East, the U.S. did not distinguish between China and Russia on the premise that the threat from the two countries was a single one, the response to which could be summed up as "opposing international communism". Clearly this is no longer the case. In Asia in fact the U.S. may begin to find itself more and more tacitly allied with the Soviet Union against Chinese aggression, not because they are not prepared to become deeply involved in Chinese ventures which serve Chinese national interests more than Western Communist or Soviet interests. It is important to observe that the U.S. may well find that with the passage of time, Asian countries are willing to accept American assistance while at the same time remaining on good terms with the Soviet Union and in fact receiving assistance from the latter. It is important that the U.S. recognize this possibility and be prepared to accommodate it in its continuing analysis of its security relationships with the various non-Communist Asian countries. The best case in point with regard to the latter, is the fact that India has in fact maintained a kind of non alignment in the Soviet-American conflict while accepting

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large quantities of aid from both to meet the threat from China. The U.S. may find that it has no choice but to accept this kind of ambiguity in the Cold War and to seize whatever advantage she can from tacit alignment with the Soviet Union. The term "tacit alignment" as I understand it should not be interpreted under any circumstances as a hard and fast conclusion that the Soviets, acting out of national interest and out of conflict with the Chinese, will necessarily ignore a belated Chinese request for assistance should she come into direct confrontation with the U.S. in the Far East. Another serious psychological problem growing out of a policy of exploiting non-alignment instead of opposing it, as we have, is seen in the complication of the moral issues of the Cold War, difficulties with the U.S. Congress and public opinion and an enhancement of Soviet prestige and influence in Asia. The advantage of such exploitation on the other hand is that it might be possible, as has been the case in India, of constructive parallel Soviet and U.S. arrangements to guarantee the countries on the border of China against Chinese military action. The rationale for this would be based primarily, if not exclusively, on the fact that many Asian countries are still very much determined to remain neutral in the Soviet-U.S. conflict, but at the same time recognize that they face a real threat of aggression from China and her Communist allies. It almost goes without saying that the U.S. would have to deal with the particular military threat that exists on a country-by-country basis. The implications of the above thesis evolve from the idea that the U.S. must be prepared to adapt itself to basic changes in both tactics and strategy in preparing its security arrangements in the Far East, particularly with regard to the matter of non-alignment and the Soviet presence

in the countries on the periphery of China. Positive common cause with the Soviets is not the point at issue in this instance but rather a willingness to consider at least in our planning for security alliances and in maintaining those we have already, the possibilities of exploiting, on a country by country basis, and as other regional security concerns allow, the very basic desire of most Asian countries to remain non-aligned but at the same time to do something tangible about preparing their defenses against the Chinese.

One important aftermath of the CCNE's is seen in the fact that if for whatever reason there is a U.S. retrenchment in the Far East, it is vital that it not appear to come in reaction to the CCNE or to a modest development of a Chinese nuclear capability. The grave consequences of a U.S. withdrawal from Vietnam would be far more grave now than a year ago. Even the matter of routine troop rotation in those areas of the Far East where we maintain them is now a much more sensitive political problem than before due to the implications of such moves for a particularly edgy regime or an uninformed public opinion in those countries.

Japan

The difficulty of developing a nuclear capability and the difference between a mere nuclear device and an effective military delivery system are already widely appreciated in Asia. Perhaps the greatest sophistication on this score is to be found in Japan. Among all but a few knowledgeable Japanese there seems to have a general concensus on the undesirability of a Japanese nuclear program and an understanding of the problems the Chinese will face in developing a national nuclear force and which would also

face Japan. Both the left wing political groups and in the right wing ruling Conservative Party as well as in academic and journalistic circles there is considerable familiarity with these problems. The possibility of a CCNE has been discussed for several years and the dominant theme of these discussions was precisely this distinction between a mere detonation and a serious military capability. There is no need therefore for American educational efforts on the technical realities of nuclear production, but rather a continuing need to educate the Japanese to the political implication as we see them.

In the next year or two, or perhaps somewhat longer, we will be faced with the problem of giving effective assurances to the Japanese concerning our joint ability to defend Japan against primitive Chinese delivery systems. This in turn may well raise once again the development of an effective air defense system on Japanese territory and with it the thorny question of the stationing of U.S. nuclear weapons in Japanese territory. Any government accepting such weapons on Japanese soil would automatically bring down upon itself bitter and widespread opposition, and imperil the Japanese-American alliance. It is questionable whether the U.S. should even try to persuade them to do so at this time. Whether we did or not would depend on the results of a technical military survey, not in the purview of these brief comments, concerning our ability to defend Japan with nuclear weapons necessarily brought in from outside. This question may well develop some heat in the next year or two, despite the political obstacles involved, and certainly has a direct bearing on our security planning for Japan.

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India

In India as well there is a comprehension of the realities of nuclear weapon production. That, in a technological sense, a nuclear option is open to India is recognized both there and here, but at least before the first CCNE it was unattractive politically and economically. To India it remains even more unattractive after the confrontation with China at the border. We have, as a later assurance of this, Shastri's own statement reiterating this view, made after Nehru's death and in the context of Indian condemnation of the CCNE in October, 1964.

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