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A Critique of US Security Agreements in the Far East

by

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PREFACE

In view of the passage of time since the formalization of our principal security agreements in the Far East, such as SEATO, ANZUS, and our bilateral agreement with Japan, and in light of the growing power of Communist China, the temptation to subject these agreements to critical analysis is irresistible.

This review is based upon several key assumptions and covers the period 1965-71. The several assumptions are:

1. General war, or a war involving a direct and massive conflict with Communist China on the mainland of Asia, will not occur during this period of time.
2. On the other hand, the Communist threat to the independence of the non-Communist states in the area will remain serious, regardless of the intensity of the Sino-Soviet conflict, and China, in particular will strive to remove or otherwise nullify US power and influence in the area.
3. The US either will find a satisfactory political settlement of the Vietnamese problem or will continue to provide assistance at levels necessary to prevent Communist domination of the major population centers in South Vietnam or Laos.
4. The US will continue to protect and support South Korea and The Republic of China to whatever extent may be necessary to deter large-scale Communist attack or internal as well as external.
5. Japan will continue to prosper and will evidence more interest in promoting peace and stability in Asia. Also, growing Japanese nationalism will create an atmosphere more conducive to a greater defense effort; though it cannot be assumed that Japan will attempt to match the Chicom military effort.

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6. There will be no settlement of the major issues dividing India and Pakistan, and both will intensify their efforts to achieve a more advantageous balance of military power vis-a-vis the other and, in the case of India, against the Chinese Communists.

7. Indonesia, while remaining basically hostile to the West and to Malaysia, will refrain from large-scale military attacks against Malaysia as long as Commonwealth forces remain in strength and US intervention cannot be ruled out; and

8. The Sino-Soviet schism will continue in such intensity as to cause serious doubts in the minds of the Chinese leadership regarding the willingness of the Russians to honor their defense commitments to China in the event of US attacks against the mainland. However, it is likely that Chinese military capabilities will continue to grow relative to those of her principal Oriental neighbors, unless Japan and India acquire major operational nuclear forces.

Methodology

This examination of the efficacy of the main security arrangements, upon which much of our "forward strategy" in the Western Pacific and southeast Asia rests, prompted a fellow student and me to make an extensive trip abroad. During this trip we conducted numerous "off the record" interviews with key US and foreign officials and observers of the Asian scene in Hawaii, Tokyo, Manila, Taipei, Hong Kong, Kuala Lumpur, Singapore, Bangkok, Paris and London. We did not attempt to visit all these places together nor duplicate coverage of officials and literature available in Washington.

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This paper in no way represents a serious academic thesis. Rather, it is based mainly upon informal discussions with knowledgeable officials here and abroad and impressions brought back from our visit to the area.

While there is some excellent literature on the subject, most of it is either too general or old to be of direct relevance to the analysis attempted herein.

Following the chapter entitled "Summary of Findings and Conclusions" are several separate chapters covering my visit to Japan and to those places not covered by my colleague, Mr. Bavis. In general, I share his findings and conclusions on the Republic of China, Hong Kong and South Korea. Consequently, I have not attempted to write separate chapters on these countries. I also share his principal points on the significance of the Chicom nuclear tests.

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SUMMARY

Our examination of the current value of the several security agreements in the Far East to which the US is a party, such as SEATO and our bilateral security treaty with Japan, led us to the following principal observations and conclusions:

1. There is an alarming lack of unity among the major Western powers and their chief allies in Asia as the fundamental nature of the threat to the free nations of Asia posed by the Chinese Communists and their satellites. Consequently, a general consensus strong enough to support a more comprehensive or better integrated system of collective security is presently lacking. For example, some of our chief allies in the area, such as the UK and Pakistan, are more preoccupied with the threatening policies of certain non-Communist states than they are over the Chicom threat to Taiwan or Communist activities in southeast Asia. As a result, Pakistan, which was at one time regarded as one of the main bulwarks against Communism in Asia, can no longer be counted upon to honor her treaty commitments or to cooperate in measures aimed at increasing the resistance of her Asian allies in SEATO or Malaysia to Communist pressures.

2. Except for a few bitter memories over the unwillingness of certain members of SEATO to back a strong stand against further Communist moves in Southeast Asia, there is little sentiment among the parties to these agreements for any radical change in the present structure of US sponsored alliances in the region. ANZUS is still valued highly by Australia and New Zealand.

3. Our bilateral security agreements with Japan, South Korea, the Republic of China, and the Philippines are still of positive value to both parties, and will remain so as long as the US adheres to a "forward" policy in Asia and the others are unable to insure their own security -- not to mention internal stability -- without a strong US commitment to their security. However,

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these accords should be subjected to a thorough re-examination when and if a broader security framework among free Asian states is realized.

4. The main defects of our present arrangements -- excepting ANZUS -- are that they were designed primarily to cope with conventional attacks from one of the Communist powers in the area; they are vulnerable to internal political upheavals of extreme nationalist agitation, and even when they are all put together under a single lid they fail to present a would-be aggressor with as formidable front as does NATO in Europe. Vietnam, Laos and Malaysia are not the only critical gaps in the free Asian front -- the most serious potential weakness is probably Nationalist China.

5. Nonetheless, until Japan, or possibly India, adopts a more positive position towards regional cooperation and mutual security, any serious US attempt to create a more formidable system of collective security would probably be unproductive.

6. Short of such a development, and in the light of the assumptions contained in the Preface of this paper, only the US, backed by its ANZUS partners plus the UK, and possibly the USSR on certain issues, is in a position to cope with the multi-faceted Chicom threat to Free Asia. The others lack either the means or will to resist, or both, without considerable outside aid or threat to intervene. This crude fact of power politics makes the question of how best to organize or institutionalize our commitments to the defense of the area somewhat academic, perhaps for several years to come. In any case, we should strive to encourage those trends favorable to greater regional cooperation and a more significant Japanese role in the area. An important and perhaps crucial first step toward the latter would be the establishment of a compre-

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hensive US-Japan agreement covering the defense of the Home Islands and "related territories", which might provide an acceptable basis for the return of the Ryukyus to Japan. Failure to find a mutually acceptable solution to this issue will vastly compound our problems in the area.

7. The successful Chicom nuclear tests have apparently not yet caused any profuound changes in basic attitudes among those who inhabit the nations of Asia still free from Communist domination; nor are they likely to cause any immediate or perceptible alterations in the defense policies of these countries, except possibly in India where new thought is being given to acquiring an independent nuclear capability.

BACKGROUND FACTS and ANALYSIS

Japan

My major impressions following five days in Japan interviewing American and Japanese officials were the following.

Japanese leaders appear to be increasingly aware of the disadvantages of being dependent on the US for their national security.

Recent evidence of their uneasiness over this dependence was provided by their reaction to US attacks against North Vietnam during the visit of Mr. Rostow earlier this spring.

Underlying the Japanese disquiet over recent US policies in the area is the fear of being drawn into a major war not of their own choosing or liking. Conversely, some Japanese leaders are apparently concerned over the possibility that we will eventually become disenchanted with the "dirty war" in Vietnam and the financial burden of maintaining troops and bases in Korea and Japan, thus causing us to retreat to our island bases in the mid-Pacific.

It is also evident that the majority of Japan's leaders are less concerned over Communist China as a threat than are most Americans. Moreover, many Japanese feel that as Asians they are infinitely better qualified to assess and interpret Chinese capabilities and intentions and are thus more capable dealing with the Chinese than we.

Also, Japanese leaders appear to be less anxious to hold the line in Vietnam. They contend that additional counter measures against North Vietnam will only result in Hanoi becoming more subservient to Peking thus precluding the emergence of a "Titoist" Vietnam, which the Japanese believe is preferable to a larger war in Asia or to Chinese domination of Vietnam.

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Perhaps the largest cloud on the horizon of US-Japan relations concerns the Ryukyus. Most serious students of Japanese politics believe that the question of how and when Japan resumes full sovereignty over these islands will soon become the most important issue between our two nations. Increased US use of the bases on Okinawa as a result of additional deployments of US strength to southeast Asia only serves to exacerbate this issue. In any case, no Japanese conservative coalition can afford to decrease pressure on the US for a greater voice in the administration of these islands.

As for Japan's security policies, it is evident that the majority of politically conscious Japanese remain opposed to a significantly larger Japanese defense effort. Two reasons are usually cited for this negative view: there is an absence of general fear or acute concern over growing Chinese power, despite the two nuclear tests conducted by the Chicom, and the widespread belief in Japan that only the strategic might of the US can deter the USSR, or deal with it in the event of another major war in the areas. Also, there remain the deep psychological scars of WW II plus the fact that military life is hardly an attractive alternative in times of full-employment and economic boom. However, there are indications that the general public is taking a much more positive attitude toward the armed services and the need for more effective Self-Defense units.

Regarding Japanese reactions to Peking's nuclear weapons program, it is most difficult to make any predications with any substantial degree of confidence. The Japanese are doubtless both impressed and deeply disturbed by these events and by the prospect of the Chinese developing delivery systems capable of reaching the Home Islands. Moreover, these tests have stimulated new

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interest in a Japanese nuclear weapons program. Most observers feel, however, that as long as there is substantial confidence in the US deterrent and our willingness to defend Japan, it is unlikely that any moderate Japanese government would run the grave political risk of openly initiating a nuclear weapons program.

This view is challenged by some observers who contend that there are indications of a serious movement among some responsible circles in Japan towards a French type foreign policy -- the development of an independent nuclear force prior to 1970. The French position is particularly appealing to those "Asia Firsters" among the Japanese nationalists, that is to say those who advocate less dependence upon the US and less vulnerability to nuclear blackmail from China. US moves to cut military expenditures in Japan, in order to reduce our balance of payments deficit, also contribute to the arguments of those seeking greater self-reliance.

In any event, there are multiple signs that Japan's new leaders are giving much more serious thought to problems of national security and relations with the mainland.

Japan, with its tremendous economic resurgence and great industrial strength, is the only country in Asia capable of providing substantial new amounts of capital assistance to its less fortunate neighbors. Since discharging most of its WW II reparations obligations, the chief exception being South Korea, the share of Japan's GNP going to economic and technical assistance has declined. Although there are understandable reasons for Japan to refuse to provide military assistance directly to others, there is every reason to expect Japan to do significantly more in other areas of foreign assistance. Some

leading American and Japanese experts advocate Japan committing at least 2% of her GNP to a foreign aid program plus at least 2% for her own defense -- this would amount to almost double present levels in both categories.

Certainly Japan's importance in the region and its commensurate interest in preventing a total collapse in southeast Asia or a Communist victory in any part of the northeast, make it clear that the real question for responsible Japanese policy makers is where to extend additional aid rather than whether to do so.

Although it now appears that the main door to Japan-Korean rapprochement has been unlocked, there are no solid indications of Japan changing its strongly negative position regarding membership in a multilateral system of mutual security; e.g. a Northeast Asia Treaty Organization (NEATO) or an expanded SEATO or ANZUS.

For the present time, at least, there are simply no compelling incentives for Japan to abandon the comfortable and profitable position of being protected by the US, which provides her near optimum security at minimal costs.

However, as Japan acquires additional economic and political stature as an Asian power and comes to appreciate more acutely the threat of a powerful and aggressive China plus the advantages of being less dependent upon the power of a non-Asian state, we can expect Japan to either pursue a more independent course or to attempt to establish or lead a wider grouping of Asian powers.

Whether it would be to the long term interests of the US to foster such a trend is open to debate. I submit, however, that it is only a matter of a few years before we are faced with a series of real decisions as to whether or how best to aid Japan in gaining a position of leadership among the non-Communist nations of Asia-barring a major war.

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In sum, the short visit to Japan led me to the general conclusion that Japan is still groping for its proper place in the post WW II world, showing some nationalistic tendencies but still reluctant to utilize more fully its considerable resources and talent in the pursuit of Japan's basic long term security interests in the region. Nonetheless, there are increasing signs of Japanese willingness to take a more independent and forceful position on certain key issues relevant to their own survival or well-being. Let us hope that they will prove willing to accept a US initiative for greater mutual cooperation designed to achieve a more rational and equitable division of labor in the defense of northeast Asia and greater political and economic stability in the lesser-developed members of the region. US willingness to be forthcoming in offering such a partnership would be tantamount to inviting the rise of problems not entirely dissimilar to those we faced in the decade prior to Pearl Harbor.

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Republic of the Philippines

The Republic of the Philippines is one of the three Asian members of SEATO and is bound closely to the US through a mutual defense pact, similar to the ANZUS pact, which under Article IV-the heart of the treaty- asserts that "Each Party recognizes that an armed attack in the Pacific area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes". Subsequent to the signing of this treaty the US has on several occasions pledged to treat any attack on the Philippines as one on the USA. Thus, aside from our close historical ties with the Philippines, it is generally regarded as our chief ally in the Pacific and a prime candidate for charter membership in any new collective security arrangement in the area.

Our bilateral agreements with the Philippines also permit use of several military installations highly important to the projection of US power into southeast Asia and to Filipino confidence in our willingness and ability to defend their soil.

Despite this long and intimate association in the field of mutual security and assistance, there are several disturbing trends bearing upon the will or ability of the Filipinos to play a positive role in any scheme of collective defense.

Foremost among these is a pernicious malaise which seems to have infected the political, economic and psychological fabric of the society since the death of President Magsaysay. One alarming and measurable indication

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of this is the startling decline in real per capita income during the past few years. Related to this is the increase in lawlessness in the countryside and in unemployment and crime in the cities, plus a deterioration in the effectiveness of the armed forces and the Constabulary. There is no conclusive evidence that the Communists can be blamed for all or most of this deterioration or that they have gained significant new strength. But most well-informed observers fear that the worsening domestic situation will inevitably lead to their revival, particularly in Central Luzon and in the cities.

Also, the present administration's failure to follow through with promised reforms or to institute measures designed to cope with new problems adds significantly to growing apathy and despair among those elements in the society who are most dedicated to the defense of freedom and to social progress within a democratic framework.

On the foreign policy front, although Filipino leaders have reportedly become disenchanted with Indonesian policies and machinations, particularly in Manila and Mindanao, there is reportedly a growing sentiment for closer identity with the Afro-Asian world and less overt dependence upon the USA. Filipino leaders of both major parties, however, continue to pay homage to historical ties of friendship with the US and concede that their security is almost entirely dependent upon the US and its presence in the area.

Despite this realization and their desire for additional aid, particularly in the southern islands in response to what the Filipinos characterize as the "threat from the South", there are few indications that the Government plans to press hard for major reforms or intends to mobilize those resources required to make additional foreign aid worthwhile. In fact, the present,

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Filipino administration has not even succeeded in obtaining sufficient funds to maintain security forces at minimum levels of effectiveness. For example, well over 90% of the defense budget now goes for pay and allowances, leaving damaging gaps in other essential categories, such as maintenance of material, construction and fuel for training.

With regards to national security policies as noted above, Filipino politicians are attempting to ride two horses going in opposite directions. They wish to appear innocent of charges from extreme nationalists and leftists that the Philippines cannot hope to win a respectable place in the Afro-Asian world as long as it maintains close ties with its former colonial masters and tolerates US military bases on its territories. Yet, these same leaders have gained a new appreciation of the value of US military strength in the area as a result of the situation in Vietnam, the Chinese nuclear tests, and the growing menace of a Communist Indonesia.

In sum, the current and prospective situation in the former colony present US policy makers with a formidable array of baffling contradictions -- difficult to divorce from emotionalism based upon a long history in intimate association -- and potentially serious challenges to our vital national interests in the area. The Filipinos are an extremely talented people and are unquestionable capable of adding significantly to the collective defense of the region; for example, they could improve the quality of their military and quasi-military forces and contribute some of them to Vietnam. At present, however, they cannot be expected to make an effective contribution to the defense of their neighbors because of serious institutional, political and economic weaknesses at home. In fact, one gets the impression that we should be satisfied if they are able

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to somehow halt the spread of the malignancy now attacking the foundations of their democratic society -- let alone contribute significantly to the defense of freedom abroad.

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 Filipino contribution to such an effort. In the absence of strong incentives and reasonable prospects of success, we can expect the Filipinos to take a dim view of any new collective security arrangements calling for an extension of their obligations or attracting additional changes of "toadyism" to Uncle Sam.

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Thailand

In assessing Thailand as a member of SEATO or any new, more comprehensive organization of Asian states, one would do well to keep in mind the history of Thai foreign policy, especially since 1940.

Thai 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 to avoid being left once more at the mercy of an overpowering enemy, defenseless and minus strong allies. ^{1/}

Since 1945, Thailand's confidence in SEATO has been severely shaken on several occasions; the worst crisis occurred during late 1961 and 1962, when the Western powers opted to negotiate a compromise settlement of the Laotian crisis rather than widen the war in an attempt to achieve an acceptable partition of the country.

US reassurances of willingness to stand firmly by our SEATO commitments, regardless of the positions of other members, as expressed clearly in the Rusk-Thanat communique of March 1962, plus additional US assistance and several impressive demonstrations of US 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 US counteractions in Vietnam and adjacent territories and waters have inspired new confidence among those Thais most dedicated to collaboration with the West as a means of protecting Thailand

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from Communist aggression, whatever form it might take.

Since 1963, Thailand has proved to be one of the main supporters of US policies in southeast Asia, and contrary to the predictions of many Thai experts following the death of Prime Minister Sarit, has managed to avoid serious internal political crises and has gained in economic strength. The Thai government has also given priority attention to the dangerous situation which has been developing in the outlying provinces, particularly the northeast where there are large Lao and Vietnamese minorities.

Although the Thais have made measurable progress during the past several years and seem to have found new confidence in her chief ally and benefactor, the US, they remain unwilling to contribute 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 positions in the vulnerable border areas.

Few in positions of authority in Bangkok, Thai, or Americans, are willing to be quoted as to just how serious the situation is in the northeast or southern parts of the country, 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 in these remote areas. Nonetheless, insofar as the Government is attempting to improve the quality of its administration in these areas, one can afford to be more optimistic.

For the struggle for Thailand is still mainly political in nature; new roads or wells may improve living standards but will not necessarily cause their beneficiaries to cooperate with the Government or resist Communist blandishments. Nor is newer or fancier military equipment the answer to the

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type of challenge which must be met if Thailand is to become a society less vulnerable to revolutionary warfare of the 20th Century variety,

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 Communism in Southeast Asia. This is based largely upon their belief that the Thai elite lack a real sense of urgency or are otherwise reluctant to mobilize sufficient local 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- one more capable of defending against a well-planned and supported insurgency coupled with other forms of Communist revolutionary warfare.

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 conclusion after only a few hours of discussions with several officials, no matter how excellent/^{their} credentials may be. However, there seems to be general agreement that Thai attitudes would depend largely upon the affects they thought such a move would have upon the present US commitment to assist them in the event of attack.

In this regard, Thailand would probably be a constructive member of a more comprehensive alliance of Asian states only if she were convinced that membership in such an organization would not dilute the US commitment.

A similar attitude prevails regarding possible modifications of SEATO.

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Several years ago the Thais were calling for radical reforms designed to strengthen SEATO, such as expelling those members unwilling to take strong measures against Communists in Laos. Recently, however, the Thai position on this question has become less vocal, which doubtless reflects renewed confidence in US assurances and greater show of US determination in the area.

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

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Malaysia

This new entity suffers from a double dose of serious communal strife and strong hostility from a larger neighbor situated much too close for comfort. Whether it can survive these twin challenges depends greatly upon the ability and determination of the West to provide needed assistance and strong political commitments to its security.

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 activities of the British.

On the other hand, there are indications that some of the Malay leaders are having second thoughts about the value of Malaysia as the answer to the Chinese domination of the great city of Singapore. The new Borneo territories-Sabah and Sarawak- are proving more difficult to defend and assimilate than the Malay leaders anticipated. Although it is now evident that Sukarno has failed to frighten the Malaysians into capitulating to his demands and more people are beginning to realize that Indonesia lacks the power to win a decisive military victory, some key Malay leaders are said to be increasingly attracted to the idea of some form of union with their Malay brethren in Indonesia.

This sentiment is not only inspired by Malay apprehension over the growing power of the Chinese community in Malaysia but by the spectre of Chinese domination of all of southeast Asia.

The two successful Chinese nuclear tests have apparently not had significant affect upon the basic attitudes or loyalties among the overseas Chinese in Malaya, particularly the Straits Chinese in and around Singapore, largely because they are too preoccupied with commercial interests and local

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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 this country appears to represent an ideal candidate for membership in either SEATO or a new, wider Asian mutual security alignment. It is already a member of the British Commonwealth and plays host to some 50,000 Commonwealth troops, mostly British and Australian, some of whom are earmarked for possible SEATO use, plus some formidable military bases. Moreover, even the 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 either now or in the near future.

The chief among these reasons is that in its present condition Malaysia would be more of a liability than an asset. Its internal problems, mainly the serious conflict between the major ethnic groups making up the country, preclude any possibility of an effective Malaysian contribution to the security of others for some time to come.

Although most observers contacted felt that both of the major communal groups have too much at stake in the perpetuation of Malaysia to resort to open warfare or to demand some sort of partition, it is difficult to envisage the realization of any sort of durable political compromise as long as the Malay leaders remain dedicated to the proposition of restricting Chinese political power, represented by the People's Action Party (PAP), to the State of Singapore. Although it is true that most of the leading members of the

Chinese community are mainly concerned with profits rather than political rights, the great disparity between their energy and capabilities and those of most Malays is bound to increase the pressures on the already uneasy compromise between the two major communities.

Thus, short of a dictatorship of the Malay, backed by British power, and Malay occupation of Singapore, Malay leaders will probably be forced eventually to accept the basic contention of the able and popular leader of the PAP, Lee Kuan Yew, that Malaysia will survive only if a federal coalition between the two major parties is allowed to govern. 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 those beholden to Peking or the more militant left.

There is no apparent discord over the major lines of Malaysian foreign policy, since the leaders of both major ethnic communities favor containment of Chinese power in Asia, continued ties with the West, and resistance to Sukarno's policy of "confrontation", although there are a few Malay leaders who would seek a compromise with Sukarno if such would strengthen their political position and that of the Malay community vis-s-vis the PAP.

Not even US air raids against North Vietnam have aroused more than desultory sniping from responsible Malaysian leaders -- Chinese or Malay. Lee Kuan Yew has publicly backed US aid to South Vietnam and at a recent congress of Asian Socialist parties in Bombay called for a greater show of Western unity in the defense of non-Communist Asia.^{2/}

On the other hand, Malay leaders are even more resolute than the Filipinos to gain a respected position among the newly independent Afro-Asian

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states. They are most reluctant, therefore, to take any steps which might either highlight or expand their involvement with the Western "colonial" powers.

However, this does not mean that Malay leaders would reject a bid to join a comprehensive alliance of Free Asian states, even if Japan were one of its founders. But, they probably would refuse to accept any bids from either SEATO or ANZUS on the grounds that Malaysian membership in any regional group dominated by the Western powers would compromise their campaign to gain a respected place among the Afro-Asian states, particularly their chances of being invited to the next major conference of these nations, presently scheduled for Algeria.

While it would probably be unwise for the US to do any more than we have to insure the survival of Malaysia, it would surely not be in our best interests to allow it to be torn by a major civil war or coerced into joining either the Indonesian or Chinese camps - if one can make a meaningful distinction between them.

In any event, depending upon developments in Vietnam and Japan, it would probably not be too early to formulate plans to encourage Malaysian membership in a new organization of non-Communist Asian states dedicated to economic cooperation and collective defense. Membership in such a grouping would assist small nations like Malaysia and would certainly have greater political appeal than any of the existing alliances or, in the long run, upon continued dependence upon the UK, a former colonial master.

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CONCLUSIONS AND RECOMMENDATIONS

In considering our present security agreements in the Far East and possible alternatives to them, one must come to terms with the basic fact that aside from geography there is really relatively little in common between many of the nations sharing this vast section of the earth. Except for Japan, intra-regional trade is of marginal importance to most of the economies of the area and there are sharp differences -- often openly hostile -- in basic national attitudes, religions, and ethnic backgrounds between the nations comprising the region.

This is somewhat mitigated by an almost universal hostility towards or fear of the Chinese, which is somewhat balanced by animosity toward or lack of understanding of the Western world, particularly among those who live in former colonial territories.

Against the background of these two generalizations, the following specific impressions and conclusions emerged from our collective labors:

1. There is an alarming lack of consensus among government officials -- American and foreign -- as well as area experts regarding the nature of the threat to the integrity of those nations in Asia not suffering from Communist domination. Consequently, there is no little disagreement over what should be done to promote their security and welfare;
2. In particular, the contrast between Western unity on Berlin and the Chinese or Indonesian threats to their neighbors is both startling and disturbing, particularly to those in Asia most concerned about the Chinese threat.
3. India and Japan represent the only potential counterweights in the area to Chicom power; yet, at this time, neither are willing to participate in any regional security arrangements designed to limit or deter Communist China

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or her allies in Asia -- nor are either yet capable of contributing significantly to the defense of adjacent areas crucial to their own security;

4. The degree to which the Chicom nuclear explosions affected basic attitudes in the non-Communist countries of the area defies precise measurement. About all that we could ascertain with any degree of confidence was that these facts stimulated a great deal of national pride among the overseas Chinese and grudging admiration mixed with revulsion among many non-Communist leaders and intellectuals in Japan and southeast Asia. Apparently the impact of these events has not significantly affected the basic political attitudes of any appreciable number of the more sophisticated citizens of the area; for example, leaders of Chinese communities in Thailand and Malaysia are not yet convinced that the time has come to shift towards Peking.

However, a Communist victory in Vietnam or their complete subjugation of Laos would have a decidedly profound effect on basic political attitudes of all major ethnic groups.

5. Japan poses a classic dilemma in foreign policy, much of it out making. It has tremendous potential as a first-rate power in the region but shows no immediate promise of assuming a role more commensurate with this potential in the near future. There are, however, several indications that some Japanese leaders are attracted to the idea of Japan becoming the France of the Far East -- less dependent upon the US and in a better position to influence or counter Chinese policies. This tendency is encouraged by basic differences between Japanese views and the US position regarding the nature of modern China and its leaders and differing assessments of the Vietnamese problem. It is also aided by uncertainties over US military dispositions in the Home Islands.

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which are subject to change due to efforts to reduce the "flow of gold", and by continued friction over the administration of the Ryukyus.

6. Certain of our formal security agreements, mainly SEATO, designed to deter Communist aggression and provide a basis for strengthening the capabilities of the free Asian states to cope with internal threats, suffer from several noteworthy defects:

a. they are not structured to deal effectively with the main threat posed to several of the key states in the area -- Communist political warfare, commonly characterized as subversion or insurgency. They is particularly true of SEATO, whose founding fathers were preoccupied with the threat of a Korean style of Communist aggression;

b. SEATO contains members who are either directly opposed to positive defensive measures against Communist China or its allies or who are unwilling to contribute significantly to a collective effort in behalf of those under direct pressure;

c. US bilateral agreements with South Korea and the Republic of China are invaluable to the preservation of the independence of these nations and provide a clear and legal basis for the projection of important elements of US military power into the area. However, these arrangements are vulnerable to internal political upheavals and to nuclear blackmail, once Communist China obtains an operational nuclear strike force of respectable proportions;

d. The US bilateral with Japan also shares some of these vulnerabilities. Moreover, it fails to evoke a Japanese defense effort in any way commensurate with her potential or to her own vital stake in the security of adjacent areas;

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e. perhaps the greatest inherent weakness of the present set of arrangements in the area is their failure to present a common front of nations determined to protect their freedom and capable of countering Chinese imperialism in related areas. For example, neither Burma nor India has indicated willingness to aid the other -- even in the United Nations -- should the other be once again subject to Chinese aggression. Even Thailand is reluctant to become directly involved in the defense of South Vietnam on the grounds that it is already pre-occupied with more immediate threats. In addition, the US has insisted upon drawing a clear distinction within SEATO between Communist and other forms of aggression in the area. This position is particularly objectionable to Pakistan, the UK and Malaysia, who are primarily concerned with aggression or threats from non-Communist nations in the area.

7. Such inconsistencies and weaknesses present a general picture of disunity and disorganization among leading Western and non-Communist Asian powers. Lack of a high degree of unity in the face of the mounting threat to the independence of South Vietnam illustrates this weakness only too well.

8. In contrast to SEATO, however, ANZUS appears to have withstood the test of time admirably. Any modifications of this treaty, short of strengthening the US commitment, would either be superfluous or damaging to our close relations with New Zealand and Australia;

9. Although France could play a significant role in promoting collective security in Asia, it is highly unlikely to abandon its present "independent" line, even if de Gaulle should pass on. Critical French attitudes towards US-UK policies in the area can be largely attributed to past frustrations and wounds, a distorted set of ideas regarding France's historic role and power in Asia, and

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to an appraisal of Chinese power and policy greatly at variance with US views.

10. The UK, on the other hand, shows a greater understanding, if not qualified sympathy, for our firm support of South Vietnam and the Republic of China. On the Malaysian front, there are some indications that the British are becoming increasingly restive under the added burdens of defending and aiding this small creature of British diplomacy. They would no doubt welcome a greater US contribution to the security and well-being of Malaysia. Some British officials show apprehension over our continued support of the Chiang regime and some are opposed to the idea of Japan regaining its relative power position in the region, although these same officials express doubt over the value of such Western bastions as Singapore in the face of rising Asian nationalism.

11. On the issue of nuclear proliferation, even an unconditional US or UK commitment of immediate and massive counter-attack in the event of a Communist attack against Indian or Japanese cities would probably not be sufficient to deter either country from acquiring nuclear weapons during the next five - ten years. Japan may be slower in developing an independent force, due to strong political - psychological factors rooted in WW II, but will probably do so unless the Socialists gain power or an effective international control agreement is accepted by all major powers, including Communist China.

Recommendations

In light of the above and in the furtherance of vital US and other Free World interests in Asia, the US should:

1. attempt to forge a new and more durable set of relations with Japan, particularly in the key areas of trade, economic cooperation and mutual security. Specifically, we should work to insure that Japan is able to find adequate markets in the Free World in order that Economic factors inimical to

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political stability and cooperation with the Free World are held in check. As long as Japan continues to enjoy economic growth we should intensify our efforts to get them to devote a more significant share of their GNP to economic and technical assistance to those of its free Asian neighbors most in need of such assistance.

In addition, we should offer Japan a partnership in the task of defending the Western Pacific area, including the Philippines. Such a relationship should be predicated upon a much larger Japanese defense effort in those areas judged most complementary to US strategic strength, such as the sea and air defenses of the Home Islands and the approaches to South Korea and the Ryukyus.

Part of such an agreement should deal with the future of the Ryukyus. One solution deserving attention is that these islands should revert to full Japanese sovereignty as soon as a satisfactory mutual defense arrangement covering the Western Pacific region is ratified by both governments.

Nothing short of full and complete accord on the vital question of mutual security will either relieve the present burden carried by the US in the defense of Japan or insure a positive Japanese reaction in the time of great crisis, such as a renewed Communist attack on South Korea or Taiwan. The alternatives are a drastic reduction of US reliance on its forward bases in Japan or a continued dependence on a weak and uncertain ally.

2. If Japan indicates willingness to play a more positive and beneficial role in Asian affairs, the US should encourage the formation of a regional association of free Asian states committed to non-aggression, economic development of the region, and collective security against all forms of external

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aggression. The membership of Thailand, Australia and New Zealand in such an association would provide a direct link to US-UK security guarantees, or the "White Powers" could make it clear that they intend to react should this organization or any of its members states request assistance against an aggressor. Such an organization would render SEATO redundant but should not be represented as its successor. Rather, it should be presented as a truly representative organ of those nations in Asia willing to join with others in the achievement of greater prosperity and security. Not all non-Communist Asian states would wish to join such as association at this time, e.g. Cambodia or Indonesia, and others should probably not be included initially.

3. An alternative to this concept would be a strengthened SEATO, perhaps by expelling France and Pakistan and substituting Japan and Malaysia. Such a revision, however, hardly seems feasible or desirable at this time. In any case, any serious attempt to reorganize and revitalize SEATO would hardly be worth the effort, unless one were reasonably sure of gaining India or Japan and of winning Congressional approval of a more definitive US commitment to act in the event of aggression from any quarter.

4. As for possible Malaysian membership in either SEATO or ANZUS, it is fairly evident at this juncture that such a move would neither add strength to either alliance nor satisfy any urgent need, as long as several of the Commonwealth nations are willing to stand by their commitments to support and defend this new nation. Moreover, the leaders of Malaysia are not willing to jeopardize their current efforts to gain a respectable place in the Afro-Asian world by moving closer to any former colonial powers, such as the US.

5. Indonesia presents a particularly formidable set of problems. As

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a counter to growing Chinese strength one can make an appealing case for the creation of a "Greater Malaysia", which can hardly mean anything but an expanded and stronger Indonesia. However, it appears likely that the Communist Party of Indonesia, the PKI, will soon completely dominate the political stage on Java, at least, and that Indonesia may cease to exist as a unified state or otherwise disqualify itself for leadership of such a confederation. Consequently, until such time as Indonesia adopts a less hostile attitude towards the West and those allied with Western powers, it would be prudent to increase the strength of those Asian states threatened by her irrational policies.

6. Some responsible students of the area believe that rather than attempt to create a NATO type organization in the area, it would be more practical and less costly to encourage the spread of informal or tacit agreements between those sharing mutual security problems. Aside from the chance that one of the parties to such an agreement might not choose to honor it during a crisis, this form of assurance fails to produce much of a psychological effect upon either friend or foe. Moreover, it generally fails to produce the sinews needed during the first phases of conflict, such as agreed war plans, and tends to increase the temptation of the potential aggressor to follow a policy of divide and conquer.

However, unilateral assurances such as the kind the US extended to Thailand in March 1962 -- the Rusk-Thanat Communique -- can be extremely valuable complements to more general defense commitments, judged by one party or the other to be either inoperative or inadequate in the face of certain contingencies. Nonetheless, any strengthening of bilateral ties or understandings should not be viewed as necessarily incompatible with the development of a more effective

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regional association of Asian states who are determined to resist Communist pressures.

7. Until an effective regional security system is formed, or until Japan and India gain significant strength relative to the Chicom, the US should continue to pursue its "forward strategy" in the area, making it abundantly clear to all that the price of aggression would far exceed any conceivable gains. The key to our ability to insure the credibility of this policy is the outcome of the struggle in Vietnam and the future of Laos and Malaysia. Moreover, we cannot hope to stimulate the formation of a respectable bloc of non-Communist Asian powers unless they are given sufficient time to develop a more realistic appraisal of the power-equation in the Far East and come to appreciate the advantages of collective action.

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FOOTNOTES

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